

Module I- Overview of Cost Accounting- Cost, Costing, Cost Accounting, Cost Accountancy, Scope of Cost Accounting, Objectives of Cost Accounting, Limitations of Cost Accounting, Art, Science and Practice. Cost Accounting System- Importance of Cost Accounting to Management, Workers, creditors, investors, government, general public, Advantages of Cost Accounting System, Essentials of a good Cost Accounting System, Reports provided by Cost Accounting Dept., Practical difficulty in installation of Costing System, suggestions to overcome practical difficulties. Comparison of Cost Accounting with other subjects- Cost Accounting and Financial Accounting, Cost Accounting and Management Accounting.

10 hours

Module II- Performance Measurement in Cost Accounting- Cost Unit, Composite Cost Unit, Cost object, Cost Centre, Profit Centre, Investment Centre. Costing Systems- Historical Costing, Absorption Costing, Direct Costing, Marginal Costing, Standard Costing, Uniform Costing. Cost Classification by Nature of Production Process-Batch Cost, Process Cost, Operation Cost, Operating Cost, Contract Cost, Joint Cost. Classification of Cost based on Behaviour- Variable Cost, fixed cost, semi-variable or semi- fixed cost, stepped costs, specific and common fixed cost, committed fixed cost, discretionary fixed cost, engineered cost, managed cost, capacity cost, programmed cost. Importance of Behaviour wise cost classification, cost control, decision making, marginal costing, flexible budgets, CVP analysis, direct costing.

10 hours

Module III- Process Costing- Features, Applications, Difference between Job Costing and Process Costing, Normal loss, abnormal loss, abnormal gain, inter process profits, equivalent production-FIFO, average method, weighted average method. Joint and By-Products-Difference between Joint products and co-products, features of Joint Products, accounting for joint costs- split-off point, joint costs. Accounting treatment-physical quantity method, average unit cost method, weighted average method, selling price method. Meaning of by-products, accounting treatment-Non-cost methods, cost methods, difference between Main product and Joint & By products, value, manufacturing objective.

20 hours

Module IV- Decision Making Tools-Absorption Costing-limitations of Absorption Costing, Marginal Costing-meaning, features, advantages/merits of Marginal Costing-limitations of marginal costing (Theory only), Throughput Accounting-concepts, throughput accounting and contribution approach, comparison of throughput costing and absorption costing, steps to be followed to increase throughput, problems faced in throughput accounting (theory and problems), Activity based costing-limitations of traditional costing system, definition, objectives, steps in ABC, limitations of ABC, Activity Based Budgeting, Activity Based Management, Difference between Activity Based Costing and Activity Based Management (problems in ABC). Transfer Pricing-Introduction, meaning, objectives of Inter Company Transfer Pricing, Methods of Transfer Pricing (Problems). Treatment of special expenses in Cost Accounts-Research and Development Expenses, Preliminary Expenses, Rectification Cost, Obsolescence, Waste, Scrap, Spoilage –normal & abnormal spoilage, conceptual difference of waste, scrap & spoilage, accounting and control of defectives.

20 hours

Module V- Emerging Costing Approaches: Productivity Management-meaning, measurement of productivity, misconceptions in measuring Productivity, ratios in measuring productivity index and total productivity index, distinction between productivity and profitability, productivity and value added, Productivity and quality, productivity and cost effectiveness, higher productivity and reduced cost, importance of human factor in productivity drive, productivity objectives, Plan, audit, advantages, causes of Low productivity, criticism, Total Productivity Management (TPM), Pareto analysis and Theory of Constraints- meaning, usefulness, practical application of Pareto Analysis, meaning of TOC, steps, key measures, methodology of implementation of TOC, TOC and Cost Accounting Procedures. JIT or Lean Manufacturing, steps, implementation, features, merits and demerits, role of JIT in elimination of waste, increasing profitability, Project Life Cycle Costing, meaning, benefits, cost management in LCC, Value Chain Analysis- concept, definition, meaning, steps, Porter's Value Chain, Kaizen-concept, procedure for implementation, benefits, Target Costing- meaning, need, types, methods of establishment of target costs, backflush accounting.

