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to items A1

relate to one concrete topic area indicat

Recommendation: ☐ Positive (The objectives of this course can be met via distance ed ation)

Signature of Department Designee

Date

ed:

[redacted]

ACCT 311: Cost Accounting

Instructor of Record: Dr. Mohamed Ghobashy, Dr. Monsurur Rahman, Dr. Ronald [redacted]

Step One: **Proposer**

A. Provide a brief narrative rationale for each of the items, A1-A5.

1. How is/are the instructor(s) qualified in the distance education delivery method as well as the discipline?

The instructors of record are academically qualified to teach this course. Faculties who have taught on-line will serve as mentors to any newly assigned faculty in addition to their receiving training provided through the Instructional Design Center. When eligible faculties are scheduled to teach

will be subject to disciplinary action. Certain on campus activities my be

ACCT 311 Cost Accounting
Syllabus of Record

I. Catalog Description

ACCT 311 Cost Accounting — 3 class hours
Prerequisite: "C" or better in AG202 – Accounting Principles II — 0 lab hours
3 credit hours
(3c-01-3cr)

[redacted]

decision-making. Discussion will concentrate on cost management system design, cost estimation methods for budget preparation and achievement, cost procedures, transfer pricing administration and managerial performance evaluation techniques.

[redacted]

E. Interrelationship between Strategic Planning and Management Accounting
   1. Corporate Mission
      a. Build
      b. Hold
      c. Harvest
   2. Strategic Plans
   3. Master Budget
   4. Performance Standards

[redacted]

A. Types of Information
   1. Internal
      a. Planning (Budgeting)
      b. Control (Actual)
      c. Decision Making

[redacted]

   2. External
      a. Customers
      b. Competition
      c. Government
      d. Suppliers
      e. Investors

B. Cost System Integration
   1. Financial Accounting
   2. Production Reporting
   3. Inventory Management
   4. Production Scheduling

2. Information
   a. Budgeted Data
   b. Product Life-Cycle
   c. Value-added Activities
   d. Target and Kaisen Costing
3. Reporting Elements
   a. Financial Statements
   b. Responsibilities Reports

III. Organizational Quality (3 hours)

A. Measurement of Production Quality

1. Value-Added vs. Non-Value-Added Activities

2. Effect on Production Costs

B. Measurement of Consumer Quality Perception

1. Product Quality
   a. Performance – Sales Returns
   b. Reliabilities – Warranty Costs, Defective Units
   c. Conformance to Specification – Statistical Control Charts, Maintenance time and Costs
   d. Serviceability – number of Product Repairs

C. Total Quality Management (TQM)

1. Total Quality Systems

   a. Emphasis on Prevention of Product Defects/Poor Service
   b. Continuous Improvement
2. Benchmarking
   a. Concept
   b. Results Benchmarking
   c. Process Benchmarking

D. Accounting and Reporting Quality Costs

2. Cost of Noncompliance
    a. Internal Failure
        i. Rework Costs
        ii. Waste
        iii. Reinspection Costs
        iv. Downtime
        v. Rescheduling Production Interruptions
    b. External Failure
        i. Labor and Overhead Costs – Customer Complaints, Service Department
        ii. Warranty Costs
        iii. Opportunity Costs – Lost Future Sales
        iv. Product Recalls
        v. Litigation Costs from Defective Products
3. Relationships between Compliance, Noncompliance and Total Quality Costs

[redacted]

    a. Pareto Analysis – 80.20 Rule
    b. Quality Cost Ledger Accounts – Four Quality Cost Categories

2. Allocation Method

b. Step
c. Algebraic – Linear Programming

V. The Master Budget (3 hours)
A. Budgeting Progress
1. Mission Statement
2. Corporate Strategy and Goals
3. Budget Preparation
B. Financial Budgets
1. Sales
2. Production
3. Purchasing
4. Personnel (direct Labor)
5. Overhead
6. Selling and Administrative
7. Capital Investment
8. Cash
a. Receipts
b. Payments
9. Income Statement
10. Balance Sheet
11. Statement of Cash Flows
C. Continuous Budgeting

VI. Activity-Based Costing (4hours)
A. Product Life Cycles
1. Development

2. Introduction
3. Growth
4. Maturity
5. Decline
B. Costing Method
1. Target Costing – Development
2. Kaizen Costing – Production Introduction and Growth
3. Standard Costing – Maturity and Decline
4. Life-Cycle Costing
C. Evaluation of Value-added and Non-Value-added activities
1. Process Mapping

2. Value Charts

4. Cost Driver Analysis
   a. Unit Costs
   b. Batch Costs
   c. Process Costs
   d. Organizational Costs

D. Activity-Based Costing
   a. Activity Cost Pools
   b. Activity Cist Driver
   c. Cost Allocation of Procedures

E. Benefits of Activity-Based Costing
   1. Better Monitoring of Costs

[redacted]

   2. Identification of Wasted Activities and Costs
   3. Cost Control through increased efficiency of Productive Activities
   4. Improved Accuracy of Overhead Cost Allocation to Product/Service Lines
   5. Improved Measurement of Profit Performance of Product/Service Lines

[redacted]

F. Flow Manufacturing

VII. Job Order costing (3 hours)

A. Valuation Methods

[redacted]

   2. Normal Costing
   3. Standard Costing

B. Manufacturing cost Components
   1. Direct Materials - Materials requisitions
   2. Direct Labor – Labor Time Reports
   3. Manufacturing Overhead – Applied Vs. Actual

C. Inventory Components
   1. Raw materials inventory
   2. Work in process
   3. Finished goods Inventory

D. Normal Production Sequence and Journal Entries

E. Job Order Cost Sheets

VIII. Process Costing (3 hours)

A. Equivalent units of production

B. Weighted-average vs. FIFO methods

C. Normal Production Report

A. Development of Production Standards
   1. Materials
   2. Labor
   3. Overhead
   4. Standard Cost Card
B. Basis for Standards
   1. Ideal Standards
   2. Practical Standards
   3. Normal Standards
   4. Expected Annual Standards
C. Variances
   1. Materials
      a. Price Usage Variance
      b. Price Purchase Variance
      c. Quantity Variance
   2. Labor Variance
      a. Rate Variance
      b. Efficiency (time) Variances
   3. Overhead Variance
      a. Variable Overhead
         i. Spending Variance
         ii. Efficiency Variance
      b. Fixed Overhead
         i. Spending Variance
         ii. Volume Variance
      c. Variance Methodologies
         i. Two-Variance
         ii. Three-Variance
         iii. Four-Variance
   4. Supporting Journal Entries for Standard Costing System

C. Just-in-Time (JIT) Inventory System
1. Purpose
[redacted]

b. Reduction of Product Defects
c. Improved Productivity
d. Improved Quality
e. Employee Training
f. Value Chain
i. Suppliers
[redacted]

2. Implementation
a. Purchasing Issue
i. Quality Materials
ii. Suppliers Relationship
b. Product Design
i. Standard Rates
ii. Manufacturing Simplification
[redacted]

i. Reduced Set-up time
ii. Quality Control
d. Plant Layout
i. Manufacturing Work Cells
ii. Multiprocess Handing
[redacted]

XII. Transfer Pricing (3hours)

A. Definition

B. Minimum and Maximum values

C. Pricing policies

1. Cost Based
   a. Variable Cost
   b. Absorption Cost
   c. Absorption Cost Plus
2. Market Based
3. Negotiated
4. Dual Pricing

D. Service Transfer Pricing
1. Warehouse
2. Transportation
3. Purchasing
4. Information Systems
5. Personal
6. Engineering
7. Advertising
8. Maintenance
9. Legal
10. Marketing

E. Multinational Transfer Pricing
1. Objectives
   a. Employee Motivation
   b. Strategic Congruence
   c. Consistency in Performance Evaluation
   d. Minimization of T

e. Minimize of Foreign Exchange Risks
f. Internal Revenue Service Transfer pricing Policies

XIII. Performance Evaluation (3 hours)

A. Purpose

1. Evaluation Organizational Performance

1. Financial Perspective
2. Customer Perspective
3. Internal Business Perspective
4. Innovation and Employee Learning Perspective

D. Evaluation Bases
   1. Variance
   2. Statement of Cash Flow – Operating Cash flows
   3. Return on Investment (ROI)
      a. Segment or Operating Income
      b. Before or After Taxes
      c. Total Assets or Net Assets
      d. Original Asset Cost-Book Value – Current Value
      e. Ending, Beginning or Average Assets
   4. DuPont Model – ROI Components
      a. Asset Turnover
      b. Profit Margin
      c. Managerial ROI decision
   5. Residual Income
   6. Economic Value Added

E. ROI vs. Residual Income – Advantages and Disadvantages

IV. Evaluation Method

The final grade for the course will be determined as follows:

70% Examinations. Three hours of semester examinations and a two-hour final exam will contain questions predominantly consisting of multiple choice, short essay, and short quantitative problems.

15% Individual project. This project could focus on research on current cost accounting, trends, case study presentations, or computer-based assignments designed for spreadsheet application s.

10% Homework and quizzes. Five short random quizzes, which could take the form of collected homework assignment, will be conducted during the semester.

ACCT 311 Cost Accounting
On-Line Syllabus of Record

I. Catalog Description

ACCT 311: Cost Accounting — 3 credits
Prerequisite: "C" or better in ACCT 202 – Accounting Principles II — 3 lecture hours (3c-01-3sh)

This course studies the aggregation and use of financial information for internal management decision-making. Discussion will concentrate on cost management system design, cost estimation methods for budget preparation and achievement, cost procedures, transfer pricing

E. Interrelationship between Strategic Planning and Management Accounting
   1. Corporate Mission
      a. Build
      b. Hold
      c. Harvest
   2. Strategic Plans
   3. Master Budget
   4. Performance Standards

II. Cost Management Systems
A. Types of Information
   1. Internal
      a. Planning (Budgeting)
      c. Decision-Making
      d. Performance
   2. External
      a. Customers
      b. Competition
      c. Government
      d. Suppliers

B. Cost System Integration
   1. Financial Accounting
   2. Production Reporting
   3. Inventory Management
   4. Production Scheduling
   5. Research and Development
   6. Quality Control
   7. Marketing
C. System Design
   1. Organizational Form
      a. Corporation
      b. Partnership
   2. Organizational Structure
      a. Decentralization vs. Centralization
      b. Culture
   3. Organization Mission
      a. Critical Success Factors

2. Information
   a. Budgeted Data
   b. Product Life-Cycle
   c. Value-added Activities
   d. Target and Kaisen Costing
3. Reporting Elements
   a. Financial Statements
   b. Responsibilities Reports

III. Organizational Quality

[redacted]

1. Value Added vs. Non-Value-Added activities
2. [redacted]

2. Cost of Noncompliance
   a. Internal Failure
      i. Rework Costs
      ii. Waste
      iii. Reinspection Costs
      iv. Downtime
      v. Rescheduling Production Interruptions
   b. External Failure
      i. Labor and Overhead Costs – Customer Complaints, Service Department
      ii. Warranty Costs
      iii. [redacted]
      iv. Product Recalls
      v. Litigation Costs from Defective Products

4. Quality Cost Reporting and Analysis
   a. Pareto Analysis – 80.20 Rule

2. Allocation Method
   a. Direct
   b. Step
   c. Algebraic – Linear Programming

V. The Master Budget

A. Budgeting Progress
   1. Mission Statement
   2. Corporate Strategy and Goals

B. Financial Budgets
   1. Sales
   2. Production
   3. Purchasing
   4. Personnel (direct Labor)
   5. Overhead
   6. Selling and Administrative
   7. Capital Investment
   8. Cash
      a. Receipts
      b. Payments
   9. Income Statement
   10. Balance Sheet
   11. Statement of Cash Flows

C. Continuous Budgeting

VI. Activity-Based Costing

A. Product Life Cycles
   1. Development
   2. Introduction
   3. Growth
   4. Maturity
   5. Decline

B. Costing Method
   1. Target Costing – Development
   2. Kaizen Costing – Production Introduction and Growth
   3. Standard Costing – Maturity and Decline

4. Cost Driver Analysis
    a. Unit Costs
    b. Batch Costs
    c. Process Costs
    d. Organizational Costs

D. Activity-Based Costing
    a. Activity Cost Pools
    b. Activity Cist Driver
    c. Cost Allocation of Procedures

E. Benefits of Activity-Based Costing
    1. Better Monitoring of Costs
    2. Identification of Wasted Activities and Costs
    3. Cost Control through improved efficiency of Productive Activities
    4. Improved Accuracy of Overhead Cost Allocation to Product/Service Lines

IX. Standard Costing
- A. Development of Production Standards
  1. Materials
  2. Labor
  3. Overhead
  4. Standard Cost Card
- B. Basis for Standards
  1. Ideal Standards
  2. Practical Standards
  3. Normal Standards
  4. Expected Annual Standards
- C. Variances
  1. Materials
     a. Price Usage Variance
     b. Price Purchase Variance
     c. Quantity Variance
  2. Labor Variance
     a. Rate Variance
     b. Efficiency (time) Variances
  3. Overhead Variance
     a. Variable Overhead
        i. Spending Variance
        ii. Efficiency Variance
     b. Fixed Overhead
        ii. Volume Variance
     c. Variance Methodologies
        i. Two-Variance
        ii. Three-Variance
        iii. Four-Variance
  4. Supporting Journal Entries for Standard Costing System

X. Inventory Control
- A. Inventory Costs
  1. Purchasing
     a. Ordering Costs
     b. Storage Costs
  2. Production

C. Just-in-Time (JIT) Inventory System
1. Purpose
a. Reduction of Inventory Holding Costs
b. Reduction of Product Defects
c. Improved Productivity
d. Improved Quality
e. Employee Training
f. Value Chain
i. Suppliers
ii. Distribution
2. Implementation
a. Purchasing Issue
ii. Suppliers Relationship
b. Product Design
i. Standard Rates
ii. Manufacturing Simplification
iii. Minimal Engineering Changes
c. Manufacturing
i. Reduced Set-up time
ii. Quality Control
d. Plant Layout
i. Manufacturing Work Cells
ii. Multiprocess Handing
e. Flexible Manufacturing Systems
f. Computer-Aided Manufacturing
g. Flow Manufacturing Systems

D. Cost Accounting Implications of JIT/Flow Manufacturing Systems
1. Backflush Costing
a. Inventory Accounts
b. Journal Entries

XI. Responsibility Accounting
A. Decentralization
1. Advantages
2. Disadvantage
B. Responsibility Accounting Systems

XII. Transfer Pricing
A. Definition
B. Minimum and Maximum values
C. Pricing policies
1. Cost Based
a. Variable Cost
b. Absorption Cost
c. Absorption Cost Plus

3. Negotiated
4. Dual Pricing

1. Warehouse
2. Transportation
3. Purchasing
4. Information Systems
5. Personal
6. Engineering
7. Advertising
8. Maintenance
9. Legal
10. Marketing

E. Multinational Transfer Pricing
1. Objectives
a. Employee Motivation
b. Strategic Congruence
c. Consistency in Performance Evaluation
d. Minimization of Taxes
e. Minimize of Foreign Exchange Risks
f. Internal Revenue Service Transfer pricing Policies

XIII. Performance Evaluation
A. Purpose
1. Evaluation Organizational Performance

C. Multiple Performance Measures – The balanced Scorecard
   1. Financial Perspective
   2. Customer Perspective
   3. Internal Business Perspective
   4. Innovation and Employee Learning Perspective
D. Evaluation Bases
   1. Variance
   2. Statement of Cash Flow – Operating Cash flows
   3. Return on Investment (ROI)
      a. Segment or Operating Income
      b. Before or After Taxes
      c. Total Assets or Net Assets
      d. Original Asset Cost-Book Value – Current Value
      e. Ending, Beginning or Average Assets
   4. DuPont Model – ROI Components
      a. Asset Turnover
      b. Profit Margin
      c. Managerial ROI decision
   5. Residual Income
   6. Economic Value Added
E. ROI vs. Residual Income – Advantages and Disadvantages
F. Long-Term Performance
   1. Non financial Measures – Cost Drivers
      a. Quality
      b. Customer Service
      c. Production Efficiency
      d. Employee Motivation
      e. Innovation

15% Individual project. This project could focus on research on current cost accounting, trends, case studies, or computer-based assignments designed for spreadsheet applications.

15% Homework and quizzes. Five short random quizzes, which could take the form of submitted homework assignment, will be conducted during the semester.

Semester grades will be based upon a weighted-average of the above mentioned evaluation Content under a traditional 100-point scale (i.e. 90-100 = "A", 80-89 = "B", 70-79 = "C", 60-69 = "D" and below 60 = "F").

For any activities in which the student is required to be on campus, alternative arrangements must be made prior to the activity if a student is unable to attend due to logistical constraints.

IV. Required textbooks, supplemental and readings

Jesse T. Barfield, Cecily A. Railborn, and Michael R. Kinney. Cost Accounting: Traditions and Innovations, 5th edition. Southwestern Publishing. Cincinnati, Ohio. 2003

V. Special Resource Requirements

To study on-line you will need regular access to a computer equipped with a modem and appropriate software, internet access and an email address. Minimum hardware requirements:

PC, Pentium II or better, or Macintosh 68030 or better. Minimum of 256 MB RAM to run Netscape minimum 40 MB free disk space modem, 56 Kbps or faster software: (PC) 32-bit enable windows (MAC) system 7.5 or higher communications software, web browser, email program. A word-processing program, or at least a text editor. You should have a virus