

M. Com. Part I (Semester II)

Group C (Advance Cost Accounting & Cost Systems) - Special Paper IV

Subject: Cost Control and Cost Systems Course Code: 108-II

Objective: To equip the students with knowledge and skill to design and implement cost control, cost reduction programme and different cost systems

Unit No.	Unit Title	Contents	Skills to be developed
1.	Marginal Costing, Cost – Volume – Profit Analysis And Differential Costing	Marginal Costing- Meaning –Concept of Variability of Cost, Contribution, P/V Ratio, Break Even Analysis, Margin of Safety, Cost- Volume, Profit Analysis – Differential Costing, Differential Costs, Differential Cost Analysis, Features of Differential Costing, Practical Application.	To be able to solve problems on Marginal Costing.
2.	Pricing Decision	Introduction – Pricing of Finished Product- Theory of Price – Pricing Policy – Principles of Product of Pricing – New Product Pricing	Understand pricing mechanism under global competitive environment.
3.	Costing system Design & installation	Study of Production Process, Selection of Methods of Costing, Creating Cost Centers and Cost Codes. Deciding Basis of Apportionment of Various Overheads, Deciding Methods of Absorption. Fixing Responsibility and designing suitable MIS. Designing and Installing Cost System In Computer Environment	Skills to differentiate between Cost Reduction and Cost Control techniques. To understand the process of installation of Costing System.
4	a.Cost Control and	a. Introduction, Process of Cost Control and	.To understand the relationship between cost and

	Cost Reduction b.Productivity	Cost Reduction, Cost Reduction Programme and its Implementation ,Methods and Techniques b.Productivity: Meaning, causes of lower Productivity , improvement in Productivity & Measurement of Productivity-Material, Labour, Machines, Capital , Power & overall Productivity.	productivity.

Notes: The breakup of marks in the Examination will be as follows:

- 30 % of marks for Theory & 70 % of marks for Practical Problems
- Area of practical problems:
 1. Marginal Costing – Application
 2. Differential Cost Analysis
 3. Pricing Decisions
 4. Measurement of Productivity
