

MANGALORE UNIVERSITY
Department of Commerce

CMH457: ADVANCED COST ACCOUNTING

M.Com.

Work load: 3 hours lecture and 2 hours tutorial per week: total 4 credits

Learning Objectives:

- To provide the students with an in-depth knowledge of advanced approaches of Cost Accounting in order to enable them to apply costing methods and techniques so as to assist management in taking appropriate decisions

Course Outcomes:

1. Provides an understanding of the basic principles of advanced cost accounting and equips the students with the skills of application of cost accountings.

Unit -1: Inventory System: Turnover of Material: ABC Analysis; VED Analysis; JIT, Aims and Objectives of JIT, Methodology in Implementation of JIT, Impact of JIT on Production Price. JIT's Effect on Costing System. Material Requirement Planning (MRP-I), Aims, Methodology, **Methods of Operations**, Requirement for Implementation of MRP-I, MRP- I and Inventory Management. Zero Inventory system.

Unit -2: Process Costing: Comparison of Process Costing and Job Costing, Inter Process Profits, Work in Progress and Equivalent Production.

Unit -3: Marginal Costing and Break Even Analysis: – **Calculation and Interpretation of a Break-Even Point and Margin of Safety-Marginal Costing and CVP Analysis – Preparation of Various Breaks Even Charts.**

Unit -4: Standard Costing and variance analysis: – Concept of Standard Costs – Uses of Standard Product Costs- **Fixation of Standard Costs** – Material – Labour – Overhead, Profit and Sales **Variances Leading to Decision Making and Reporting.**

Unit -5: Managerial Decisions and Cost Accounting: Pricing, Accepting Special Offer, Profit Planning. Make or Buy Decision, Determining Key-Factor, Determining Sales- Mix, Determining Optimum Activity Level, Performance Evaluation, Alternatives Methods of Production, Cost Reduction & Cost Control.

References:-

- 1) B.S. Khanna, I.M. Pandey, G.K. Ahuja and M.N. Arora – Practical Costing, S.Chand and Company, Ltd., NewDelhi.
- 2) Baneerjee, Cost Accounting-Theory & Practice, Prentice Hall of India, N.Delhi.
- 3) Dr. S.N. Maheswari – Advanced Cost Accounting, Sultan Chand and Sons, NewDelhi.
- 4) Horngreen C.T.: Cost Accounting, Management Emphasis, Prentice Hall of India Pvt. Ltd, New Delhi.
- 5) Lal Jawahar.: Cost Accounting, Tata McGraw Hill, NewDelhi.
- 6) N.K. Prasad: Principles and Practice of Cost Accounting, Book Syndicate Pvt. Ltd.Calcutta

- 7 Prof. Subhas Jagtap : Practice in Advanced. Costing and Management, Accounting Niraii Prakashan,Pune
- 8 R.S.N. Pillai and V. Bagavathi – Cost Accounting, S. Chand and Company Ltd. NewDelhi.
- 9 Ravi M. Kishore : Advanced Cost Accounting and Cost Systems Taxmann, NewDelhi.
- 10 Ravi M. Kishore : Student's Guide to Cost Accounting Taxmann, NewDelhi
- 11 Reeve, James. M.: Readings and Issues in Cost Management, South western College Publishing,USA.
- 12 S.P. Iyengar, Cost Accounting – Sultan Chand & Sons New Delhi.
- 13 S.P. Jain & R.L. Narang – Advanced Cost Accounting, Kalyani Pubhshar,Ludhiana.
- 14 S.P. Iyengar : Cost Accounting Principles and Practice, Sultan Chand and Sons, NewDelhi

