

# Cost and Management Accounting

M.P. Gupta • Ajai Gupta



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# Cost and Management Accounting

*[For B.Com, BBA, MBA, CA, CS, CMA and other courses under  
Notional Education Policy (NEP) - 2020  
offering Cost and Management Accounting in their exams]*

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# P

## Preface

It gives us great pleasure to present our new book, 'Cost and Management Accounting'.

The present book aims to meet in full measure the requirement of students preparing for various commerce and management courses, opting Cost Accounting and Management Accounting in Indian Universities and Professional Courses. The latest syllabus of various professional courses like CA, CMA, CS, BBA, MBA, etc. is covered in the book. Syllabus of B.Com and M.Com of various Indian Universities under new National Education Policy (NEP) and under CBCS have been taken into consideration.

The objective of the present textbook is basic treatment of main principles of Cost and Management Accounting. The standard set for the book is complete clarity for beginners and such simplicity of exposition to make the text practically the best.

It is with this purpose the maximum ranges of Illustrations and Examples (more than 700) form the part of the textbook. The book covers almost all topics of Cost and Management Accounting. It runs in 18 chapters (spreading over 1,250 pages) and stands as a unique and most comprehensive treatise of various aspects of Cost and Management Accounting. There are two Appendices – Cost Accounting Standards (CAS) issued by Indian Institute of Cost and Management Accounting (CIMA) and Developments in Cost and Management Accounting.

Chapters of the book may be broadly grouped in following heads:

1. **Introduction of Cost and Management Accounting:** It explains the difference between Cost and Management Accounting and their main aspects. Elements of Cost and Methods of Costing are also discussed.
2. **Heads of Cost:** In the next head, Materials cost, Employees cost, Direct expenses and Overheads are explained in detail in separate comprehensive chapters.
3. **Unit Costing or Output Costing:** It is divided into Two Chapters – Unit Costing and Calculation of Tender Prices.
4. **Contract Costing:** The next section includes Job, Batch, and Contract Costing in detail incorporating new Accounting Standards.
5. **Process Costing:** This part is covered in three chapters – Process Costing and By-product Costing and Operating Costing.

6. **Activity-based Costing:** A new concept of Activity-based Costing (*ABC*) is explained in detail in a separate chapter. The concept is an improvement over indirect expenses.
7. **Double Entry System:** Double Entry System in costing is explained in two chapters – Cost Control Accounts and Integrated Cost Account. A chapter related to the ‘Reconciliation of Cost and Financial Accounting’ is also given.
8. **Marginal Costing:** Marginal Costing, Absorption Costing and Cost Volume Profit Analysis along with Decision-Making is given in a separate chapter. Each aspect is elaborately explained.
9. **Standard Costing:** It is an important concept of costing. In a separate chapter it is explained in detail along with variance analysis. Variance analysis is main technique of standard costing.
10. **Budgetary Control:** Budgetary Control and Budgets are also an important aspect of Cost and Management Accounting. It is discussed in separate chapter along with different kinds of budgets like Flexible budget and Cash budget.
11. **Appendices:** There are two important additional topics given at the end as Appendices. One is related to Developments in Cost and Management Accounting and other on brief description of Cost Accounting Standards (CAS) issued by CIMA.

Thus, it is a complete textbook and the students will find it as the best book for practice and comprehension of the subject.

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Dr. MP Gupta  
Dr. Ajai Gupta



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## Snapshot of the Book

Chapter No.	Chapter Name	Pages	Illustrations	Assignments		
				Objective Type Ques.	Theoretical Questions	Numerical Questions
1.	Introduction to Cost and Management Accounting	60	13	16	14	6
2.	Materials Cost	108	70	25	22	20
3.	Employees Cost (Labour)	94	65	15	16	16
4.	Direct Expenses or Chargeable Expenses	4	–	7	3	–
5.	Overheads	120	60	21	17	14
6.	Activity Based Costing (ABC)	42	19	10	5	5
7.	Single or Output or Unit Costing-1	70	46	10	8	21
8.	Unit Costing-2 – Calculation of Tender Price or Estimates/Quotations	28	17	–	–	12
9.	Job, Batch and Contract Costing	90	58	9	11	23
10.	Process Costing	112	64	12	9	26
11.	Joint Products and By-Products Costing	46	29	6	3	5
12.	Operating or Service Costing	60	41	14	8	10
13.	Cost Book Keeping: Cost Control Accounts	36	16	16	6	5
14.	Integrated or Integral Cost Accounts	26	8	11	6	4
15.	Reconciliation of Cost and Financial Accounts	48	32	5	9	8
16.	Marginal Costing, Cost-Volume-Profit Analysis and Decision Making	106	90	23	11	36
17.	Standard Costing and Variance Analysis	106	66	–	8	28
18.	Budgetary Control	58	37	15	7	10
19.	Appendix-1 Cost Accounting Standards (CMA)	28	–	–	–	–
20.	Appendix-2 Developments in Cost and Management Accounting	10	–	–	–	–
	Total	1,252	731	215	163	249

## About the Book

The present book aims to meet in full measure the requirement of students preparing for various commerce and management courses, opting Cost Accounting and Management Accounting in Indian Universities and Professional Courses. The latest syllabus of various professional courses like CA, CMA, CS, BBA, MBA, etc. is covered in the book. Syllabus of B.Com. and M.Com. of various Indian Universities under new National Education Policy (NEP) and under CBCS have been taken into consideration.

The objective of the present textbook is basic treatment of main principles of Cost and Management Accounting. The standard set for the book is complete clarity for beginners and such simplicity of exposition to make the text practically the best.

The book covers almost all topics of Cost and Management Accounting. It runs in 18 chapters (spreading over 1,250 pages) and stands as a unique and most comprehensive treatise of various aspects of Cost and Management Accounting. It is with this purpose the maximum ranges of Illustrations and Examples (more than 700) form the part of the textbook. There are two Appendices – Latest trends in Cost Accounting and Cost Accounting Standards issued by Indian Institute of Cost and Management Accounting (CIMA).

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