

MAHARASHTRA STATE BOARD OF VOCATIONAL EXAMINATIONS, MUMBAI 51.

1	Name of Syllabus	C.C. in COST ACCOUNTING (408214)																																																													
2	Max. No's of Student	25 students.																																																													
3	Duration	1 YEAR																																																													
4	Type	Full Time																																																													
5	No Of Days / Week	6 Days																																																													
6	No Of Hours /Days	7 Hrs																																																													
7	Space Required	Lab = 800 Sq feet Class Room = 200 Sq feet TOTAL = 1000 Sq feet																																																													
8	Entry Qualification	S.S.C.																																																													
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	I.WAGE EMPLOYMENT (Manual and Computer) Cost Executive Costs Manager Cost controller Chief Budgeting Officer II.SELF EMPLOYMENT Costing firm Cost Consultant Cost Planner Budget Master																																																													
11	Teacher's Qualification	I.C.W.A internship completed with 4 yrs of industry experience Post Graduate in Commerce with 4 yrs industry experience in costing M.com with costing as specialization																																																													
12	Training System	Training System Per Week <table><tr><td>Theory</td><td>Practical</td><td>Total</td></tr><tr><td>18 Hours</td><td>24 Hours</td><td>42 Hours</td></tr></table>						Theory	Practical	Total	18 Hours	24 Hours	42 Hours																																																		
Theory	Practical	Total																																																													
18 Hours	24 Hours	42 Hours																																																													
13	Exam. System	<table><tr><td>Sr. No.</td><td>Paper Code</td><td>Name of Subject</td><td>TH/PR</td><td>Hours</td><td>Max. Marks</td><td>Mini. Marks</td></tr><tr><td>1</td><td>40821411</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>40821412</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>40821413</td><td>Auditing</td><td>TH-III</td><td>3 hrs.</td><td>100</td><td>35</td></tr><tr><td>4</td><td>40821421</td><td>Cost Accounting</td><td>PR-I</td><td>3 hrs.</td><td>100</td><td>50</td></tr><tr><td>5</td><td>40821422</td><td>Financial Accounting</td><td>PR-II</td><td>3 hrs.</td><td>100</td><td>50</td></tr><tr><td>6</td><td>40821423</td><td>Auditing</td><td>PR-III</td><td>3 hrs.</td><td>100</td><td>50</td></tr><tr><td></td><td></td><td>Total</td><td></td><td></td><td>600</td><td>255</td></tr></table>						Sr. No.	Paper Code	Name of Subject	TH/PR	Hours	Max. Marks	Mini. Marks	1	40821411	Cost Accounting	TH-I	3 hrs.	100	35	2	40821412	Financial Management	TH-II	3 hrs.	100	35	3	40821413	Auditing	TH-III	3 hrs.	100	35	4	40821421	Cost Accounting	PR-I	3 hrs.	100	50	5	40821422	Financial Accounting	PR-II	3 hrs.	100	50	6	40821423	Auditing	PR-III	3 hrs.	100	50			Total			600	255
Sr. No.	Paper Code	Name of Subject	TH/PR	Hours	Max. Marks	Mini. Marks																																																									
1	40821411	Cost Accounting	TH-I	3 hrs.	100	35																																																									
2	40821412	Financial Management	TH-II	3 hrs.	100	35																																																									
3	40821413	Auditing	TH-III	3 hrs.	100	35																																																									
4	40821421	Cost Accounting	PR-I	3 hrs.	100	50																																																									
5	40821422	Financial Accounting	PR-II	3 hrs.	100	50																																																									
6	40821423	Auditing	PR-III	3 hrs.	100	50																																																									
		Total			600	255																																																									

THEORY - I
PART A
Cost Accounting

1. Cost Accounting

Definition , Scope, Objectives, Advantages, Limitations, Difference between Financial & Cost Accounting

2. Elements of Costs and classification of costs

Elements of cost, nature of direct and indirect cost, distinction between direct & indirect cost

3. Cost Sheet

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

4. Purchasing

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

5. Store keeping

Levels of stock - 1) Maximum stock level, 2) Minimum stock level, 3) Ordering stock level, 4) Danger stock level, 5) Average stock level

Method of valuing Material - 1) Issue of Materials- Material Requisition, 2) Bill of Material, 3) Treatment of Surplus Material - a) Material Return Note, b) Transfer of Surplus Material, 4) Material Abstract

Methods of Pricing of Material Issue - 1) First In First Out Method (FIFO).

2) Last In First Out Method (LIFO), 3) Average Price Method-a) Simple Average Method, b) Weighted Average Method

6. Labour

Classification of labour, Time keeping - objects, Methods, Time booking objects, methods, Pay Roll Accounting - Wages sheet, Method of wages Payment- Time Rate, Piece Rate Incentive Plan (Halsey & Rowan plan - simple examples.) wages abstract, Treatment of Idle Time and Over Time

7. Tender

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

THEORY I
PART B
Cost Accounting

1.Overheads

Classifications, Apportionment and absorption, basis of apportionment.

2.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

3. 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.

4. 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.

5. 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

6. Business budgets and budgetary control

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

Cost Accounting
Practical - I
PART A

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

PRACTICAL - I
PART B
Cost Accounting

1.Overheads

Classifications, Apportionment and absorption, basis of apportionment, Solving problems based on apportionment basis.

2.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

3. 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.

4. 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.

5. 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.

6.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..

THEORY - II
PART A
Financial Management

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.

THEORY II
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 – II PART A Financial Management

Practicals

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.

PRACTICAL II PART B

Practicals

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.

6. 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.

Theory – III PART A Auditing

1. Meaning & utility of Auditing

history of Auditing, scope, principles & procedures of Auditing

2. Objects of Audit

Objects of audit, kinds of errors and frauds, detection and prevention of errors and frauds, distinction between Auditing and accounting, Audit and investigation

3. Qualities & qualifications of an Auditor

Qualities & qualifications of an Auditor, role of Auditor, duties and responsibilities of an Auditor, classification of Audit-continuous Audit, periodical Audit, partial Audit, interim Audit, internal Audit, external Audit, statutory and compulsory Audit

4. Conduct of Audit

Conduct of Audit, Preparation of Audit, Audit programme, Audit Note Book, Working papers

5. Internal controls

Its meaning and objects, internal check-meaning and objects, essentials of good internal check, Test checking, precautions in test checking

6. Internal Audit

Meaning and definitions, importance of internal Audit objectives, need of internal check, Audit limitations of internal Audit, Difference between internal check and internal Audit

Theory - III

PART B

Auditing

1. Vouching

Voucher, Importance of vouching, objectives of vouching, utility of vouching, scope, Capital & Revenue Expenditure, deferred Revenue Expenditure, Examples, Capital and Revenue receipts, capital & revenue losses, examples, illustrations, vouching of various items of capital & revenue expenses, and receipts.

2. Verification & Valuation of assets & Liabilities

Meaning, Scope, Objectives, Valuation, basis of valuation, general principles, Verification of fixed assets & liabilities, Valuation of fixed assets and current assets, contingent liabilities, distinction between verification & valuation.

3. Investigation

Meaning, Definition, importance of investigation, objects of investigation, difference between investigation and auditing, classes of investigation, investigation report, content or form of investigation report, technique of investigation.

4. Cost Audit

Introduction, The cost Audit Rules, 1996, Meaning of cost audit, objects, significance, difference between cost audit and financial audit, qualifications of cost auditor, appointment of cost auditor, powers and duties of cost auditor, utility of cost audit report.

5. Audit Report

Introduction, meaning of audit report, essentials of good report, contents of report, distinction between report and certificates, types of report, specimen report.

**Auditing
Practical - III
PART A**

* Printed specimen formats should be used for practical work such as -

A) Vouchers : Cash Memo, Credit Memo, Receipts, Bills, Simple Vouchers, Petty Cash Vouchers, Journal Vouchers, Debit Note, Credit Note, Cheque, Pay-in-Slip, Withdrawal Slip, Pass Book

B) Registers : Journal, Ledger, Purchase Register, Sales Register, Purchase Returns & Sales Returns Register, Cash Book - Single/Double, Triple column and Petty Cash book through demonstration and practice with different types of accounting cash register.

2. Practicals designed to distinguish between capital & revenue expenditures. A list of various assets should be provided to the students to know various assets i.e. current assets, fixed assets etc.

3. Preparation of an Audit Programme.

4. Study of the Internal Check System.

5. 15 visits in a year to business firms/chartered Accountant firms & other related organizations.

**Auditing
Practical - III
PART B**

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

Printed specimen formats should be used for practical work such as -

A) Vouchers

Cash Memo, Credit Memo, Receipts, Bills, Simple Vouchers, Petty Cash Vouchers, Journal Vouchers, Debit Note, Credit Note, Cheque, Pay-in-Slip, Withdrawal Slip, Pass Book

B) Registers Journal, Ledger, Purchase Register, Sales Register, Purchase Returns & Sales Returns Register, Cash Book - Single/Double, Triple column and Petty Cash book

1. Practicals designed to distinguish between capital & revenue expenditures. A list of various assets should be provided to the students to know various assets i.e. current assets, fixed assets etc.

2. Preparation of Investigation Report

3. Study of cost Audit report

4. How to read Audit Report, interpretation of the report, drafting of audit report, analysis of Audit Report

5. 10 visits in a year to business firms/chartered Accountant firms & other related organisations.
