

CBSE | DEPARTMENT OF SKILL EDUCATION CURRICULUM FOR SESSION 2022-2023 COST ACCOUNTING (SUBJECT CODE 823)

JOB ROLE: Jr. Accountant

Class XI & XII

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.

OBJECTIVES OF THE COURSE:

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.

In this course, followings are the main objectives of this course.

- 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

SALIENT FEATURES:

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.

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.

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 Practice Assignments
- 8) Different financial and cost records
- 9) Store ledgers
- 10) Vouchers
- 11) Reconciliation statements etc.

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:

- Finance Consultant
- Cost controlling Consultant
- Auditing Consultancy

VERTICAL MOBILITY:

After 12th grade in commerce, a student can opt for graduation in commerce and take as specialization at 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 CMA course, they can start up their career as a Cost and Management Accountant". For the career progression, following career options are available in cost accounting field:

COST ACCOUNTING XI (SUBJECT CODE 823)

Total Marks: 100 (Theory-60 + Practical-40)

	UNITS	NO. OF HOURS for Theory and Practical	MAX. MARKS for Theory and Practical
Part A	Employability Skills		
	Unit 1 : Communication Skills-III	13	2
	Unit 2 : Self-Management Skills- III	07	2
	Unit 3 : ICT Skills- III	13	2
	Unit 4 : Entrepreneurial Skills- III	10	2
	Unit 5 : Green Skills- III	07	2
	Total	50	10
Part B	Subject Specific 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		
	Project	60	10
	Viva		05
	Practical File		15
	Demonstration of skill competency via Lab Activities		10
	Total		60
	GRAND TOTAL	260	100

NOTE: The detailed Curriculum/ Topics to be covered under Part A: Employability Skills can be downloaded from CBSE website.

COST ACCOUNTING XII (SUBJECT CODE 823)

Total Marks: 100 (Theory-60 + Practical-40)

	UNITS	NO. OF HOURS for Theory and Practical	MAX. MARKS for Theory and Practical
Part A	Employability Skills		
	Unit 1 : Communication Skills-IV*	13	-
	Unit 2 : Self-Management Skills- IV	07	3
	Unit 3 : ICT Skills- IV	13	3
	Unit 4 : Entrepreneurial Skills- IV	10	4
	Unit 5 : Green Skills- IV*	07	-
	Total	50	10
Part B	Subject Specific Skills		
	Unit 1: Single or Output Costing.	20	08
	Unit 2: Job Costing and Batch Costing.	20	08
	Unit 3: Contract Costing.	20	08
	Unit 4: Process Costing.	20	08
	Unit 5: Operating Costing or Service Costing.	20	08
	Unit 6: Reconciliation of Cost and Financial Accounts.	20	10
	Total	120	50
Part C	Practical Work		
	Project	60	10
	Viva		05
	Practical File		15
	Demonstration of skill competency via Lab Activities		10
	Total		60
GRAND TOTAL		260	100

Note: * marked units are to be assessed through Internal Assessment Student Activities. They are not to be assessed in Theory Exams.

DETAILED CURRICULUM/TOPICS:

Part-A: EMPLOYABILITY SKILLS

S. No.	Units	Duration in Hours
1	Unit 1: Communication Skills-IV*	13
2	Unit 2: Self-management Skills-IV	07
3	Unit 3: Information and Communication Technology Skills-IV	13
4	Unit 4: Entrepreneurial Skills-IV	10
5	Unit 5: Green Skills-IV*	07
	TOTAL DURATION	50

Note: * marked units are to be assessed through Internal Assessment/ Student Activities. They are not to be assessed in Theory Exams.

The detailed Curriculum/ Topics to be covered under Part A: Employability Skills can be downloaded from CBSE website.

Part-B – SUBJECT SPECIFIC SKILLS

S. No.	Units	Duration in Hours
1	Unit 1: Single or Output Costing.	20
2	Unit 2: Job Costing and Batch Costing.	20
3	Unit 3: Contract Costing.	20
4	Unit 4: Process Costing.	20
5	Unit 5: Operating Costing or Service Costing.	20
6	Unit 6: Reconciliation of Cost and Financial Accounts.	20
	TOTAL DURATION	120

UNIT	SUB-UNIT	SESSION/ ACTIVITY/ PRACTICAL
1. Single or Output Costing	1.1 Basics of Single or Output Costing	Session 1.1: Discussing the concept and use of output costing, Key words related to session.
	1.2 Components of Cost and Treatment for Stock & Scrap	Activity: Visit any one Industrial unit using output costing to understand its applicability.
	1.3 Cost Sheet Approach for Output Costing	Session 1.2: Acquaint with the cost components and treatment for stock and scrap, Key words related to session.
	1.4 Production Account Approach for Output Costing	Activity: Visit the sugar manufacturing firm and learn about the various cost elements.
		Session 1.3: Introduction to cost sheet and its preparation, Key words related to session.
		Activity: Prepare a cost sheet for any single output manufacturing firm.
		Session 1.4: Discussion on production account and its preparation. Activity: Prepare the production account for any one of the manufacturing firm.
2. Job Costing and Batch Costing	2.1 Introduction to Job Costing	Session 2.1: Meaning of job Costing, Objectives of the job costing, Advantages of job costing, Limitations of job costing, Key words related to session.
	2.2 Job Costing Procedure	Activity: Conceptual Case discussion.
	2.3 Introduction, Nature and Uses of Batch Costing	Session 2.2: Procedure of Job Costing, Key words related to session.
		Activity: Preparation of the job cost sheet using industry data.
		Session 2.3: Concept of Batch costing and its objectives, Concept of Economic Batch Quantity, determine Economic Batch Quantity (EBQ); Key words related to session. Activity: Discussion of brief cases from industries in which batch costing is used.
3. Contract Costing	3.1 Introduction to Contract Costing	Session 3.1: Discussing the concept and use of Contract Costing, describe jobs and stages of Contract Costing, Key words related to session.
	3.2 Specific Aspects of Contract Costing	Activity: Visit any one job where contract costing is applied to understand its applicability.
	3.3 Treatment of Profits or Loss on Contracts Account*	Session 3.2: Acquaint with the expenses attributable to contract costing, familiarize with different aspects of contract plus costing, Key words related to session.
		Activity: Visit the construction firm and learn about the various elements of costs.

***Note:- To be assessed in Practical only. No question shall be asked from this portion in Theory Exams.**

UNIT	SUB-UNIT	SESSION/ ACTIVITY/ PRACTICAL
		<p>Session 3.3:</p> <ul style="list-style-type: none"> • Discuss the accounting treatment of incomplete contracts.* <p>Activity:</p> <ul style="list-style-type: none"> • Prepare a contract account for a construction company.*
<p>4. Process Costing</p>	<p>4.1 Meaning of Process Costing</p> <p>4.2 Process Costing Procedure</p> <p>4.3 By-products and Joint Products*</p>	<p>Session 4.1: Describe the concept and importance of Process Costing, Understand the type of industries where process costing is applied, Enumerating the basic difference between Job and Process Costing, Key words related to session.</p> <p>Activity: Visit anyone Industrial unit using process costing to understand its applicability.</p> <p>Session 4.2: Acquaint with the stages of process costing, Elucidate the meaning and treatment of losses, Discuss the treatment for normal and abnormal wastages, Key words related to session.</p> <p>Activity: Visit the paper manufacturing firm and learn about the various costs elements.</p> <p>Session 4.3:</p> <ul style="list-style-type: none"> • Meaning of Joint products and byproducts, Difference between joint products by products and coproducts, Accounting treatment of Joint products and by-products, Key words related to session.* <p>Activity: Prepare process accounts for the manufacturing of sugar.</p>

***Note:- To be assessed in Practical only. No question shall be asked from this portion in Theory Exams.**

UNIT	SUB-UNIT	SESSION/ ACTIVITY/ PRACTICAL
5. Operating Costing or Service Costing	5.1 Basics of Operating or Service Costing	Session 5.1: Discussing the concept and use of operating costing, Key words related to session. Activity: Visit any service undertaking using operating costing to understand its applicability and its cost unit.
	5.2 Transport Costing *	Session 5.2: <ul style="list-style-type: none"> • Costing for Transport Business, Cost heads under Transport Costing, Daily Log Sheets in Transport Costing, Key words related to session.* Activity: <ul style="list-style-type: none"> • Visit any transport company and understand the logsheets and cost units.*
	5.3 Power House and Canteen Costing*	Session 5.3: <ul style="list-style-type: none"> • Discussion on power house and canteen costing* Activity: <ul style="list-style-type: none"> • Prepare a canteen cost sheet for any one canteen of a school.*
6. Reconciliation of Cost and Financial Accounts	6.1 Meaning, Need and causes of Disagreement between Cost Accounts and Financial Accounts	Session 6.1: Meaning of reconciliation of cost and financial Accounts, Need of Reconciliation of Cost and Financial Accounts, Reasons of difference in two sets of books (Cost and financial), Key words related to session. Session 6.2: Methods of preparing reconciliation statement, Steps required for preparing reconciliation statement, Key words related to session, Procedure of preparing Memorandum Reconciliation Account.
	6.2 Methods of Reconciliation of Costing and Financial Profit	Activity: Collect data from the costing records and financial records of a manufacturing company for preparing reconciliation statement.

***Note:- To be assessed in practical only. No question shall be asked from this portion in Theory Exams.**

PRACTICAL GUIDELINES FOR CLASS XI

Assessment of performance:

The two internal examiners, assigned for the conduct and assessment of Practical Examinations each in Senior Secondary School Curriculum (Under NSQF). Question for the viva examinations should be conducted by both the 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.

Procedure for Record of Marks in the Practical answer-books:

The examiner will indicate separately marks of practical examination on the title page of the answer-books under the following heads:-

Project -10 marks

Projects for the final practical is given below .Student may be assigned

Viva based on Project -05 marks

The teacher conducting the final practical examination may ask verbal questions related to the project, if any, done by the student. Alternatively, if no project has been assigned to the students, viva may be based on questions of practical nature from the field of subject as per the Curriculum.

Practical File -15 Marks

Students to make a power point presentation / assignment / practical file / report. Instructor shall assign them any outlet to study the elements in cost accounting.

Suggested list of Practical –

1. Visit to a manufacturing unit. Identify the various types of costs incurred and classify them.
2. Visit to a hotel and identify the various types of services offered. Estimate the joint cost of operations and indicate the methods to allocate/apportion them.
3. Collect various types of utility bills like water, electricity and telecom. Classify the cost into variable, semi-variable and fixed.
4. Visit to a manufacturing concerns and collect the information regarding idle time and overtime of workers. How idle time and overtime are treated in cost accounts.
5. Visit to a manufacturing concerns and collect the information regarding labour turnover. How labour turnover is treated in cost accounts.

6. Visit to a manufacturing concerns and collect the information regarding material control. Identify the steps involved in material control.
7. Visit to a factory and collect the information regarding receiving of material. Identify the steps involved in receipt of material.
8. Visit to a Manufacturing concerns and collect the information regarding purchase of material. Identify the steps involved in purchase of material.
9. Visit to a Manufacturing concerns and collect the information regarding inspection of Materials. Identify the steps involved in inspection of material.
10. Visit to a Manufacturing concerns and collect the information regarding storage of materials. Identify the steps involved in storage of material.
11. Visit to a Manufacturing concerns and collect the information regarding issue of materials. Identify the steps involved in issue of material.

Demonstration of skill competency in Lab Activities -10 marks

Guidelines for Project Preparation:

The final project work should encompass chapters on:

- a) Introduction,
- b) Identification of core and advance issues,
- c) Learning and understanding and
- d) Observation during the project period.

PRACTICAL GUIDELINES FOR CLASS XII

Assessment of performance:

The two internal examiners, assigned for the conduct and assessment of Practical Examinations each in Secondary School Curriculum (Under NSQF). Question for the viva examinations should be conducted by both the 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.

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Practical File -15 Marks

Students to make a power point presentation / assignment / practical file / report. Instructor shall assign them any outlet to study the elements in cost accounting.

Suggested list of Practical –

1. Take five different types of manufactured products and classify the method of costing into job, process and batch.
2. Take example of a function held at your school which involved various participants from outside institutions. List out the cost heads like refreshments, reading material, banners,

batches, travelling expenses, memento etc. Classify the costs into marginal and fixed. Indicate how these costs would change if the no. of participants increase or decrease.

3. You are assigned a commercial contract whereby you have to purchase a computer, do some processing and print the reports. Identify the various types of cost elements and indicate their variability.
4. Visit to a Restaurant and collect the information in order to prepare a cost sheet.
5. Visit to a Beauty Salon and collect the cost information about any three services and prepare a cost sheet.
6. Visit to a pharmaceutical manufacturing unit and collect the information regarding cost incurred in a batch process.
7. In a manufacturing product or process, identify the variable, semi-variable and fixed costs. Draw the behavior of these costs for various levels of output.
8. In a service unit, identify the variable, semi-variable and fixed costs. Draw the behavior of these costs for various levels of activity.
9. Visit to a contractor site. Collect the information about the project under completion and identify various costs including direct material cost, work in progress and fixed cost.
10. Visit to a car/bike service station. Collect five job cards that may include repairs, replacements, cleaning and washing etc.. Identify the various types of costs and classify them.

Demonstration of skill competency in Lab Activities -10 marks

Guidelines for Project Preparation:

The final project work should encompass chapters on:

- a. Introduction,
- b. Identification of core and advance issues,
- c. Learning and understanding and
- d. Observation during the project period.