School of Commerce
M.Com. Programme

Subject Code & Name: MC02MEEC01: Cost and Management 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	2
Course Code	MC02MEEC01
Course Title	Cost and Management 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. Develop advanced knowledge of cost accounting concepts, techniques, and systems used in modern organizations.
2. Use management accounting information for strategic decision-making, pricing, product mix, and profitability analysis.
3. Assess performance using quantitative and qualitative performance measurement tools, including variance analysis and responsibility accounting.
4. Understand the principles and procedures of process costing and apply them to determine the cost of production in continuous manufacturing environments.
5. Prepare and analyze process costing reports, including equivalent units of production, cost allocation, and treatment of normal and abnormal losses for managerial decision-making.
6. Analyze and determine product pricing decisions using cost information, market factors, and pricing strategies to achieve organizational objectives such as profitability and competitiveness.

Prerequisites (if any)

Learning Outcomes

After completion of the course, learners will be able to:

1. Explain the principles, objectives, and scope of cost accounting and management accounting.
2. Explain the concept, principles, and types of responsibility accounting and their role in organizational control.

3. Analyze the performance of responsibility centers using appropriate financial and non-financial performance measures.
4. Apply responsibility accounting techniques to evaluate managerial performance and support effective decision-making.
5. Evaluate how cost information, pricing strategies, and learning effects support managerial planning, control, and decision-making.
6. Apply process costing and product pricing methods to solve practical managerial accounting problems.

Detailed Contents		
UNIT	**TOPIC/SUB-TOPIC**	**TEACHING HOURS**
I	**RESPONSIBILITY ACCOUNTING** ➢ **Introduction**: Meaning, Definition, Basic Principles, Evolution and need for responsibility accounting in large and complex organizations, Features (Characteristics) of Responsibility Accounting, Objectives of Responsibility Accounting, Steps/Process in Responsibility Accounting, Advantages & Disadvantages of Responsibility Accounting. ➢ **Responsibility Reporting:** Prerequisites of Responsibility Accounting-Reporting to Management & Control Reports. ➢ **Responsibility Centers:** Expenses Centers, Revenue Centers, Profit Centers, Investment Centers, Controllable vs. uncontrollable costs/revenues in each center. ➢ **Practical Questions**	15
II	**PROCESS COSTING** ➢ **Introduction to Process Costing:** Meaning and definition of Process Costing, Nature and characteristics of Process Costing, Objectives of Process Costing, Advantages and Limitations of Process Costing, Industries where Process Costing is Applicable. ➢ **Basic Concepts and Terminology:** Process Loss, Normal Loss, Abnormal Loss, Abnormal Gain, Scrap value, Equivalent Production (Equivalent Units), Work-in-Progress (WIP) – Opening and Closing. ➢ **Equivalent Production (Equivalent Units):** Meaning and importance of Equivalent Units, Calculation of Equivalent Units when there is no WIP, Calculation of Equivalent Units when there is Closing WIP only, Calculation of Equivalent Units when there is both Opening and Closing WIP. Methods of valuation of WIP. Practical questions based	15

School of Commerce
M.Com. Programme

	on work in progress ➢ **Joint Product and By product:** Meaning, Joint product v/s By Product, Objectives for allocation of joint cost, Methods of accounting for Joint Product & By Product **Advanced Level Practical Questions.**	
III	**PRODUCT PRICING** ➢ **Introduction:** Meaning and importance of pricing, Role of management accountants in pricing decisions, Objectives of pricing, Factors affecting Pricing decisions, Short-term vs. Long-term pricing decisions ➢ **Different Methods of Product Pricing:** 1. Full Cost Plus 2. Marginal Cost Plus 3. Differential Cost Plus 4. Opportunity Cost Based Pricing 5. Conversion Cost Based Pricing 6. Current Market Price 7. Return on Investment Pricing 8. Short Run V/s Long Run Pricing Decision 9. Target Costing 10. Life Cycle Product Costing and Pricing 11. Economic Approach to Pricing 12. Consumer Oriented Pricing 13. Controlled Pricing ➢ Practical Questions	15
IV	**EMERGING ISSUES** **(A) Cost Management:** Introduction, Meaning, Definition, Objectives and Importance, Four pillars of cost management, Logical Postulates of cost management **(B) Management Audit:** Introduction, Meaning, Definition, Objectives and Importance, Areas, Scope, Difference between financial audit and management audit, Difference of between cost audit and management audit, Benefits and limitations of management audit **(C) Productivity Accounting and Audit:** Introduction, Meaning, Definition, Objectives and Importance, Productivity measuring ratios, Affecting factors, Productivity and profitability, Materials, Labours, Overheads and Total Productivity, Productivity and Value Added concept, Corrective Actions, Productivity Audit	15

Text Book(s)

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

School of Commerce
M.Com. Programme

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: Maheshwari S.N. & S.N. Mittal, Mahavir Book Depot, Delhi.
8. Management Accounting: Theory & Practice Singh S. K. & Gupta Lovleen Pinnacle Pub.
9. Principles of Management Accounting: Manmohan S. N. Goyal
10. Management Accounting: Moore, Carl L, Jaediche Robert K.
11. Management Accounting: Hingorani
12. Management Accounting: N. P. Shrinivasan
13. Management Accounting: Khan and Jain
14. Advanced Management Accounting: Ravi M. Kishore
15. 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