

**Course No. COM - 103**  
**Cost and Management Accounting**  
**Marks - 80**

**Block - I : Cost accountancy, Activity Based Costing and Cost Reduction.**

**Unit - I : Cost Accountancy**

Objectives, Introduction, Definition of Cost, Costing and Cost Accounting; Nature of Cost Accounting, Objective of Cost accounting, Importance of Cost Accounting, Evolution of Cost Accounting System and Cost Concepts.

**Unit - II : Activity Based Costing**

Objectives, Weaknesses of Conventional Costing, Meaning of Activity Based Costing, Stages and Flow of Costs in Activity Based Costing, Cost Analysis under Activity Based Costing, Differences between Activity Based Costing and Conventional Costing, Scope of Activity Based Costing, Benefits and Limitations of Activity Based Costing, Installation of Activity Based Costing.

**Unit - III : Cost Reduction**

Objectives, Meaning of Cost Reduction, Cost Control and Cost Reduction, Objectives of Cost Reduction, principles of Cost Reduction and Control, scope and Areas of Cost Control and Cost Reduction, Distinction between Cost Control and Cost Reduction, Techniques to Control and Reduce Costs, Advantages of Cost Reduction, Dangers of Cost Reduction Efforts, Cost Reduction-its Organization.

**Marks - 16**

## **Block - 2 : Operating Costing, Process Costing and reconciliation of Cost and Financial Accounts.**

### **Unit - I : Operating Costing**

Objectives, Concept of Operating Costing, Transport Costing- Objectives, Composition of Costs, Collection of Costs, Ascertainment of Costs, Illustration 1 to 5.

### **Unit - II : Process Costing**

Objectives, Process Costing, Introduction, Applicability of Process Costing, Essential Characteristics of Process Costing, Distinction between job Costing and Process Costing, General principles of Process Costing; Illustration - I.

Normal Process Loss : Illustration - 2, Abnormal Process Loss : Illustration-3, Abnormal Gain/Effectiveness : Illustration -4, Inter-Process Profits: Illustration-5.

By-product and its accounting treatment: illustration-6, Joint products and their accounting treatment : Illustration - 7.

### **Unit - III : Reconciliation of Cost and Financial Accounts.**

Objectives, Introduction, Objectives of Reconciliation, Need for Reconciliation, Reasons for disagreement between Cost Accounts and Financial Accounts, Differing Treatment of items, Effects of various items on profit, procedure of Reconciliation, Illustration-1 to 5.

**Block - 3 : Analysis and interpretation of accounts; Study of Financial Statements; Techniques of Financial Statement analysis.**

**Unit - I : Analysis and Interpretation of Accounts**

Objectives, Meaning of Financial statement analysis, Objectives of Financial Statement analysis, Interpretation of Financial statements, Practices interested in Financial statement Analysis.

**Unit - I : Analysis and Interpretation of Accounts.**

Objectives, Meaning of Financial Statement Analysis, Interpretation of Financial Statements, Parties interested in Financial Statements, Limitations of Financial Statement Analysis, Procedure for interpretation.

**Unit - II : Study of Financial Statements; Techniques of Financial Statement Analysis.**

Objectives, Techniques of Financial Statement Analysis-Horizontal Analysis, Vertical Analysis, Trend Analysis, Ratio-Analysis, Comparative Financial Statements, Common-size statements.

Marks : 16

**Block - 4 : Analysis and Interpretation of Financial data ; Ratio Analysis**

**Unit - I : Analysis and Interpretation of Financial Data**

Objectives, Meaning, Purposes and need for Ratio Analysis, Advantages of Ratio Analysis, Limitations of Ratio Analysis.

**Unit - II : Ratio Analysis**

Objectives, Different modes of expressing ratios, Balance Sheet Ratios, Revenue Statement Ratios, Composite Ratios.

**Functional or Purpose classification of Ratios-Liquidity Ratios, Leverage Ratios, Profitability Ratios, Activity Ratios.**

**Marks - 16**

**Block - 5 : Working Capital : Concept and Management;  
Projection of working Capital requirements.**

**Unit - I : Working Capital - Concept and Management**

Objectives, Meaning of Working Capital, Concepts of Working Capital, Importance of Working Capital, Factors affecting the amount of Working Capital, Classification of Working Capital, Working Capital cycle.

**Unit - II : Projection of Working Capital requirements; in case of Trading Organisation - in case of Manufacturing Organisation.**

Objective, estimating Working Capital requirement - manufacturing concerns, Illustrations.

**Marks - 16.**