

B. COM
SEMESTER VI
COST AND MANAGEMENT ACCOUNTING - Major 3
(COST AND MANAGEMENT AUDIT)
(100Marks -75 Lectures)

OBJECTIVES : To provide in-depth study of the body of knowledge comprising of the techniques and methods of planning and execute a cost and management audit assignment.

UNIT I: INTERNAL CONTROL (20 Marks - 15 Lectures)

Meaning, objectives Internal check, Internal audit – Distinction between Internal control – Internal Audit – Internal Check- Verification of records and report, sampling techniques, judgmental samplings and statistical sampling verification of performance, evaluation of control system-budgetary control, capacity utilization, inventory control, management information system, assessment of the adequacy of the internal audit function.

UNIT II: COST ACCOUNTING & RECORDS RULES AND REVIEW OF COST AUDIT (REPORT) RULES.
(45 Marks - 35 Lectures)

- A) Cost Accounting Record Rules-meaning-list of cost accounting records-essential records and statistical record-application of CAAR and maintenance of record important cost accounting records such as Raw Materials ,Wages, overheads, depreciation production records, sales records consumable stores& spares R&D expenses Benefits derived from cost accounting records preservation of cost accounting records
- B) Cost Audit Report Rules-contents-annexure to cost audit report types of report- distinctions between notes and qualifications to the report. Report and opinion, special emphasis on Cost auditors observation Necessity of cost audit, End use of Cost Audit Report. Cost audit as an aid to management special penal provision for cost auditors

UNIT III: MANAGEMENT AUDIT (35 Marks - 25 Lectures)

- A) Meaning, nature and scope of management audit, organizational need for management audit, comparison of financial cost and managerial audits, the audit of the management process and function such as objective, organization structure, planning, organization, Control, Uses of management audit, preliminaries to management audit, conducting of management audit, management audit procedure, evaluation of Corporate image, developing of corporate image, management auditor and corporate report.
- B) Social cost benefit analysis-meaning, procedure technique, difficulties social auditing types of social audit

Books for Study and Reference:

5. **Cost and Management Audit by A.R. Ramnathan, Tata McGraw Hill Publishing Company.**
6. **Cost and Management Audit by Saxena and Vashist, Sultan Chand and Sons, New Delhi.**
7. **Cost and Management Audit by J.G. Tikha, ENCOMS BOMBAY.**
8. **Cost and Management Audit by Datta Chowdary.**

OR