

## **BB 503: COST AND MANAGEMENT ACCOUNTING**

### **Learning Objectives:**

- To provide the students with an in-depth knowledge of Cost & Management accounting. To make them competent to prepare and analyses accounting data.
- Apply it to a range of planning, control and decision-making situations.

### **UNIT I: INTRODUCTION TO COST AND MANAGEMENT ACCOUNTING:**

Introduction, Meaning, Objectives and Advantages of Cost Accounting, Management Accounting, Difference between Cost Accounting and Financial Accounting. Cost Concepts and Classifications. Tools and Techniques of Management Accounting.

### **UNIT II: MATERIAL CONTROL AND VALUATION OF MATERIAL ISSUE:**

Meaning of Material Control, Objectives and Need of Material Control, Techniques of Material control – EOQ, JIT, ABC (Simple Problems). Issue of Materials, Methods of Pricing of Material issues – FIFO, LIFO (Simple Problems).

### **UNIT III: MARGINAL COSTING:**

Concept of Marginal Costing, Assumptions & Limitations of Marginal Costing, Marginal Costing Equation, Profit Volume Ratio, Contribution, Break-Even Point, Margin of Safety (Simple Problems).

### **UNIT IV: STANDARD COSTING AND VARIANCE ANALYSIS:**

Standard Costing, Meaning and Need for Standard Costing, Variance Analysis, Classification of Variances. Introduction to Materials Cost and Labour Cost Variance. (Simple Problems).

### **UNIT V: CONTEMPORARY ACCOUNTING PRACTICES:**

Responsibility Accounting ,Meaning, Definition, Types of Responsibility Centers ,Product Life Cycle Costing, Target Costing, Competitor Accounting, Concept and Importance, Sources of Competitor Information, Competitive Pricing.

### **REFERENCE BOOKS:**

1. S.P. Jain and K. L. Narang, Cost Accounting, Principles and Methods, Kalyani Publishers, Jalandhar, 2008
2. Khan M.Y. and Jain P. K, — Management Accounting –Text , Problems and cases|, Tata Mc Graw Hill, New Delhi., 2010
3. Atkinson, A. Kaplan. RS. And Young S.M, G. Arun Kumar, — Manag Accounting||

**Learning Outcomes:**

- Apply cost accounting techniques in cost control and cost reduction prepare a stores ledger to manage materials
- Apply management accounting techniques in planning, control and decision-making situations
- Apply quantitative models for management planning and control