

Tamil Nadu Public Service Commission

**Syllabus
Cost and Works Accounts
(Intermediate Standard)**

Code: 332

Unit I: Concepts and Definitions (30 Questions)

a) Meaning definition – Objectives - Scope of cost accounting and its relationship with Financial accounting and Management accounting - Limitations of financial Accounting b) Difference between Cost and Financial Accounting - Cost and Management Accounting c) Organising for cost determination - Cost Centre, Profit Centre, responsibility centre, cost unit d) Ascertainment of Cost - Post costing and concurrent costing e) Classification of Cost f) Elements of costing - materials cost, labour cost, direct expenses and overheads g) Preparation of Cost Sheets

Unit II: Materials (25 Questions)

a) Material management - purchase routine - stores control - function of store keeper b) Purchase routine - indenting procedures - order level indenting-production planning based indenting calendar indenting - vendor rating and selection - tendering procedure - tender committee formation function and recommendation - purchase order c) Stores routine - stores indenting receiving and inspection of stores - stock levels maximum, minimum, EOQ recording and damage level d) Perpetual inventory system - physical verification - continuous stock check - slow moving, non moving and obsolete stock ABC, VED, XYZ and insurance items of stores - different classes of materials like raw material, packing material, consumable, spare parts, general hardware stores, tools etc. e) Pricing of issues -FIFO, LIFO, HIFO, Base stock, average stock, simple and weighted average standard price, inflated price and market prices - effects of these methods on inventory valuation and profits. f) 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. g) Inventory carrying costs - space, handling, transportation within and without, insurance, storage loss, risk of obsolescence.

Unit III: Employee Cost (20 Questions)

a) Recruitment procedures and employee records - recording of attendance - recording of job / operation time - idle time, recording and analysis by cases - overtime recording payment and treatment in cost accounts. b) Pay roll procedures - Methods of wage payments - time and price rate - various incentive scheme. c) Booking labour costs by wages rate and composing rate - element of labour costs - wages DA, FDA, VDA, overtime, incentive, ESI, PF etc., - Treatment of bonus and gratuity . d) Labour turn over - recording and assessment- causes- preventive costs, actual hidden and replacement costs- training and induction cost. e) Production and productivity- Measurement- Productivity improvement programmes - Application of Industrial Engineering - ergonomies.

Unit IV: Direct Expenses (20 Questions)

a) Definition - Nature, collection and tracing to cost unit. b) Treatment of direct statutory expenses like duties and taxes. c) Treatment of royalty, surveyor's fees etc.,

Unit V: Overheads (20 Questions)

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 appointment - secondary distribution - inter dependent and reciprocal series. 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 - selling and distribution overhead, fixed variable and semi-variable overheads. f) Treatment of over or under absorption of overheads - reporting of overhead costs activity based costing.

Unit VI: Cost Book-Keeping (25 Questions)

a) Costing accounting records, Ledgers, Cost statements b) Items excluded from cost, normal and abnormal items/cost c) Integral accounts d) Reconciliation of cost accounting records with financial accounts.

Unit VII: Methods of Costing: Nature of Industry Based (15 Questions)

a) Job, batch and contract costing b) Process Costing - normal and abnormal losses, equivalent production - Joint and by Products c) Operating costing or service costing - Transport, Hotel and Hospital

Unit VIII: Cost Accounting Techniques (15 Questions)

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

Unit IX: Standard Costing and Variance Analysis (15 Questions)

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

Unit X: Budget and Budgetary Control (15 Questions)

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

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