

B.Com. Sem. III

Accounting Theory - Syllabus

Unit	Title	Details of Topics
Unit 1	Introduction to Cost Accounting	Meaning and definition ; Need for Cost Accounting; advantages and limitations; Cost Accounting and financial Accounting; Cost concepts and Cost objects; methods of costing ; Techniques of Costing (with emphasis on Uniform Costing); Cost centre and Cost unit; Installation of good cost accounting system.
Unit 2	Materials - 1	Definition of inventory; Materials and material control; Objectives of material control; Its necessity and advantages; Purchase and stores routine; Control of inventory through EOQ, Determinations of various stock levels; JIT and ABC system
Unit 3	Materials - 2	Base stock price, Weighted average price, periodic weighted average price, standard price and replacement price; Meaning and treatment of Waste, Scrap, Spoilage and defectives.
Unit 4	Labour	Direct and indirect labour cost; labour cost accounting and labour records; Remuneration methods – Time wage system and piece wage system; Bonus systems(individual and group incentive plans) – Halsey premium plan, Rowan plan. Taylor’s differential piece rate system, Bedeaux plan, Merrick’s multiple piece rate system, Gantt task & bonus system, Profit sharing and Co-partnership; Requisites of good wage incentive plan; Labour turnover; cost of labour turnover and its treatment; concept of idle time and its treatment; over time premium; casual worker; Holiday and leave with pay; Cost of apprentice; Employee welfare cost; Fringe benefits; Bonus and Gratuity.
Unit 5	Overheads Including Activity Based Costing	Definition; classification of overheads; Techniques for segregation of semivariable overheads; Cost allocation and apportionment; Basis of apportionment of factory overheads and Reapportionment of service centre cost ; overheads absorption on the basis of Direct material cost; direct labour cost, prime cost, Labour hours and machine hours; Concept and treatments in cost accounts- of over absorption, under absorption, setting up time and idle time; Absorption of administration overheadsand selling and distribution overheads.

Recommended Books :

1. M. N. Arora, Principles and Practice, Vikas publication, New Delhi.
2. M. C. Shukla, Grewal & Gupta, Cost accounting – Text and Problem, S.Chand, New Delhi.
3. Horngren, Cost Accounting, Pearson, New Delhi.
4. Jawahar Lal & Srivatava, Cost Accounting, Tata Mac Graw , New Delhi.

