INTERMEDIATE (IPC) COURSE
PRACTICE MANUAL

PAPER : 3

COST ACCOUNTING AND FINANCIAL MANAGEMENT

Part – 1 : Cost Accounting

BOARD OF STUDIES
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
This Practice Manual has been prepared by the faculty of the Board of Studies. The objective of the Practice Manual is to provide teaching material to the students to enable them to obtain knowledge in the subject. In case students need any clarifications or have any suggestions to make for further improvement of the material contained herein, they may write to the Director of Studies.

All care has been taken to provide interpretations and discussions in a manner useful for the students. However, the Practice Manual has not been specifically discussed by the Council of the Institute or any of its Committees and the views expressed herein may not be taken to necessarily represent the views of the Council or any of its Committees.

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A WORD ABOUT PRACTICE MANUAL

The Board of Studies has undertaken the step of developing Practice Manuals of all subjects to help the students with better understanding of the subject through a mode of questions and answers on different important topics and problems. Practice Manual and Study Material of a subject complements each other and all the students are expected to make holistic study of both to gain maximum benefit and acquire in-depth knowledge of the subject. The Practice Manual in the subject of “Cost Accounting” has been developed taking primary input from question papers of Institute’s earlier examinations over a number of years. It has been divided into thirteen chapters, keeping close correspondence with the chapters of the Study Material so as to make it an effective guidance material by providing clarification / solution to very important topics / issues, both theoretical and practical, of different chapters.

The Practice Manual will serve as revision help book towards preparing for Intermediate (IPC) examination of the Institute and help the students in identifying the gaps in the preparation of the examination and developing plan to make it up. The Practice Manual contains solutions to the questions which will act as a guide towards developing the skill of students on framing appropriate answer to a question and thereby to help them to improve their performance in the examination. The Practice Manual of “Cost Accounting” has been thoroughly updated to cater the need of home study and distance learning approach in Chartered Accountancy course. We would like to highlight some of the unique features of the Practice Manual in the subject of “Cost Accounting”.

- This Practice Manual is divided into thirteen chapters.
- This Practice Manual has more than 200 practical questions. These 200 practical questions have been compiled in such a manner that it will cover basic concepts, practical concepts and all kind of adjustments required to solve a numerical & their solutions for extensive revision of the students of intermediate (IPC) level of Chartered Accountancy course.
- Important definitions, equations, formulae etc. has been given at the beginning of each chapter for a quick recapitulation.
- Solutions in this Practice Manual have been given step by step so that students can understand each problem with the help of self study.
- Each chapter of the Practice Manual has been divided into two sections i.e. Section A: Theory Questions and Section B: Practical Questions.
Presentation is the hallmark of this Practice Manual. Questions and solutions thereof have been presented in a students' friendly approach.

Matrix of chapter-wise marks distribution in the past examinations has been added in this Practice Manual.

Practice Manual is prepared by the Board of Studies of Institute (ICAI) with a viewpoint to assist Chartered Accountancy students in their education. Some time solution may have been provided keeping certain assumptions in mind where alternative views are also possible.

In this Practice Manual formats of Financial Statements (i.e. Balance Sheet, Income Statements etc) and financial terms used are for illustrative purpose only. For appropriate format and applicability of various Standards, students are advised to refer the study material of appropriate subject(s).

For any further clarification/ guidance, students are requested to send their queries at nnsengupta@icai.in; deepak.gupta@icai.in; sanjit.sharma@icai.in.

Happy Reading and Best Wishes!
## Statement showing topic-wise distribution of Examination Questions along with Marks

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Note: ‘Q’ represents question numbers as they appeared in the question paper of respective examination. M represents the marks which each question carries.

The question papers of all the past attempts of Intermediate/ IPCC can be accessed from the BOS Knowledge Portal on the Institute’s website www.icai.org.
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