

WEST BENGAL COUNCIL OF HIGHER SECONDARY EDUCATION

SYLLABUS FOR CLASSES XI AND XII

SUBJECT : COSTING AND TAXATION (CSTX)

COURSE OVERVIEW :

The Council of Higher Secondary Education has included 'Costing and Taxation' subject in the revised syllabus prescribed for higher secondary course of study. The matter has been divided into two volumes each for class-XI (Semester – I and Semester – II) and for class-XII (Semester – III and Semester – IV). Each chapter starts with a simple and lucid discussion of the topic followed by properly arranged for the benefit of the students of commerce stream. Council has all though tried to keep in mind the special needs of higher secondary students and hope effort will satisfy them. Council would consider it a great privilege to the students on the basis of recent trends of the society as well as business scenario and also make a link between basic knowledge as well as higher studies.

The course curriculum for the students is all set for another innings; the need for a good, effective that can help the students out of the maze can hardly be exaggerated. The syllabus of the subject 'Costing and Taxation' performed a marvel by carving out the salient features into a beautiful, workable for the students who have made a choice of career in the commerce stream. The division of the syllabus into theory, practical and project work appears to be logical as it would leave the students with an opportunity to learn the theory as well its application.

COURSE OUTCOMES:

After completion of this course, the students will be able to know regarding—

- Cost concept
- How to calculate total cost of a particular commodity
- Calculate the requirements of raw materials and their accounting procedure
- Calculate the valuation of closing stock of raw materials
- Concept of labour and calculation of remuneration of labourers
- Concept of Overhead and allocation among different departments
- History of Tax structure in India
- Concept of Income Tax
- Different incomes – Taxable or not Taxable
- Residential status of an individual
- Agricultural income related matter
- Concept of Income from salary – calculate salary income is taxable or not
- Concept of income from Capital Gains
- Concept of income from Other Sources
- Concept of income from House Property
- Concept of GST
- Practical application regarding project work.

LEARNING HOURS:

Total – 200 hours / year allocated over the syllabus

Semester I – 100 hours

Semester II – 80 hours

- 20 hours for assignments, remedial as well as tutorial classes.

CLASS - XI

SEMESTER – I

SUBJECT : COSTING AND TAXATION (CSTX)

FULL MARKS : 40

CONTACT HOURS : 100 Hours

COURSE CODE : THEORY

UNIT NO.	TOPICS	CONTACT HOURS	MARKS
	COSTING		
Unit -1	Introduction Definition of Cost – Costing – Cost Accounting – Cost Centre – Cost Unit – Objectives of Cost Accounting – Features of Cost Accounting – Advantages of Cost Accounting – Limitations of Cost Accounting – Steps or Factors necessary for installation of a Costing System.	13	5
Unit -2	Classification of Cost i) Element – Based Classification: Raw Materials Cost – Labour Cost – Other Expenses – Overhead – Prime Cost. ii) Function – Based Classification: Factory Cost – Administration Cost – Selling Cost – Distribution Cost – Research and Development Cost. iii) Behaviour – Based Classification: Fixed Cost – Variable Cost – Semi-variable / Semi-fixed Cost – Distinctions between Fixed Cost and Variable Cost. iv) Preparation of Cost Sheet: Definition of Cost Sheet – Basic Components of Cost Sheet – Practical Problems on Cost Sheet (Simple Problems excluding Cost Estimation).	37	15
	TAXATION		
Unit -3	Introduction of Taxation A : A brief history of Income Tax in India, Tax structure in India – Direct Tax, Indirect Tax. B : Basic concepts and definitions under Income Tax Act: - Previous year, Assessment year, Assessee, Person, Sources of Income, Heads of Income, Gross Total Income, Total Income. C : Incomes which do not form part of Total Income: Receipts by a member from Hindu Undivided family [Section 10(2)], Share of profit from a Partnership firm[Section 10(2A)], Sums received under Life Insurance Policy [Section 10(10D)], Daily Allowance to MPs and MLAs [Section 10(17)], Awards [Section 10(17A)], Income of a Local Authority [Section 10(20)], Income from Dividend [Section 10(34)], Income from Units [Section 10(35)], Long term Capital Gains from transfer of equity shares or units [Section 10(38)]	25	10
Unit -4	Residential Status and Incidence of Tax of Individual Assessee.	25	10

CLASS - XI

SEMESTER – II

SUBJECT : COSTING AND TAXATION (CSTX)

FULL MARKS : 40

CONTACT HOURS : 80 Hours

COURSE CODE : THEORY

UNIT NO.	TOPICS	CONTACT HOURS	MARKS
	COSTING		
Unit -1	Cost of Materials A: Storing of Materials i) Bin Card – Definition and Necessity ii) Stores Ledger – Definition and Necessity iii) Centralized Stores and Decentralized Stores B: Materials Control i) Necessity of Material Control ii) Fixation of Stock Levels of Materials: Re-order Stock Level – Maximum Stock Level – Minimum Stock Level – Average Stock Level – Danger Stock Level (with Simple Practical Problems) iii) Fixation of Economic Order Quantity(EOQ): Definition and Advantages of EOQ – Simple Problems on Determination of EOQ(with the help of formula) C : Methods of Pricing Materials Methods of Pricing Materials issued from Stores and Preparation of Stores Ledger Accounts – FIFO Method, LIFO Method, Simple Average Method, Weighted Average Method – Advantages and Limitations of FIFO Method, LIFO Method, Simple Average Method and Weighted Average Method.	40	20
	TAXATION		
Unit -2	Agricultural Income: - Definition, Taxability of Income from sale of tea and coffee grown and manufactured in India. Very common instances of agricultural income and non-agricultural incomes.	10	5
Unit -3	Income under the head “Salaries” A : Basis of charge (Section 15), Essential norms of salary income, Allowances:- Basic Salary, Dearness Allowance, City Compensatory Allowance, House Rent Allowance [Section 10(13A)], Medical Allowance, Bonus, Children Education Allowance, Transport Allowance. B : Perquisites [Section 17(2)] a) Valuation of rent free unfurnished accommodation provided to (i) Central and State Government Employee and (ii) Private Sector Employees [Rule 3(1)] – Valuation of rent free furnished accommodation. b) Valuation of perquisites in respect of (i) Free education to employee’s children: (ii) Payment of school fees by the employer, (iii) Education facility in employee’s institute. c) Very common examples of tax free perquisites. d) Deduction for professional tax or tax on employment [Section 16(iii)]	30	15

CLASS - XI

COURSE CODE : PROJECT

Full Marks : 20

Sub Topics :

1	Visit any manufacturing firm, collect real data and prepare a detailed Cost Sheet.
2	Visit any production unit, collect necessary data regarding raw materials of a particular commodity, prepare Bin Card and Stores Ledger.
3	Visit any production unit, collect necessary data regarding raw materials of a particular commodity, calculate Economic Order Quantity / Re-order Quantity for each and every raw material.
4	Collect data from any relative, who is a salaried person and compute his / her income from salary [excluding perquisites]
5	Visit any agricultural farm, collect data and prepare agricultural income and total income.
6	Meet ten individual persons, collect different information related to staying in India and abroad. Comment on Residential Status and their tax incidence.

Guidance to the Students regarding Project Work for Class - XI

The Council has included 'Project Design' in the new curriculum keeping in view the practical side of the students along with the theoretical knowledge. The following points should be arranged in sequence for project formulation —

On the first page:

(i) Name of project, (ii) Name of project maker, (iii) Name of supervisor *i.e.* name of the school teacher who supervised the preparation of project, (iv) Name of school, (v) Roll number, (vi) Class, (vii) Month and year of submission.

On the second page:

Acknowledgement means thanking all the teachers, parents and elder-friends and all the authoritative books that helped in shaping the project.

On the third page:

Table of contents / Index

Subject of the project:

(i) Introduction, (ii) Objectives of the project, (iii) Conceptual Framework, (iv) Collection of data for the Project, (v) Presentation of data collected for the project, (vi) Discussion and analysis of data collected for the project, (vii) Conclusion and recommendations; Limitations; Future work prospects.

CLASS - XII

SEMESTER – III

SUBJECT : COSTING AND TAXATION (CSTX)

FULL MARKS : 40

CONTACT HOURS : 100 Hours

COURSE CODE : THEORY

UNIT NO.	TOPICS	CONTACT HOURS	MARKS
	COSTING		
Unit -1	Concept of Labour: A : Cost of Labour Time Keeping – Methods of Time Keeping (Manual and Mechanical) – Features of a Good Time Keeping System. Time Booking – Methods of Time Booking Idle Time – Causes of Idle Time. B : Methods of Remuneration - I i) Time Rate Wage – Advantages and Limitations. ii) Straight Piece Wages and Simple Problems, Limitations iii) Differential Piece Wage Rate: Taylor's Differential Piece Wage Rate – Advantages and Simple Problems, Limitation. Merrick's Differential Piece Wage Rate Method – Concept and Simple Problems.	50	20
	TAXATION		
Unit -2	Income from “Capital Gains” Basis of charge [Section 45(1)], Meaning of Capital Asset [Section 2(14)], Examples of Assets not treated as Capital Asset, Short term Capital Asset [Section 2(42A)], Long term Capital Asset [Section 2(29A)], Transfer of Capital Asset [Section 2(47)] – Simple problems on Capital Gains.	25	10
Unit -3	Income from Other Sources Basis of charge (Section 56), Some Examples of income generally taxable under this head, Tax treatment of winning from lotteries, horse race, card games, cross word puzzles [Section 56(2)(b)], Interest on Securities [Section 56(2)(d)]	25	10

CLASS - XII

SEMESTER – IV

SUBJECT : COSTING AND TAXATION (CSTX)

FULL MARKS : 40

CONTACT HOURS : 80 Hours

COURSE CODE : THEORY

UNIT NO.	TOPICS	CONTACT HOURS	MARKS
	COSTING		
Unit -1	Methods of Remuneration - II Halsey and Rowan Premium Bonus Schemes – Concepts and Simple Problems.	20	10
Unit -2	Basic Concept of Overhead A : Definition of Overhead – Importance of Overhead – Classification of Overhead (only element – based, function – based and behavior – based classification) – Distinctions between Overhead and Prime Cost. B : Distribution of cost among different departments. Distinction between Allocation and Apportionment, Bases of primary distribution commonly used, Primary distribution of cost – Simple problems.	20	10
	TAXATION		
Unit -3	Income from “House Property” i) Chargeability – essential conditions (Section 22), Property income exempt from tax on Annual Value [Section 23(1)] ii) Computation of income from let out house property: adjustment of vacancy period, standard deduction under section 24(a), Interest on borrowed capital under section 24(b) (excluding interest for pre-construction period) iii) Computation of income from one self occupied house.	30	15
Unit -4	Goods and Service Tax (GST) Concept, Historical background of GST, Indirect Tax structure during pre-GST period, Indirect Tax structure after introduction of GST. Objectives, Structure, Types of GST, Salient features of GST, Benefits of GST for business and industry, Central and State Govts, Consumers. GST rules on goods and GST rules on services. GSTIN and GSTN.	10	5

CLASS - XII

COURSE CODE : PROJECT

Full Marks : 20

Sub Topics :

1	Select any manufacturing unit, Observe the wage payment system followed there and prepare a report on your observation.
2	Collect employees' remuneration data from a production unit – compare between Time rate wage system and Piece rate wage system – give a suggestion or recommendation.
3	Collect employees' remuneration data from a production unit – compare Differential Piece rate wage system between Taylor's and Merrick's - give a suggestion or recommendation.
4	Collect employees' remuneration data from a production unit – compare Bonus premium plan between Halsey and Rowan - give a suggestion or recommendation.
5	Collect Overhead cost of a particular period of time from a manufacturing / production unit – allocate these costs among different departments on the basis of primary bases.
6	Select any house having both let out and self occupied units, take the necessary information from the owner of the house and compute Income from House Property.

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