



CommPass 2

An Essential Companion to
BCom (Semester II)

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MODULE I: COST AND MANAGEMENT ACCOUNTING I

Unit 1: Introduction

Unit 2: Materials Cost

Unit 3: Employee Cost and Incentive Systems

Unit 4: Cost Statement and Overhead

Unit 5: Cost Book Keeping

Unit 6: Costing Methods

Unit	Total Marks Allotted	Chapters	Group A 5 marks	Group B 10 marks	Group C 15 marks
1	10	Introduction	2 questions	—	—
2	10	Materials Cost	—	1 question	—
3	10	Employee Cost & Incentives Systems	—	1 question	—
4	20	Overhead and Cost Statement	1 question	—	1 question
5	10	Cost Book Keeping	—	1 question	—
6	20	Costing Methods	1 question	—	1 question
		(a) No. of questions to be answered	4 questions	3 questions	2 questions
	80	(b) Total marks allotted	20	30	30
		(c) No. of questions to be provided	6 questions	5 questions	3 questions

- (1) **Group A:** 2 alternative questions from this group are also to be set from Unit-1, Unit-4 and Unit-6.
- (2) **Group B:** 2 alternative questions from this group are also to be set from Unit-2, Unit-3 and Unit-5.
- (3) **Group C:** 1 alternative question from this group is also to be set from Unit-4 and Unit-6.

UNIT 1 INTRODUCTION

Unit	Total Marks Allotted	Chapters	Marks Allotted		
			Group A	Group B	Group C
			5 marks	10 marks	15 marks
1	10 marks	Basics on Cost and Management			

Guide to students:

- *Number of Questions:* The total marks allotted to Unit 1 being 10, the students are expected to answer two questions of 5 marks each from this unit.
- *Nature of Questions:* Students should expect only theoretical questions from this unit.

Chapter No.	Chapter Name
1	Basics on Cost and Management

Basics on Cost and Management

Syllabus:

- Definition of costing, objectives of cost accounting; management accounting and difference with cost accounting; advantages of a cost accounting system, installing a cost accounting system, essentials of a good cost accounting system
- *Cost concepts, terms, and classification of costs:* Cost, cost object, cost units and cost centres, types of costs, classification of costs—direct and indirect, elementwise, functionwise, behaviourwise, sunk cost, opportunity cost, *Costing methods and techniques* (Introduction only)

Theoretical Questions

1. Define Cost. Explain the difference between Costing and Cost Accounting.
2. What is Costing? What are its objectives and advantages?
3. Describe the following techniques of Costing:
(a) Marginal Costing (b) Standard Costing (c) Uniform Costing (d) Historical Costing
4. Discuss the following methods of Costing and state the name of industries to which they are applicable:
(a) Job Costing (b) Process Costing (c) Operating Costing (d) Batch Costing (e) Operation Costing
(f) Multiple Costing (g) Contract Costing.
5. (a) Explain the value of maintaining a Cost Accounting System.
(b) As a consultant, how would you install a suitable cost accounting system in a large manufacturing concern?
6. (a) What is a Cost Centre? Explain the various types of Cost Centres.
(b) Define a Cost Unit. Give six examples of Cost Units applicable to different industries.
7. 'Cost Accounting has become an essential tool of management'. Explain.
8. What is the significance of Cost Accounting to the management in the discharge of their function?
9. Describe the nature and scope of Cost Accounting.
10. Describe the limitations of Cost Accounting.
11. Explain the relationship between the following:
(a) Cost Accounting and Financial Accounting.
(b) Cost Accounting and Management Accounting.
12. Define Management Accounting. Discuss the nature and scope of Management Accounting.
13. What are the functions of Management Accounting?
14. State the objectives of Cost and Management Accounting.
15. Explain the limitations of both Cost and Management Accounting.