

Tamil Nadu Public Service Commission
Syllabus
Cost and Works Accounts
(Intermediate Standard)

Code: 606

Unit I: Concepts and Definitions (20 Questions)

a) Meaning definition – Objectives - Scope of cost accounting and its relationship with Financial accounting and Management accounting b) Organising for cost determination - Cost Centre, Profit Centre, responsibility centre, cost unit c) Classification and Elements of cost, Preparation of Cost Sheets

Unit II: Materials, Employee Cost, Direct expenses and Overheads (20 Questions)

i) a) Procurement of materials - purchase order b) Stores routine - stores indenting, receiving and inspection of stores - Stock levels - maximum, minimum, EOQ, reordering and danger level c) Perpetual inventory system - physical verification d) Pricing of issues -FIFO, LIFO, HIFO, Base stock, average stock, simple and weighted average, standard price, inflated price and market prices. e) Forms and registers - bin card, stock ledger, purchase requisition, inspection report, good received note, material issued requisition, verification reports, vendor register, bill of materials, materials specification sheets, tender committee documents, material return note. f) Inventory carrying costs - space, handling, transportation within and without, insurance, storage loss, risk of obsolescence.

ii) a) Employee Cost measurement - Time keeping, Time booking & Payroll b) Method of wage payments – time and piece rate, various incentive schemes – Taylors, Halsey, Rowan, Merrick system c) Elements of Labour cost - wages DA, FDA, VDA, overtime, incentive, ESI, PF etc., - Treatment of bonus and gratuity d) Labour turnover measurement – Addition, Separation, Replacement, Flux method.

iii) a) Direct Expenses – Definition, Tracing to cost centre b) Nature of direct or chargeable expenses c) Direct, indirect expenses and their differences

iv) a) Nature, classification, Organisation for accumulation of overheads costs, allocation, apportionment and absorption. b) Basis of allocation - space area, power points, number of employees etc., c) Basis of apportionment - secondary distribution - inter department and reciprocal services. d) Basis of absorption, labour hour, labour cost, machine hour, materials cost, prime cost and factory cost. e) Classification of overheads - production, work, factory or manufacturing, overheads - General administration overheads and selling and distribution overhead, fixed, variable and semi-variable overheads. f) Treatment of over or under absorption of overheads.

Unit III Cost Book-Keeping (20 Questions)

a) Cost accounting records, Ledgers, Cost statements b) Items excluded from cost, normal and abnormal items/cost c) Integrated and non-integrated accounts and differences d) Reconciliation of cost accounting records with financial accounts.

Unit IV Methods of Costing: Nature of Industry Based (20 Questions)

- a) Job, batch and contract costing b) Process Costing - normal and abnormal losses, inter process profit, equivalent production, Joint and by Products c) Operating costing or service costing - Transport, Hotel, Healthcare, Telecommunication and Entertainment.

Unit V: Marginal Costing, CVP Analysis and Decision Making (20 Questions)

- a) Meaning of marginal cost and Marginal Costing b) Absorption costing Vs Marginal Costing c) Cost Volume Profit Analysis d) Break Even Analysis e) Margin of Safety f) Application of Marginal Costing for decision making

Unit VI: Standard Costing and Variance Analysis (20 Questions)

- a) Concept of standard cost and standard costing b) Advantages and Disadvantages c) Computations of variances relating to Material and Labour, Interpretation of variances.

Unit VII : Budget and Budgetary Control (20 Questions)

- a) Concepts, Types of Budgets b) Budgetary Control Vs Standard Costing c) Advantages and Limitations d) Preparation of Various Budgets.

Unit VIII: Management Accounting and Taxation

- a) Activity Based Costing b) Short term decision making using marginal costing c) Transfer Pricing and their applicability d) Zero Base Budgeting e) GST- Registration, filing of GST Returns, GST tax Payment Reconciliation, Input tax credit f) TDS & TCS – filing of returns

Unit IX: Cost Accounting Standards (CAS 1-CAS 24) (20 Questions)

- a) Objectives b) Scope c) Definitions d) Principles of Measurement e) Assignment f) Disclosures

Unit X: Analysis and Interpretation of Financial Statements and Laws relating to Establishment of Entities (20 Questions)

- a) Funds flow analysis b) Cash flow analysis c) Ratio analysis – d) Under Societies Act and Companies Act - Laws relating to incorporation, Filing Procedures, Internal Governance, Reporting requirements.

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