बिरसा मुंडा ट्रायबल युनिवर्सिटी
Birsa Munda Tribal University

राजपिपला, जि० नर्मदा Rajpipla, Dist. Narmda
Established by Tribal Development Department, Govt. of Gujarat

गरीयसी पुण्यारण्य संस्कृतिः।

School of Commerce
M.Com. Programme

Subject Code & Name: MC01MEEC01: Advanced Cost Accounting
Teaching and Evaluation Scheme:

Teaching Scheme				Examination Scheme			
Credits				Component Weightage			
				CCE		SEE	
L	T	P	Total	TH	PWE	TH	PWE
4	0	0	4	50	00	50	00

Programme Name	M.Com
Semester	1
Course Code	MC01MEEC01
Course Title	Advanced Cost Accounting
Course Content Type (Th./Pr.)	Theory
Course Credit	4
Sessions+ Lab. Per Week	N/A
Total Teaching/Lab. Hours	60 Hours
* 2 Laboratory = 1 Session	

Learning Objectives

1. To Analyze and apply advanced costing techniques such as activity-based costing (ABC), standard costing, Overhead Variance Analysis, and cost-volume-profit analysis to support managerial decision-making.
2. Prepare and evaluate cost reports and budgets by using variance analysis, performance measurement tools, and cost control techniques to improve organizational efficiency.
3. Assess strategic cost management practices and recommend solutions for pricing, profitability analysis, cost reduction, and long-term business planning.
4. Understand how to calculate and interpret sales and profit variances to evaluate business performance.
5. To Analyze the causes of favorable and unfavorable variances and their impact on profitability.
6. Understand how overhead variances are calculated and interpreted to evaluate cost control and operational efficiency.
7. Analyze the causes of fixed and variable overhead variances and assess their impact on organizational performance.
8. Apply overhead variance analysis techniques to support managerial decision-making and improve budgeting accuracy.

Prerequisites (if any)

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Learning Outcomes
After completion of the course, learners will be able to: 1. Calculate and interpret material cost, price, and usage variances. 2. Calculate and analyze labour rate and labour efficiency variances. 3. Evaluate the causes of material and labour variances and recommend corrective actions to improve cost control. 4. Calculate and interpret overhead cost variances by comparing actual overhead costs with standard overhead costs. 5. Analyze the causes of fixed and variable overhead variances and evaluate their impact on organizational performance. 6. Use overhead variance analysis to support cost control, budgeting, and managerial decision-making processes. 7. Explain the concept and purpose of Activity-Based Costing in allocating overhead costs accurately. 8. Identify cost drivers and assign costs to products or services using the ABC method. 9. Compare Activity-Based Costing with traditional costing methods and evaluate its advantages in decision-making.

Detailed Contents

UNIT	TOPIC/SUB-TOPIC	TEACHING HOURS
I	**INTRODUCTION, MATERIAL AND LABOUR VARIANCE ANALYSIS** ➢ Meaning, Nature and Objectives of Standard Costing ➢ Standard Costing vs Budgetary Control ➢ Advantages and Limitations of Standard Costing ➢ Types of Standards: Ideal Standard, Attainable Standard, Basic and Current Standards ➢ Standard Cost Card: Preparation and Uses ➢ Setting of Material Standards ➢ Material Variances: Calculation of variances for single-material products, Calculation of mix and yield variances for multi-material products. ➢ Meaning and significance of Labour Variance Analysis ➢ Objectives of labour variance analysis in cost control ➢ Standard Labour Cost: Concept and Components (Standard Time, Standard Rate) ➢ Actual Labour Cost: Concept and Components (Actual Time, Actual Rate) ➢ Labour Variances: Calculation of variances for single worker categories, multi-grade worker, problems requiring Revised Standard Hours (RSH)	15

	➢ **Practical Application & Reporting**	
II	**OVERHEAD VARIANCE ANALYSIS.** ➢ Meaning and significance of Overhead Variance Analysis ➢ Objectives of overhead variance analysis in cost control ➢ Standard Overhead Rate: Concept and Determination ➢ Absorption of Overheads: Methods and Issues ➢ Difference between Budgeted, Standard and Actual Overheads ➢ Variable Overhead Variances: Concept and Calculation ➢ Fixed Overhead Variances: Concept and Calculation ➢ **Practical Application & Reporting**	15
III	**SALES AND PROFIT VARIANCE ANALYSIS** ➢ Meaning and significance of Sales and Profit Variance Analysis ➢ Objectives of analyzing sales performance ➢ Difference between Sales Value Variance and Profit Variance ➢ Importance of sales and profit variances in managerial decision-making ➢ Sales Variances: Concept and Calculation ➢ Profit Variances: Concept and Calculation ➢ Practical Application & Reporting	15
IV	**ACTIVITY BASED COSTING** ➢ **Introduction to Activity Based Costing:** Meaning and definition of Activity Based Costing, Evolution of ABC: Limitations of traditional volume-based costing systems, Characteristics, Comparison between Traditional Costing and Activity Based Costing, Advantages and Limitations ➢ **Fundamental Concepts and Terminology:** Cost Objects, Cost Drivers, Activities and Activity Pools, Cost Hierarchies, Resource Consumption vs. Activity Consumption, Stages/Process ➢ **Preparation of Activity Based Cost Statements:** Format of ABC Cost Sheet, Calculation of Activity Rates (Cost Driver Rates), Determination of product profitability under ABC ➢ **Practical questions**	15

Text Book(s)

Dist. Narmda RAJPIPLA UNIVERSITY

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Reference Books
1. Introduction to Management Accounting: Charles T. Horngren, Gary L. Sundem, Dave Burgstahler, Jeff O. Schatzberg, Pearson Education. 2. Management Accounting: Anthony A. Atkinson, Robert S. Kaplan, Ella Mae Matsumura, S. Mark Young. Dorling Kindersley (India) Pvt. Ltd 3. Management Accounting: Singh, Surender, Scholar Tech Press, New Delhi. 4. Managerial Accounting: Garrison H., Ray and Eric W. Noreen McGraw Hill 5. Management Accounting: Goel, Rajiv, International Book House, 6. Management Accounting: Arora, M.N. Vikas Publishing House, New Delhi. 7. Management Accounting: Moore, Carl L, Jaediche Robert K. 8. Advanced Management Accounting: Ravi M. Kishore 9. Cost Accounting A Managerial Emphasis: Horngren, Foster, Datar
Web Resources

L:: Lecture, **T**:: Tutorial , **P**::Practical

CCE::Continuous and Comprehensive Evaluation

(CCE Theory includes Mid Semester Examination, Assignment, MCQ quizzes, Seminar, Reflective notes, class participation, case analysis and presentation, slip tests (announced/ surprised), attendance etc. or any combination of these)

PWE::Practical Work Examination

(PWE includes Laboratory practical work, project work, viva simulation exercise work etc.)

SEE::Semester End Evaluation