



**PARVATHANENI BRAHMAYA
SIDDHARTHA COLLEGE OF ARTS & SCIENCE**
Autonomous
Siddhartha Nagar, Vijayawada-520010
Re-accredited at 'A+' by the NAAC

Course Code				23COMAL234			
Title of the Course				Cost and Management Accounting			
Offered to: (Programme/s)				B.Com –Honours All Programs			
L	4	T	1	P	0	C	4
Year of Introduction:		2024-25		Semester:		3	
Course Category:		Major		Course Relates to:		National	
Year of Revision:		NA		Percentage:			
Type of the Course:				Employability			
Crosscutting Issues of the Course :				----			
Pre-requisites, if any				Nil			

Course Description:

This course covers cost and management accounting principles. It explores cost determination, inventory management, labor costing, overhead allocation, financial statement analysis, and cash flow management. Students will learn to use accounting information for decision-making and performance evaluation.

Course Aims and Objectives:

S.NO	COURSE OBJECTIVES
1	Understand the fundamentals of cost accounting
2	Master inventory and labor cost management
3	Acquire proficiency in overhead cost management
4	Develop skills in financial statement analysis
5	Gain expertise in cash flow management

Course Outcomes

At the end of the course, the student will be able to...

CO No	COURSE OUTCOME	BTL	PO	PSO
CO1	Impart knowledge on the fundamental concept of cost accounting and management accounting.	K2	2	1
CO2	Comprehend the knowledge in effective control of raw materials, work in progress, and Labour cost .	K2	2	1
CO3	Acquire proficiency in overhead cost management	K3	2	1
CO4	Students will critically understanding the financial and management accounting importance in understanding the business operations using different tools	K4	6	1
CO5	Students will critically understanding the cash and fund flow concept and impact of cash flow on business operations	K4	6	1

CO-PO MATRIX

CO NO	PO1	PO2	PO3	PO4	PO5	PO6	PO7	PSO1	PSO2
CO1		2						2	
CO2		2						2	
CO3		3						3	
CO4						3		2	
CO5						3		3	

Use the codes 3, 2, 1 for High, Moderate and Low correlation Between CO-PO-PSO respectively

Course Structure:

Unit – 1: Introduction

15Hrs

Cost Accounting: Definition – Features – Objectives – Functions – Scope – Advantages and Limitations -

Management Accounting: Features – Objectives – Functions –Elements of Cost - Preparation of Cost Sheet (including problems)

Examples/Applications/Case Studies:

- Preparation of Cost sheet
- Preparation of Cost sheet on unit based

Exercises/Projects:

- Computing the cost of the unit manufacturing unit through Cost sheet
- Computing the profit of the manufacturing organization through Cost sheet

Specific Resources: (web)

- <https://theintactone.com/2018/12/01/afm-u2-topic-3-preparation-of-cost-sheet/>

UNIT-2: Material and Labour Cost:

15Hrs

Content:

Techniques of Inventory Control – Valuation of Material Issues: FIFO - LIFO - Simple and Weighted Average Methods

Labour: Direct and Indirect Labour Cost – Methods of Payment of Wages- Incentive Schemes -Time Rate Method, Piece Rate Method, Halsey, Rowan Methods and Taylor Methods only (including problems)

Examples/Applications/Case Studies:

- Application on Rowan and Taylor methods
- Application on Weighted Average Method.

Exercises/Projects:

- Valuation on Material issues and Stock levels.
- Computation of Differential piece rate methods

Specific Resources: (web)

[Resource 1

UNIT-3: Overheads:

15 Hours

Content:

Definition of overheads - Classification of overhead -Steps in overhead accounting

Allocation, apportionment and absorption of overheads to cost centers (Problems)

Examples/Applications/Case Studies:

- Allocation of overheads under primary distribution ,repeated , simultaneous equation method

Exercises/Projects:

- On the basis of Production & service Departments.

Unit – 4: Financial Statement Analysis and Interpretation

15Hrs

Content:

Financial Statements - Features, Limitations. Need, Meaning, Objectives, and Process of Financial Statement Analysis- Comparative Analysis – Common Size Analysis and Trend Analysis (including problems)

Examples/Applications/Case Studies:

- Preparation of financial statements & Income statements.

Exercises/Project:

- Preparation of comparative and common size & Trend Analysis.

Specific Resources: (web)

Unit – 5 : Cash Flow Statement

15Hrs

Content:

Introduction and meaning - Accounting standard 3-Comparison between funds and cash flow statements - Uses and significance of cash flow statement -Limitations of cash flow statement-Procedure for preparing a cash flow statement -Sources of cash inflows - Application of cash or cash outflows.(Problems).

Examples/Applications/Case Studies:

- Preparation of Cash Flow Statement.

Exercises/Projects:

- Calculation of cash flow from operating activities, investing activities, financing activities

Text Books:

1. [Textbook 1 –S.P Jain.K.LNarang (2021) Cost Accounting. Kalyani Publishers
2. [Textbook 2 rudra saibaba, M,prabhakar reddy, Cost and Management Accounting, ,Author(s), Year of Publication, Title, Edition, Publisher]

References:

1. [Reference 1 - Author(s), Year of Publication, Title, Edition, Publisher]



**PARVATHANENI BRAHMAYYA
SIDDHARTHA COLLEGE OF ARTS & SCIENCE**
Autonomous
Siddhartha Nagar, Vijayawada-520010
Re-accredited at 'A+' by the NAAC

SEMESTER -END MODEL QUESTION PAPER

Course Code	23COMAL234
Title:	Cost and Management Accounting
Offered to:	B.Com Hon. ALL
Category: Major	SEMESTER: 3
Max. Marks	70
Max. Time	3 Hrs

SECTION A

Answer the following

5x4=20

1. a. Define Cost Accounting and state its objectives. (CO1) K2
OR
b. What are the functions of Management Accounting? (CO1) K2
2. a. Explain the need for material control. (CO2) K2
OR
b. What is Labor Turnover ? (CO2) K1
3. a. What is meant by PV Ratio? (CO3)K1
OR
b. What is meant by overhead and its types? (CO3) K1
- 4 a. Difference between absorption and allocation? (CO4) K1
OR
b. What are the advantages of financial statement analysis? (CO4) K1
5. a. What are the Sources and applications of cash flow statement? (CO5) K2
OR
b. What are the difference between Cash flow and Funds flow statements (CO5) K2

SECTION B

Answer the Following

5x10=50

6. a) Explain the limitations of Financial Accounting and also differentiate the Cost Accounting and Financial Accounting. (CO1) K2

Or

b) From the following particulars prepare cost sheet for the year ending 2020

Particulars	1-1-2017	31-12-2017
Raw Material	25000	26200
Finished goods	17300	15700
Work in progress	8200	9100

Raw material purchased 21,900
Carriage inwards 1,100
Direct Expenses 120
Factory overheads 910
Direct wages 17,200
Sale of finished goods 72,300
Selling overheads 4,200
Administration overheads 3,200 (CO1) K2

7. a) . Show the stores ledger entries under simple average method for the following particulars

Apr 1 Opening Balance	300Units	2.00
2 Purchase	<u>200Units</u>	<u>2.20</u>
4 Issued	150Units	
6 Purchase	<u>200Units</u>	<u>2.30</u>
11 Issued	150Units	
19 Issued	200Units	
22 Purchase	<u>200Units</u>	<u>2.40</u>
27 Issued	150Units	

There is a shortage of 10 units on the Apr 22nd purchases, it was identified and recorded on 25th Apr. (CO2) K3

Or

b) From the following particulars calculate earnings of a worker under Halsey and Rowan's plan

Standard time 10 hrs
Time taken 6hrs
Hourly Rate 2/-Rs (CO2) K3

8. a). The Modern Company is divided into four departments: A, B, and C are production departments and D is a service department. The actual costs for a period are as follows:

Rent	1,000	Supervision	1,500
Repairs to Plant	600	Fire Insurance in suspect of stock	500
Depreciation of Plant	450	Power	900
Employer's liability for insurance	150	Light	120

Following information is available in respect of the four departments:

Particulars	Dept. A	Dept. B	Dept. C	Dept. D
Area (Sq. Meters)	1,500	1,100	900	500
Number of Employees	20	15	10	5
Total Wages	6,000	4,000	3,000	2,000
Value of Plant	24,000	18,000	12,000	8,000

Value of Stock	15,000	9,000	6,000	---
H.P. of Plant	24	18	12	6

Apportion the costs to the various departments on the most equitable basis. K3

OR

b) In a factory, there are two service departments S1 and S2 and three production departments P1, P2 and P3. In April 2017 the department expenses were:

Departments	P1	P2	P3	S1	S2
Rs.	6,50,000	6,00,000	5,00,000	1,20,000	1,00,000

The expenses of service departments are charged on a percentage basis which is as follows:

Service departments	P1	P2	P3	S1	S2
X Department	30%	40%	15%	---	15%
Y Department	40%	30%	25%	5%	---

Prepare a statement showing the distribution of the two service department's expenses to the three production departments by Simultaneous Distribution method. K3

9. a. From the following Income statement prepare a Comparative statement.

Particulars	2017 Rs.	2018 Rs.	Particulars	2017 Rs.	2018 Rs.
To Cost of goods Sold	420	560	By Sales	600	750
To Administration expenses	50	66	By Dividend received	30	90
To Selling and distribution expenses	25	23			
To Interest on debentures	12	12			
To Loss on Sale of plant	6	4			
To Provision for income tax	40	48			
To Net profit	77	97			
	630	810		630	810

(CO4) K3

Or

b) The following are the Balance Sheet of Krishna & Co for the year ending 31-03-2020&2021 Prepare a comparative Balance Sheet (CO4) K3

Liabilities	2020	2021	Assets	2020	2021
Equity Share Capital	3,00,000	4,00,000	Land & Buildings	1,85,000	1,35,000
Reserves & Surplus	1,65,000	1,11,000	Plant & Machinery	2,00,000	3,00,000
Debentures	1,00,000	1,50,000	Furniture & Fixtures	10,000	12,500
Long term loans	75,000	1,00,000	Other Fixed Assets	12,500	15,000
Bills payable	25,000	22,500	Cash in hand	10,000	40,000
Sundry creditors	50,000	60,000	Bills Receivables	75,000	45,000
Current Liabilities	2,500	5,000	Sundry Debtors	1,00,000	1,25,000
			Stock	1,25,000	1,75,000
			Prepaid Expenses	-----	1,000
Totals	7,17,500	8,48,500	Totals	7,17,500	8,48,500

10. a) The Summarized Balance Sheets of K Ltd. as on 31st March, 2017 and 31st March 2018 are as follows :

Liabilities	2017 Rs.	2018 Rs.	Assets	2017 Rs.	2018 Rs.
Share capital	12,00,000	15,00,000	Buildings	8,00,000	7,60,000
14% Debentures	6,00,000	4,00,000	Machinery	5,00,000	7,20,000
Profit and loss a/c	1,00,000	1,50,000	Short-term investments	3,00,000	4,50,000
General Reserve	3,00,000	3,50,000	Inventories	4,00,000	4,70,000
Creditors	4,90,000	5,60,000	Debtors	6,70,000	5,30,000
Proposed dividends	1,20,000	1,80,000	Cash at Bank	2,20,000	3,30,000
Provision for taxation	1,00,000	1,30,000	Prepaid expenses	20,000	10,000
	29,10,000	32,70,000		29,10,000	32,70,000

Additional Information :

- (i) Debentures were redeemed at a premium of 10%.
(ii) Taxes paid during the year amounted to Rs.1,40,000 Prepare Cash flow statement (CO5) K3

Or

b) The Balance sheets of Godrej Company is as follows. Prepare Cash Flow Statement. (CO5) K3

Liabilities	2020	2021	Assets	2020	2021
Equity Share capital	2,00,000	2,00,000	Cash	20,000	14,400
General Reserve	2,00,000	2,00,000	Debtors	1,40,000	1,53,600
Profit & Loss a/c	1,92,000	1,96,000	Stock	1,00,000	88,000
Current Liabilities	1,44,000	1,64,000	Land	80,000	1,20,000
Loan from associate Company	-----	80,000	Buildings	2,00,000	2,20,000
Loan from a bank	1,24,000	1,00,000	Machinery	3,20,000	3,44,000
Total	8,60,000	9,40,000	Total	8,60,000	9,40,000