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| **B.Com** | **Semester – V (Skill Enhancement Course- Elective)** | **Credits:4** |
| **Course:19A** | **Cost Control Techniques** | **Hrs/Wk:5** |

**LearningOutcomes**

## Upon completionofthe coursethestudent willbeableto

1. Differentiatecostcontrol,costreductionconceptsandidentifyeffective techniques.
2. Allocateoverheadson thebasisofActivityBasedCosting.3:Evaluatetechniquesof costauditand rulesfor cost record. 4:Appraisetheapplicationofmarginalcostingtechniques

toevaluateperformances,fixsellingprice, make or buydecisions.

**Syllabus:(**Total75hrs (Teaching60,Training10, Others05includingIEetc.)

**Unit1:Introduction-NatureandScope** Introduction**:**MeaningofCostControl– CostControlTechniques– RequisitesofeffectiveCostControlSystem–CostReduction –meaning– essentialsforaneffectivecostReductionProgram

–Scopeofcostreduction-DifferencebetweenCostControlandCostReduction–Meaningofcostaudit – Types of Cost Audit– Auditingtechniques.

## Unit2:Activity BasedCosting

Concept of ABC – Characteristics of ABC– Categories of ABC – Allocation of Overheadsunder ABC – Cost Reduction under ABC – advantages of implementing ABC –Application onoverheadallocation on thebasis of ABC-

## Unit3:CostVolumeProfitAnalysis(CVPAnalysis)

Applications of Marginal Costing – profit planning – Evaluation of Performance-fixing sellingprice – Key Factor –Make or Buy decision – Accept or Reject - closing down or suspendingactivities–

## Unit4:Standard CostingandVarianceAnalysis

Concept of Standard Cost and Standard Costing – Advantages and limitations – analysis ofvariances-importance of Variance Analysis - computation and application of variances relating tomaterialand labour.

## Unit5:ApplicationofModernTechniques

Kaizen Costing – Introduction – objectives – scope –Principles – 5 S (Sort, Set in Order, Shine,Standardize, and Sustain) in Kaizen Costing– Advantages and Disadvantages of Kaizen Costing.LearningCurve Analysis-conceptand Application.

## MODEL QUESTION PAPER (Sem-end. Exam) B.Com DEGREE EXAMINATION SEMESTER –V

**Course: Cost Control Techniques**

## Time: 3Hrs Max.Marks:75

**SECTION-A (Short Answer Questions)**

## Answer any FIVE of the following questions 5x5=25 Marks

1. Cost Audit
2. Cost Reduction
3. Concept of ABC
4. Marginal costing
5. Make or buy Decisions
6. Standard costing
7. Kaizen costing
8. Learning Curve Analysis

## SECTION-B (Essay Questions)

**Answer any FIVE of the following questions 5x10=50 Marks**

1. Briefly explain various types of cost control techniques.
2. Define cost control. Distinguish between cost control and cost reduction.
3. Explain various advantages of implementing ABC.
4. Describe various categories of ABC and allocation of overheads under ABC.
5. The sales and profit during two years were as follows.

|  |  |  |
| --- | --- | --- |
| Year | Sales(Rs) | Profit |
| 2020 | 1,70,000 | 25,000 |
| 2021 | 1,90,000 | 30,000 |

You are required to calculate (i) P/V Ratio (ii) Fixed cost (iii) BEP (iv) The sales required to earn a profit Rs. 40,000.

1. From the following particulars calculate: (1) Material cost variance (2) Material price variance (3) Material usage variance.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Material | Standard units | Standard price | Actual units | Actual price |
| A | 1010 | 1.00 | 1080 | 1.20 |
| B | 410 | 1.50 | 380 | 1.80 |
| C | 350 | 2.00 | 380 | 1.90 |

1. What are the objectives of Kaizen costing? Explain its principles.
2. Explain the advantages and limitations of Kaizen costing.