

**MAHARASHTRA STATE BOARD OF VOCATIONAL EDUCATION EXAMINATION,
MUMBAI - 51**

1	Name of Course	CERTIFICATE COURSE IN COST MANAGEMENT (408216)																																																
2	Max. Nos. of	25 Students																																																
3	Duration	1 Year																																																
4	Type	Full Time																																																
5	Nos. of Days / Week	6 Days																																																
6	Nos. of Hours	7 Hrs																																																
7	Space Required	Theory Class Room – 200 sqft Practical – 800 sqft																																																
8	Entry Qualification	S.S.C. Passed																																																
9	Objective of Syllabus/ Introduction	1. To know the concept of costs. 2. To develop the knowledge of different types of cost. 3. To understand the costing for various types of business 4. To impart skills in interpretation of cost records 5. To know the detail procedure of cost management.																																																
10	Employment Opportunity	To be employed or self employed in cost management field																																																
11	Teacher’s Qualification	B.com																																																
12	Training System	<table><tr><th colspan="7">Training System Per Week</th></tr><tr><td colspan="2">Theory</td><td colspan="2">Practical</td><td colspan="3">Total</td></tr><tr><td colspan="2">18 Hours</td><td colspan="2">24 Hours</td><td colspan="3">42 Hours</td></tr></table>							Training System Per Week							Theory		Practical		Total			18 Hours		24 Hours		42 Hours																							
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13	Exam. System	<table><tr><th>Sr. No.</th><th>Paper Code</th><th>Name of Subject</th><th>TH/PR</th><th>Hours</th><th>Max. Marks</th><th>Min. Marks</th></tr><tr><td>1</td><td>40821611</td><td>Cost Accounting</td><td>TH-I</td><td>3 hrs.</td><td>100</td><td>35</td></tr><tr><td>2</td><td>40821612</td><td>Financial Management</td><td>TH-II</td><td>3 hrs.</td><td>100</td><td>35</td></tr><tr><td>3</td><td>40821621</td><td>Cost Accounting</td><td>PR-I</td><td>6hrs.</td><td>200</td><td>100</td></tr><tr><td>4</td><td>40821622</td><td>Financial Management</td><td>PR-II</td><td>6 hrs.</td><td>200</td><td>100</td></tr><tr><td></td><td></td><td>Total</td><td></td><td></td><td>600</td><td>270</td></tr></table>							Sr. No.	Paper Code	Name of Subject	TH/PR	Hours	Max. Marks	Min. Marks	1	40821611	Cost Accounting	TH-I	3 hrs.	100	35	2	40821612	Financial Management	TH-II	3 hrs.	100	35	3	40821621	Cost Accounting	PR-I	6hrs.	200	100	4	40821622	Financial Management	PR-II	6 hrs.	200	100			Total			600	270
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SYLLABUS

Theory - I

Cost Accounting

1. Introduction to Cost Accounting

Evolution, Objectives, Advantages, Limitations, Difference between Financial & Cost Accounting, types of costing, essentials of good costing system

2. Elements of Costs and classification of costs

Elements of cost, cost structure, variable, semi – variable and fixed costs.
Cost classification.

3. Cost Sheet

Concepts, format, cost aggregation, prime cost, work cost, cost of production, total cost, net profit / loss (simple exercise)

4. Procedure for purchase/issue of materials and its documentation

Purchasing - Introduction, Methods of purchasing, qualification of purchasing officer, purchase procedure Store-keeping - Introduction, duties of store keeper, bin card, store ledger

5. Labour Control

Time and job cards, idle time, overtime, parts made outside, payment of wages and documents connected with them.

6. Methods of Costing

Unit costing, job order costing, contract costing, batch costing, process costing, operating costing, uniform costing.

7. Tender Meaning, Different methods of obtaining Tenders, Terms and conditions of Tender, preparation of Tender

8. Overheads (Marks : 10 Periods : 25)

Classifications, Apportionment and absorption, basis of apportionment.

9.Reconciliation of cost and financial profits

Introduction, Need for reconciliation, causes of difference, items appearing in financial statements only, items appearing in cost records, basis for valuation of inventory, procedure for reconciliation, Memorandum Reconciliation account.

10. Procedure for purchase/issue of Materials and its documentation

Purchase order, procedure for purchase, Form A, Form B, Form C, Form D, Material Requisition, Material Inspection Note, Procedure for Issue of Material and storage, Store ledger, Bin Card, Method of recording stock, LIFO, FIFO, Etc, Minimum stock level, Maximum Stock Level.

11. Marginal Costing

Meaning, Features of marginal costing, advantages of marginal costing, Concept of profit, Absorption vs marginal costing, Profit/volume ratio, Break-Even-point, Margin of Safety, Break-even chart, Angle of incidence, Cost volume profit analysis, Profit chart.

12. Standard Costing and Variance Analysis

Introduction, standard cost, features of standard cost, standard costing, applicability of standard costing, distinction between standard cost and estimated cost, distinction between standard costing and budgetary control, benefits of standard costing, disadvantages of standard costing, determination of standard cost

13. Business budgets and budgetary control

Introduction, financial, quantitative objective, budget, meaning, importance, types of budget, master budget, functional budget, planning and control.

Theory - II
Financial Management

PART - A

1. Sources of Finance

Introduction, Classification of sources of finance, long term and short term sources.

2. Financial Management & Planning

Capital Structure, Factors affecting Capital Structure, EBIT-EPS Analysis, Planning Capital Structure

3. Comparative Statements

Analysis of Common size statements and comparative Statements.

4. Cost of Capital

Computation of cost of debt, cost of equity, cost of composite capital, importance of cost of capital for financial management

5. Working Capital

Introduction, Concepts, objectives of working capital management, Determinants of working capital management, sources of working capital, operating cycle.

6. Computerised Financial Statements

Analysis & interpretation of statements, preparation of common size, comparative statements etc.

PART - B

1. Financial statements

Meaning, limitations, Role of Standardization, forms of presentation.

2. Ratio Analysis

Meaning, uses of Ratios, Different types of ratios, comparison of various financial statements, Determinants of liquidity, Advantages of ratio analysis, limitations of ratio analysis

3. Trend Analysis

Meaning, Features, Advantages of Trend Analysis, Limitations, Method of Calculation, Trend Percentage, Precautions to be taken

4. Analytical Techniques and Interpretation of Financial statements

Analysis of Common size statements and comparative Statements and Trend Analysis

5. Working Capital

Concepts, objectives of working capital management, Determinants of working capital management sources of working capital, Operating cycle, Minimum working capital and maximum working capital requirement, calculation of cost, estimation, debtors management, inventory management, control of credit policies

6. Leverages

Definition, basis, general principles, Break-even Analysis, Operating Leverage, Financial Leverage.

7. Capital Expenditure

Introduction, types of investment proposals, data required for investment decision, relevant costs and revenues, methods of evaluating investment proposals.

8. Computerised Financial Statements

Analysis & interpretation of statements, preparation of common size, comparative statements etc.

Practical - I
Cost Accounting

- 1. Preparation of charts** showing distinction between Direct and Indirect expenditure (overheads) from a list of expenditures
- 2. Preparation of a cost sheet**
showing Prime cost, Factory Cost, Cost of Production, Cost of goods sold, Total Cost, Net Profit / Loss
- 3. Purchasing & Store keeping Fill up the information in the following formats)**
 - a) Purchase Requisition**, Inquiry, Quotation, Comparative Statement, Purchase order, Delivery Challan, Goods Received Note, Material Approval report, Debit Note, Credit Note, Bin Card, Store ledger (Used printed forms or computer.)
 - b) Pricing of Issue of Material**
Fill up the information in the following formats.
Material Requisition, Material Return Note, Material Transfer Note, Bill of Material
 - c) Preparation of the Store ledger** on F.I.F.O., L.I.F.O & Weighted Average Method
- 4. Preparation of Labour** - Attendance Register, Clock Time Card, Job Card, Daily Time Sheet (Problems)
- 5. Preparation of Wage sheet** (Pay roll) by making use of computer
- 6. Preparation of Tender**
- 7. 10 Visits to Sugar factory, Cotton mill, Cold Storage & Local Manufacturing Unit**
- 8. Overheads**
Classifications, Apportionment and absorption, basis of apportionment , Solving problems based on apportionment basis.
- 9 . Reconciliation of cost and financial profits**
Check the items appearing in cost records, Calculation of basis for valuation of inventory, Steps for reconciliation, Preparation of Memorandum Reconciliation account
- 10 . Procedure for purchase/issue of Materials and its documentation**
Format of Purchase order, Form A, Form B, Form C, Form D, Material Requisition, Material Inspection Note, Procedure for Issue of Material and storage, Store ledger, Bin Card, Method of recording stock, Calculation of stock based on LIFO, FIFO, method Etc, Calculation of Minimum stock level, Maximum Stock Level.

11 . Marginal Costing

Calculation of profit, Calculation of Profit/volume ratio, Calculation of Break-Even-point, Margin of Safety, Drafting of Break-even chart , Angle of incidence, Cost volume profit analysis, Determination of Profit chart.

12 . Standard Costing and Variance Analysis

Calculation of standard cost, Establishment of cost centres, classification of accounts, Direct Labour costs, Direct Material Costs, Direct Expenses, calculation based on standards, finding out Variances of various costs, Variance Analysis.

13. Business budgets and budgetary control

Study of different types of budget, Preparation of Estimates, Preparation of Master budget, Functional budget, and various measures of controlling costs..

Practical – II
Financial Management

PART - A

Every Student must maintain a journal or practical file with him. This should be examined and signed by the teacher.

Printed specimen formats, published financial statements, and Computer should be used for practical work.

1. Sources of Finance

Long term and short term sources of finance

2. Financial Management & Planning

Capital Structure, calculations of cost of capital, calculation for determining EBIT-EPS , Analysis of Capital Structure

3. Comparative Statements

Preparation of Common size statements and comparative Statements.

4. Cost of Capital

Computation of cost of debt, cost of equity, cost of composite capital, cost of capital for financial management

5. Working Capital

Calculation of working capital requirement, determination of minimum working capital and maximum working capital

6. Computerised Financial Statements

Analysis & interpretation of statements, preparation of common size, comparative statements etc.

7. 10 Visits to Chartered Accountants Firm, Limited Company, other related organizations, various institutes imparting similar courses to give the students an insight into the applicability of the subject.

PART - B

Every Student must maintain a journal or practical file with him. This should be examined and signed by the teacher.

Printed specimen formats, published financial statements, and Computer should be used for practical work.

1. Financial statements

Different forms of presentation of Financial Statements, Study of the published Financial statements, Analysis of the statements.

2. Ratio Analysis

Method for calculation of different types of ratios, comparison of various financial statements with the help of ratio analysis, interpretation of financial statements.

3. Trend Analysis

Method of Calculation, Trend Percentage, Precautions to be taken While calculation of percentage

4. Analytical Techniques and Interpretation of Financial statements

Preparation of **Common** size statements and comparative Statements and Trend Analysis

5. Working Capital

Calculation of working capital requirement, determination of minimum working capital and maximum working capital, estimation for proposed working capital requirement,

6. Leverages

Calculation of Break-even Analysis, Calculation of Operating Leverage, Financial Leverage, Mixed Leverage

7. Capital Expenditure

Data required for investment decision, calculation of relevant costs and revenues, different methods of evaluating investment proposals and calculation of cash outflows and inflows.

8. Computerised Financial Statements

Analysis & interpretation of statements, preparation of common size, comparative statements etc.

9. 10 Visits to Chartered Accountants Firm, Limited Company, other related organizations, various institutes imparting similar courses to give the students an insight into the applicability of the subject.
