

COST ACCOUNTING (823)
Job Roles: - (Jr. Accountant)
CLASS XI- XII (SESSION 2019-2020)

1. COURSE OVERVIEW:

Cost Accounting today is a niche career for enthusiasts. For the beginners, it is the first step towards understanding the approach to managerial accounting that involves the cost, budget and profitability of numerous types of products, services and activities. Students should discover the challenges and identify themselves with a career that provides them with tremendous opportunities, both within the country and abroad.

Cost accounting is primarily used as a decision-making tool for individuals in charge of business operations. Managers use standardized methods to control cost in order to meet the desired level of profitability. Students learn about pricing, budgeting, and performance analysis to determine overall success based on predetermined objectives.

Courses in cost accounting may be offered alone or as part of undergraduate and graduate programs in accounting, management or business administration. Cost Accounting students would explore in these types of courses include

- Cost management
- Profit planning
- Cost variance analysis
- Budgeting and pricing
- Managerial accounting systems

Job opportunities for Cost Accounting students are excellent in India and the growth prospects are high as per the qualification of the learner. Once you complete a professional course in Cost Accounting, you will immediately be offered a high position in industrial units who earns the handsome package. Of course, your technical skills and basic communication skills do matter in this job process respect to product receiving, movement, storage and delivery. He needs to be physically fit to withstand working in a retail environment whilst being customer responsive towards service delivery.

2. OBJECTIVES OF THE COURSE:

The main Objective of Cost Accounting is to offer a career that offers opportunities to Commerce students; however, good analytical skills help a lot in this field. Thus, choosing Cost Accounting as a career is a wise option for those who are interested in growing fast in their careers and those who wish to get exposure to industrial accounting at an early stage itself. Students will be able to find opportunities in:

- Management of public & private sector enterprises
- Financial institutions
- All India Cost Accounts Service (ICAS)
- Teaching
- Consultancy
- Independent practice

Students will be able to Collect, organize internal and financial information for evaluating, critical analyses and regulating past and present financial performance for forecasting. They will be Monitor costs of raw materials, labour, transportation, administrative costs, overheads etc. in an industry. Students will learn to monitor performance and efficiency to locate and report on problems and also learn to prepare regular cost reports.

3. SALIENT FEATURES OF COST ACCOUNTING:

Cost Accountants are also known as Management Accountants. They collect and analyses all financial information for use by the management of the organization they work for. This Vocational subject really helps the students to understand how to collect, organize, and analyze internal and financial information for evaluating, critical analyses and regulating past and present financial performance and for making projections for the future. The students will be able to

- Monitor costs of raw materials, labour, transportation, administrative costs, overheads etc. in an industry.
- Analyze sales trends.
- Audit to assess company's past performance for giving advice on product pricing.
- Monitor performance and efficiency to locate and report various problems.
- Advise ways to bring economy by analyzing costs and implications of different production methods.
- Control the budget.
- Prepare regular cost reports.
- Help develop a competitive edge in products quality, customer service, brand image etc. for maximization of profits.
- May act as Cost accountant, Administrators, Appraisers, Secretarial Consultants, Tax Consultants, Advisors in company matters etc.
- Prepare feasibility studies of projects

Salary packages of students getting placed abroad are really huge and provide excellent scope for professional and personal growth.

4. Curriculum

This course is a planned sequence of instructions consisting of units meant for developing employability and skill competencies of students of Class XI and Class XII opting for the skill subject along with general education subjects.

Theory	60 marks
Practical	40 marks
Total Marks	100 marks

The unit-wise distribution of periods and marks for Class XI is as follows:

	Units	No. of Hours for Theory and Practical 200	Max. Marks
Part A	Employability Skills		
	Unit 1: Communication Skills – III	13	10
	Unit 2: Self-management Skills – III	7	
	Unit 3: Information and Communication Technology Skills- III	13	
	Unit 4: Entrepreneurial Skills- III	10	
	Unit 5: Green Skills – III	7	
	Total	50	10
Part B	Vocational Skills		
	Unit 1: General Principles	25	10
	Unit 2: Direct Materials.	30	10
	Unit 3: Direct Labour and Direct Expenses.	20	10
	Unit 4: Overheads General, Classification, Distribution and Control.	25	10
	Unit 5: Overheads Distribution	20	10
	Total	120	50
Part C	Practical Work	30	
	Project Report		30
	Viva based on Project		10
	Total	30	40
	Grand Total	200	100

Part B – Vocational Skills

COST ACCOUNTING

1. General Principles

- Meaning and Scope of Cost Accounting.
- Objectives of Cost Accounting.
- Cost Accounting Versus Financial Accounting.
- Importance of Cost Accounting.
- Objections to Cost Accounting.
- Elements of Cost.
- Components of Total Cost.
- Classification of Costs.
- Installation of a Costing System.
- Methods of Costing.
- Techniques of Costing.
- Systems of Costing.

2. Direct Materials

- Materials Control.
- Purchasing of Materials.
- Receiving of Materials.
- Inspection of Materials.
- Storage of Materials.
- Issuing of Materials.
- Maintenance of Inventory Records.
 - (i) Incoming Materials.
 - (ii) Outgoing Materials.

3. Direct Labour and Direct Expenses

- Direct and Indirect Labour.
- Control over Labour Costs.
- Personnel Department.
- Engineering and Works Study Department.
- Time-keeping Department.
- Pay-master's Department.
- Cost Accounting Department.
- Treatment of Holiday Pay, Idle Time, Overtime etc. in Cost Accounts.
- Labour Turnover.
- Direct Expenses.

4. Overheads - Control

- Classification of Overheads.
- Comments on Certain Items of
 - (i) Factory Overheads.
 - (ii) Office and Administrative Overheads.
 - (iii) Selling and Distribution Overheads.

5. Overheads - Distribution

- Overheads Distribution Stages.
- Distribution of Factory Overheads.
- Distribution of Office and Administration Overheads.
- Actual Versus Pre-Determined Overhead Rates.
- Over and Under-absorption of Overheads.

The unit-wise distribution of periods and marks for Class XII is as follows:

	Units	No. of Hours for Theory and Practical 200	Max. Marks
Part A	Employability Skills		
	Unit 1: Communication Skills - IV	13	10
	Unit 2: Self-management Skills - IV	7	
	Unit 3: Information and Communication Technology Skills- IV	13	
	Unit 4: Entrepreneurial Skills- IV	10	
	Unit 5: Green Skills - IV	7	
	Total	50	10
Part B	Vocational Skills		
	Unit 1: Single or Output Costing.	20	8
	Unit 2: Job Costing and Batch Costing.	20	8
	Unit 3: Contract Costing.	20	8
	Unit 4: Process Costing.	20	8
	Unit 5: Operating Costing or Service Costing.	20	8
	Unit 6: Reconciliation of Cost and Financial Accounts.	20	10
	Total	120	50
Part C	Practical Work	30	
	Project Report		30
	Viva based on Project		10
	Total	30	40
	Grand Total	200	100

Part B – Vocational Skills

1. Single or Output Costing

- Components of Cost for Output Costing.
- Cost Sheet.
- Production Account.
- Treatment of Stock and Scrap.

2. Job and Batch Costing

- Job Costing.
- Objectives.
- Procedure.
- Batch Costing.
- Nature and Use of Batch Costing.
- Determination of Economic Batch Quantity.

3. Contract Costing

- Specific aspects of Contract Costing.
- Profit on Incomplete Contracts.
- Profit on Completed Contracts.

4. Process Costing

- General Principles.
- Process Losses and Wastage.
- By-Products and Joint-Products.

5. Operating or Service Costing

- Meaning of Operating Costing.
- Determination of Unit of Cost.
- Transport Costing.
- Power House Costing.
- Canteen Costing.

6. Reconciliation of Cost and Financial Accounts

- Causes of Difference.
- Preparation of Reconciliation Statement or
- Memorandum Reconciliation Account.

5. LIST OF EQUIPMENT AND MATERIALS

The list given below is suggestive and exhaustive list should be prepared by the vocational teacher. Only basic tools, equipment and accessories should be procured by the institution so that the routine tasks can be performed by the students regularly for acquiring adequate practical experience.

Material required for Jr. Accountant

- 1) Different financial and cost records
- 2) Store ledgers
- 3) Vouchers
- 4) Reconciliation statements etc.

Teaching/Training Aids:

- 1) Computer
- 2) LCD Projector
- 3) Projection Screen
- 4) White/Black Board
- 5) Chart papers
- 6) You tube videos and recordings
- 7) Quiz
- 8) Practice Assignments

6. PRACTICAL GUIDELINES

A. Practical Guidelines of Class XI

1. MINIMUM PASS MARKS

The Minimum number of marks required to pass in each **subject is as per examination units** in the written papers and practical examination.

2. Marks for record, Viva, Project report etc., in respect of Senior Secondary School Curriculum OF School Certificate Examination:

Project Report should be based on Operating Costing or Service Costing of any organization viz., transport, hotel, canteen or any other service organization

Marks allotted for Project report, Viva Voice etc., should separately state in the answer book (if Answer-Books are used) and added to the marks given for other items. The projects and the practical records, duly punched should be returned to the students concerned immediately after evaluation.

3. Assessment of performance.

- The one examiner, **one internal only** assigned for the conduct and assessment of Practical Examinations each in Senior **Secondary School Curriculum** Question for the viva examinations should be conducted by the internal examiners. Question to be more of General nature, project work or the curriculum. Investigatory Project especially those that show considerable amount of effort and originality, on the part of the student, should get suitable high marks, while project of a routine or stereotyped nature should only receive MEDIOCRE marks.
- In the assessment and award of marks, follow strictly the marking Scheme which is given in the list of practical I.e. provided to the Examiners/Schools at the time of Examination.
- Every effort should be made to reach a consensus on the marks to be awarded to individual candidates. If a difference of one or two marks still persists even after discussion the average marks should be awarded.
- Marks awarded for Project / Practical activities, for viva, for project and for Practical files must be separately shown on the answer-book as the total.
- If irregularities are perceived by either examiner in the conduct of the Practical Examination these should be included in the examiner's report and should be sent to the Asstt. Secretary (A.B. Cell) within three days after the end of practical examination.
- Award lists should be signed by the examiner and kept for records.

1. Procedure for Assessment of practical project work in **COST ACCOUNTING**: (Total 40 marks)

For students of Grade 11, COST ACCOUNTING projects has been emerging as a very interesting but sometimes challenging. It enhances understandability, creativity and innovativeness. It also improves presentation and communication skills. Keeping this in

mind following guidelines have been framed to bring about uniformity and reward

creative skills among students. Students can prepare a Project Report on Operating Costing or Service Costing of any organization viz., transport, hotel, canteen or any other service organization on the basis of their understandability and class room knowledge. They may get the guidance from their respective teacher in order to boost their skill and knowledge. The Project should be the sole work of student.

The mark for the project report will be assessed by the subject teachers, through, a well-planned rubric, keeping in view the core content, quality of the project and Organization of data.

As students do not have an external examination teacher could follow similar pattern as enunciated for Grade 12.

To improve students' presentation skills, it is suggested that the students should be trained to present the final project. The concerned teacher and the students should visit to some Industry or service sector in order to understand knowhow of the business sector. Visiting to Industry or service sectors will enhance their knowledge and improve their skills & understanding.

Project Report– 30 marks

Students should make a project report file on the basis data collected of the above projects in the proper format. The marks can be allocated based on the quality of work done by the students as per the Curriculum.

Viva based on Project -10 marks

The teacher conducting the final practical examination should ask verbal questions related to the project. If no project has been assigned /made by the students, viva must be based on subject as per the Curriculum only.

PARAMETERS	MARKS
1) Prepare Project Report based on Operating Costing or Service Costing of any organization viz., transport, hotel, canteen or any other service organization.	30
Viva (Based on Curriculum)	10
Total	40

7. CAREER OPPORTUNITIES:

Students will acquire sound knowledge of concepts, procedures, and practices in the related field later they will be able to manage cost accounting procedures & methods. Students will be able to perform several tasks in respective field along with presentation skills. *There are plenty of career opportunities available in the field of:*

- Management
- Finance
- Cost controlling
- Auditing
- Consultancy

Students may choose their career as Cost and work accountant where plenty of job opportunities are available.

8. VERTICAL MOBILITY FOR BBA / B.COM IN UNIVERSITIES

At BBA/B.Com level, students may start their career as a business consultant/ Jr. Accountant/ Cost controller and they can reach at higher level over the period of time. “Once the student has completed the ICWA course, they can start up their career as a Cost Accountant”. For the career progression, following career options are available in cost accounting field:

- *Finance Director*
- *Managing Director*
- *Associate Professor*
- *Accountant*
- *Cost Controller*
- *Chief Auditor*
- *Cost Accountant*
- *Chief Accountant*
- *Chief Internal Auditor*
- *Financial Consultant*
- *Financial Controller*