

## ADC/B.Com Part-II

### Cost Accounting

#### Objective:

Cost accounting concepts are essential tools for managers to enhance the ability to make effective decisions. The course objective is to give students a good understanding about the areas of accounting together with the concepts and techniques of cost accounting.

#### Content

**A. Accounting for merchandising concern**

Accounting for Manufacturing Concern, Cost Accounting Concepts, Classification of Cost, Statement of Cost of Goods Manufactured, Income Statement, Closing Entries.

**B. Job order costing and system**

Job order costing, accounting entries under perpetual system for job order costing mode.

**C. Factory Ledger and General Ledger**

**D. Process costing**

Process Costing, Procedure of Process Costing (FIFO Method), Cost by Department, Product Flow, Cost of Production Report.

**E. Standard costing**

Standards costing concept, Concept of variance, Computing and Recording Materials quantity and Price Variances, Labour Time (Efficiency) and Wage Variances, Factory Overhead (One Way) Variance.

**F. Material Costing**

Store Ledger and Card under FIFO and LIFO methods. Accounting for waste and scrap material, Spoil and defective works.

**G. Labor costing and Control.**

Basis of wage payment, Time Rate & Piece rate, Importance of measuring productivity and efficiency, purpose of incentive wage plan, straight piece work plan, 100% Bonus plan and group bonus plan

**H. Factory overhead**

Planned, applied and actual with use of factory overhead rate. Allocation of factory overhead cost, Producing and service department

#### RECOMMENDED BOOK:

1. Jams A. Cashin, **Cost Accounting**, Auckland McGraw Hill, Ralph S. Polemen.
2. Matz, Usry, & Hamer **Cost Accounting, Planning & Control**, South Western Publishing Co. Ohio, latest edition.
3. Meigs & Johnson Accounting: **The Basis for Business Decision**. Sixth Edition, Latest Year.
4. Nasiruddin, **Cost Accounting** (latest Edition), Aziz Publishers Urdu Bazar Lahore.
5. S. Qazi Ahmed, **Cost Accounting**, Latest edition, Latest Year.

6. Syed Tanveer Hussain, Cost Accounting, BASE Publisher. Latest Year.

- Note:**
1. Latest edition of books are recommended.
  2. Duration of course will be 20 weeks.
  3. Total 20 lectures of two hours duration will be delivered.