



**Shri Vaishnav Vidyapeeth Vishwavidyalaya, Indore**  
**Shri Vaishnav Institute of Commerce**  
**Choice Based Credit System (CBCS) in Light of NEP-2020**

**GENERIC ELECTIVE ODD SEMESTER**

**GPCOM101 COSTING BASED PERFORMANCE ANALYSIS**

COURSE CODE	CATEGORY	COURSE NAME	TEACHING & EVALUATION SCHEME								
			THEORY			PRACTICAL		L	T	P	CREDITS
			END SEM University Exam	Two Term Exam	Teachers Assessment *	END SEM University Exam	Teachers Assessment *				
GPCOM101	GENERIC ELECTIVE	Costing Based Performance Analysis	60	20	20	-	-	3	-	-	3

**Legends:** L - Lecture; T - Tutorial/Teacher Guided Student Activity; P – Practical; C - Credit; GE – Generic Elective

\***Teacher Assessment** shall be based on following components: Quiz/Assignment/ Project/Participation in Class, given that no component shall exceed more than 10 marks.

### Course Objective

The course is intended to give an idea on Performance analysis. The course is divided into five units which include analysis of various aspects of business Performance. The course is designed in such a way that after successful completion of this course the students would be able to analyze Performance of Corporate Institutions based on various costing techniques.

### Examination Scheme

The internal assessment of the students' performance will be done out of 40 Marks. The semester Examination will be worth 60 Marks. The question paper and semester exam will consist of five questions. Each question will carry 12 Marks and consist of four questions, out of which student will be required to attempt either question number (a) and (b) or question number (c) and (d). Each question i.e. (a), (b), (c) and (d) will be of 6 marks.

### Course Outcomes

**CO1** Know the meaning of standard costing and its application in performance analysis..

**CO2** Understand marginal costing and able to analysis cost volume profitability of a business.

**CO3** Understand and critically evaluate the different methodologies that helps in business decision making.

**CO4** Undertake application of responsibility accounting and divisional performance measurement.

**CO5** Apply methods to perform cost audit and management audit.

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### COURSE CONTENT

**Unit I: Standard Costing and Variance Analysis:** Standard Cost, Standard Costing, Features of Standard Costing, Preliminary Steps for Establishing Standard Costing System, Distinction between Standard Cost, Estimated Cost and Actual/Historical Cost, Advantages of Standard Costing and Limitations of Standard Costing, Analysis of Variance and Purposes of Variance Analysis, Classification of Variances, Material Variances, Labour Variances, Variable Overhead Variances, Sales Value Variances.

**Unit II: Marginal Costing and Cost–Volume–Profit Analysis:** Concept of Marginal Cost and Features of Marginal Costing, Advantages of Marginal Costing and Limitations of Marginal Costing, Meaning of Cost–Volume–Profit (CVP) Analysis and Features of CVP Analysis, Objectives of CVP Analysis, Assumptions Underlying CVP Analysis, Elements of CVP Analysis, Break-Even Analysis (BE Analysis), Break-Even Chart (BE Chart), Presentation of BE Chart, Angle of Incidence

**Unit III: Decision Making:** Concept of Decision Making, Steps in Decision Making, Cost Concepts in Decision Making, Concept of Relevant Cost and Relevant Revenue, Comparison of Differential Cost Analysis and Marginal Costing, Concept of Key or Limiting Factor, Different Situations of Decision Making, Determination of Most Profitable Product/Sales Mix, Accept or Reject Decision, Make or Buy Decision, Operate or Shut-Down Decision

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**Unit IV: Responsibility Accounting and Divisional Performance Measurement:** Learning Objectives, Need of Decentralization / Divisionalization, Types of Responsibility Centre, Cost Centre, Revenue Centre, Profit Centre, Investment Centre, Meaning of Responsibility Accounting, Measuring Divisional Performance

**Unit V: Cost Audit:** Cost Audit, Advantages of Cost Audit, Financial Audit and Cost Audit, Efficiency Audit and Cost Audit, Management Audit, Scope of Management Audit, Potent Tool for Managerial Control, Cost Reduction through Improvement in the Performance Efficiency, Preparation Of Cost Audit, Scope of the Cost Audit

**Suggested Readings**

1. Arora M.N. (2016) *Cost and Management Accounting*. Himalaya Publishing House; Third Edition
2. Horngren, Foster and Dater, (2008). *Cost Accounting, a Managerial Emphasis*. Prentice Hall. Latest Edition.
3. Kupappally, J. (2010). *Accounting for Managers*. PHI Learnings. Latest Edition.
4. Lal J., (2009). *Cost Accounting*. Tata McGraw- Hill Education, India.
5. Maheshwari, S.N. (2013). *Cost and Management Accounting*. Sultan Chand and Sons. Latest Edition
6. Mohd, A. (2008). *Cost Accounting*. Vrinda Publication. Latest Edition.

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