

Third Year B. B. A.
Paper- 4 Cost and management accountancy
(Effective from June 1999)

- 1.** Meaning scope & Limitation of Cost Accountancy and management Accountancy - Distinction V/S Financial Accountancy and Management Accountancy and Cost Accountancy. **10%**
- 2. Essential of Cost Accountancy :** **20%**
Theory - element of cost -Fixed & variable expenses- Classification of Overheads.
Example :
 1. Preparation of cost sheet (excluding Tender).
 2. Preparation of an overhead analysis production & service department under non-reciprocal basis & Repeated distribution method.
 3. Computation of Machine Hour Rate.
- 3. Standard Costing :** **10%**
Theory : meaning & significance - Establishing standard - types of variances-Setting up standards.
example : Materials cost variance , Labour cost variances and Sales variances only.
- 4. Budgetary Control :** **15%**
Theory : meaning & significance of Budgetary control - Function of Budgetary control, key factors- Responsibility Centers - Zero base Budgeting.
Examples :
 1. Production Raw Material Consumption & Raw Material purchase Budget.
 2. Sales Budget.
 3. Cash Budget (Receipt & Payment Method).
 4. Flexible Budget.
- 5. Cost - Volume Profit analysis :** **15%**
Meaning and significance of costing Limitation of Break- even analysis, Contribution- Break-even Point-Margin of Safety Angle of incidence Profit volume ratio- Break even chart.
Example : Find out Break even point, P/V ratio, margin of safety, Application of marginal costing in profitability planning- special offer Levels of activity, Pricing Policies.
- 6. Decision Making :** **15%**
Differential cost, Relevant cost-Application of Differential cost analysis in following decision making area change in sales-mark or Buy decision - Determination of product mix & dropping product line.
- 7. Reporting to Management :** **7%**
Meaning objects- significance of good report types of Report Special & Routine Report- Report to the different level of management, Managing Director, Factory and Sales Manager.
- 8. Responsibility Accounting :** **8%**
Cost benefit assessment - Goal Congruence top Management Objectives - Incentives use of Multiple goals- Organization structure and Responsibility Accounting and Marginal costing.