

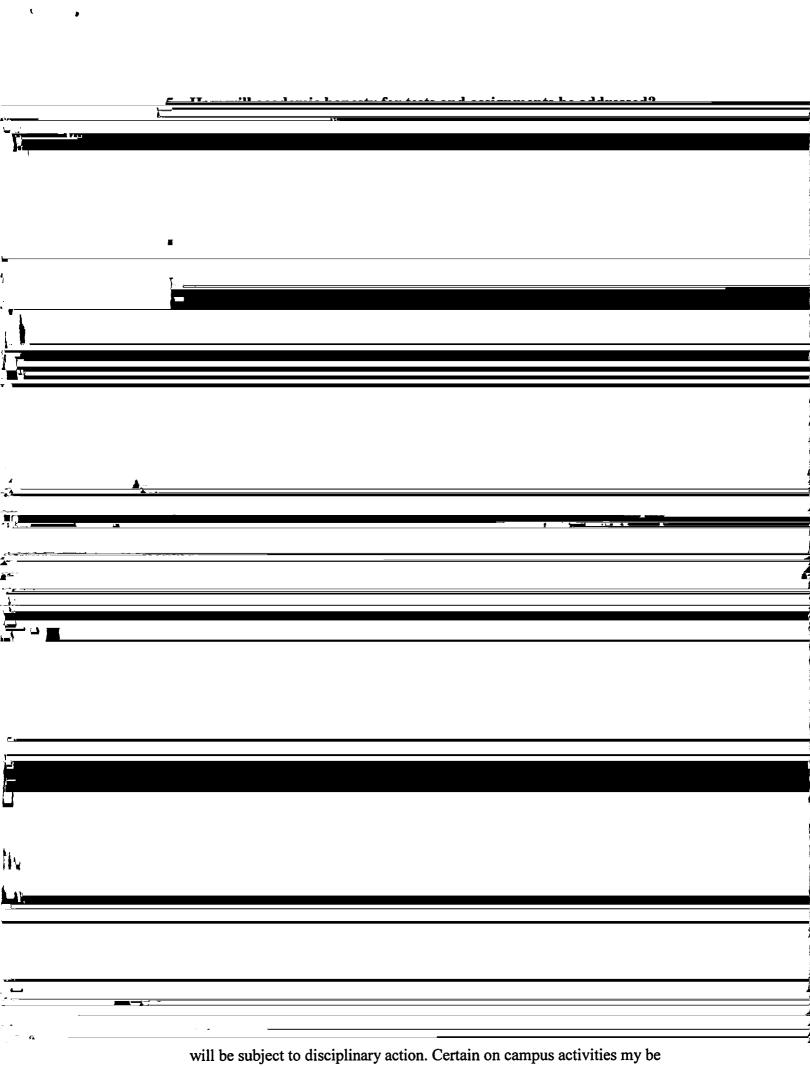
# ACCT 311: Cost Accounting

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

# **Step One:** Proposer

A	riovide a orier narrative rationale for each of the items, A1-A3.
	1How is/ <u>are the i</u> nstru <u>ctor(s) qualified in the distance education delivery</u>
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	method as well as the discipline?
	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 tooch
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<b>Yes</b>	
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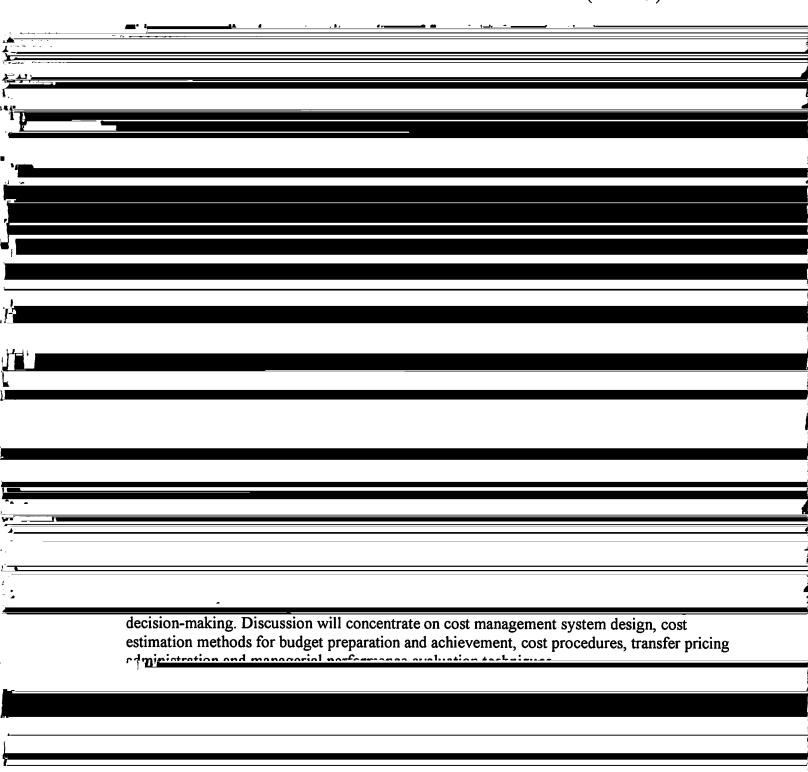
# ACCT 311 Cost Accounting Syllabus of Record

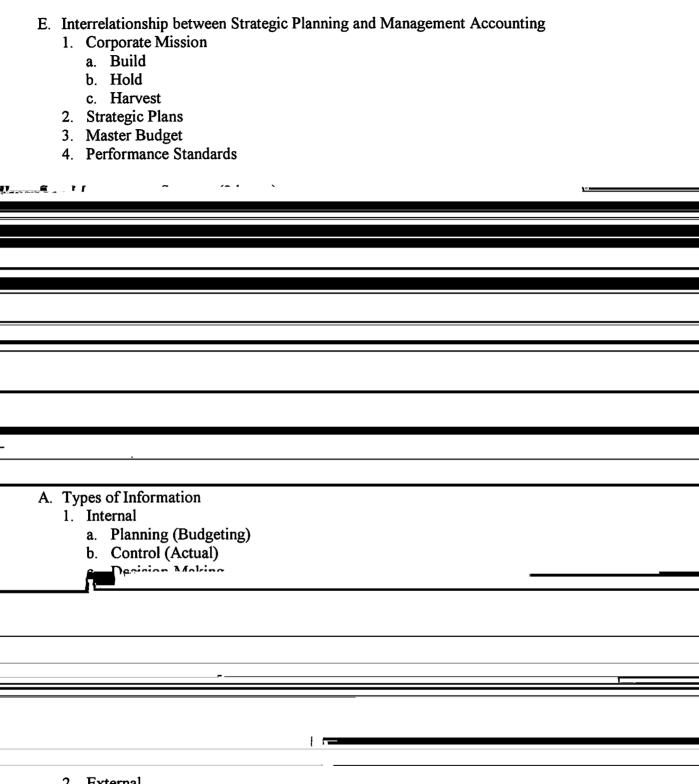
# I. Catalog Description

**ACCT 311 Cost Accounting** 

Prerequisite: "C" or better in AG202 - Accounting Principles II

3 class hours 0 lab hours 3 credit hours (3c-01-3cr)





- 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

2. Effect on Production Costs

R Measurement of Consumer Quality Percention

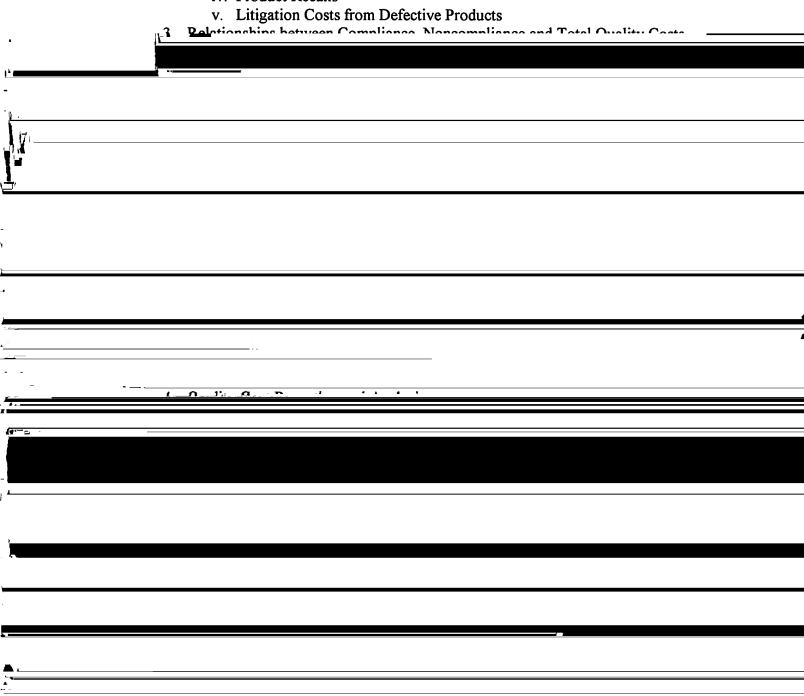
- 1. Product Quality
  - a. Performance Sales Returns
  - b. Reliabilities Warranty Costs, Defective Units
  - c. Conformance to Specification Statistical Control Charts, Maintenance time and Costs
  - d. Serviceability number of Product Repairs
- C. Total Quality Management (TQM)

a. Emphasis on Prevention of Product Defects/Poor Service

- b. Continuous Improvement
- 2. Benchmarking
  - a. Concept
  - b. Results Benchmarking
  - c. Process Benchmarking
- 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



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

- 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\_Granah
    - 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 Pranca Mannina

- 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 Potter Monitoring of Conta
  - 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 I ines
- F. Flow Manufacturing
- VII. Job Order costing (3 hours)
  - A. Valuation Methods

- 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

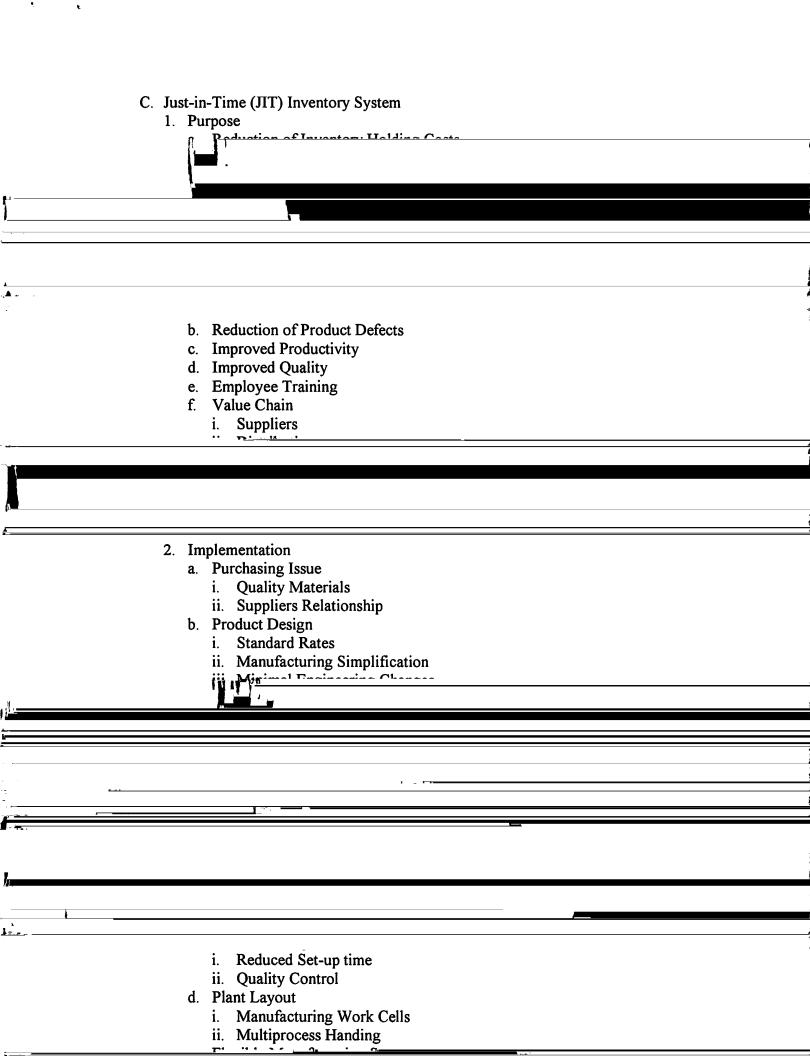
A. Development of Production Standards



- 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

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



- XII. Transfer Pricing (3hours)
  - A. Definition
  - B. Minimum and Maximum values
  - C Priging 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

- e. Minimize of Foreign Exchange Risks
- f. Internal Revenue Service Transfer pricing Policies
- XIII. Performance Evaluation (3 hours)
  - A. Purpose



- 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

P N up Preidich Incomo Advantage and Disadirortes

# IV. Evaluation Method

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

	1116 111	ial grade for the course will be determined as follows.
	70%.	Framinations Three hours of semester examinations and a two-hour final exam.
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		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
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# **ACCT 311 Cost Accounting** On-Line Syllabus of Record

# I. Catalog Description

ACCT 311: Cost Accounting

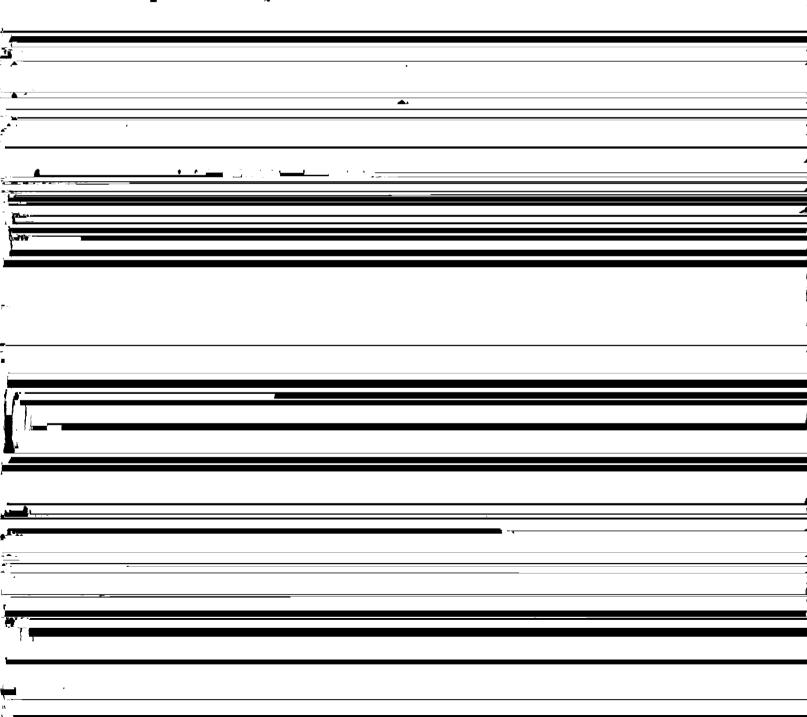
3 credits

Prerequisite: "C" or better in ACCT 202 - Accounting Principles II

3 lecture hours

(3c-01-3sh)

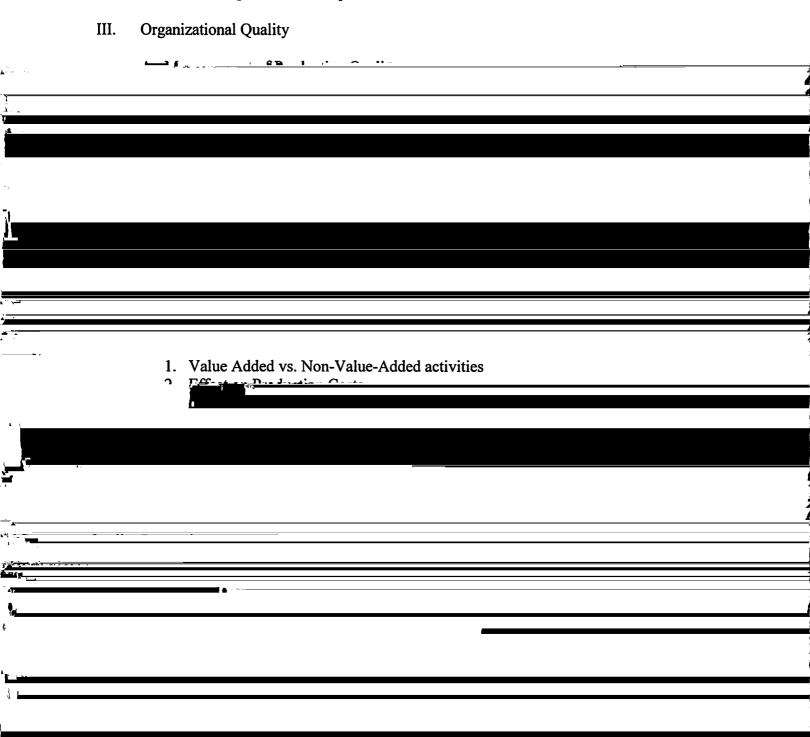
This course studies the aggregation and use of financial information for internal management decision-making. Discussion will concentrate on cost management system design, cost estimation methods for hydget prenaration and achievement cost procedures transfer pricing

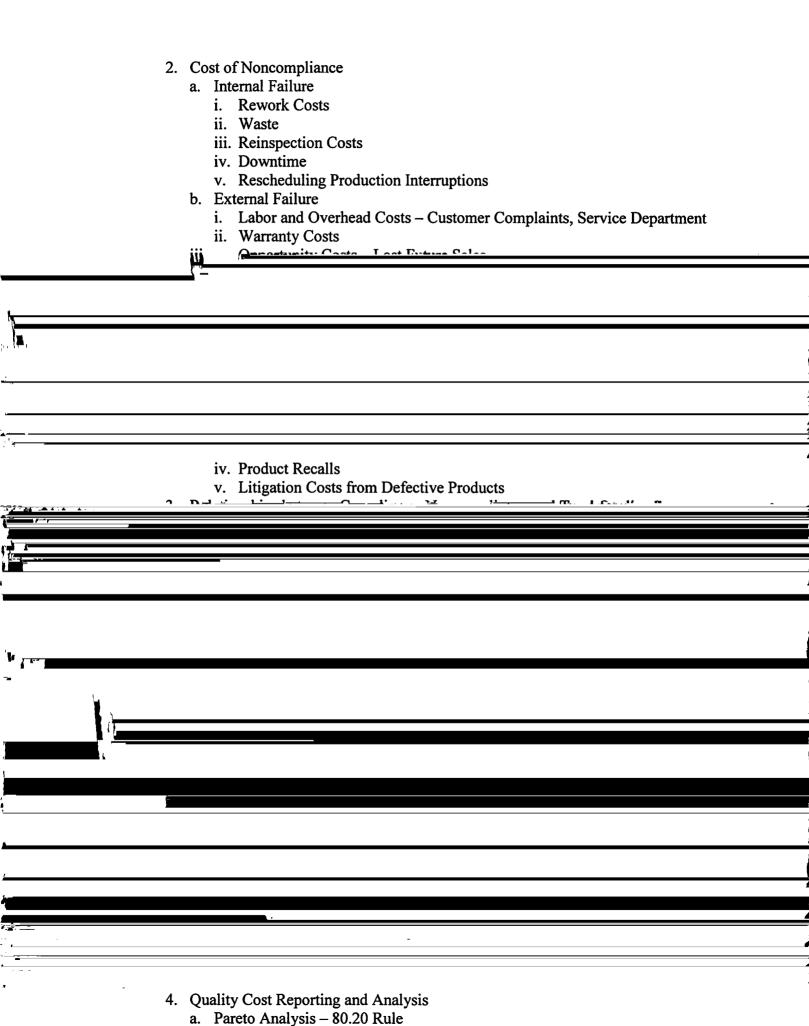


- E. Interrelationship between Strategic Planning and Management Accounting
  - 1. Corporate Mission
    - a. Build
    - b. Hold
    - c. Harvest
  - 2. Strategic Plans
  - 3. Master Budget
  - 4. Performance Standards
- II. Cost Management Systems
  - A. Types of Information
    - 1. Internal
      - a. Planning (Budgeting)

- c. Decision-Making
- d. Performance
- 2. External
  - a. Customers
  - b. Competition
  - c. Government
  - d. Suppliers
  - Turi otani
- 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





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

# V\_To Montan Dudget

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

#### B. Financial Budgets

- 1. Sales
- 2. Production
- 3. Purchasing
- Darsonnal (direct I chor)

- 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 2 Aget Control throwah innunand affinion or of Duckrative A stirition

#### IX. Standard Costing

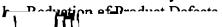
- A. Development of Production Standards
  - 1. Materials
  - 2. Labor
  - 3. Overhead
  - 4. Standard Cost Card
- B. Basis for Standards
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  - 3. Overhead Variance
    - a. Variable Overhead
      - i. Spending Variance
      - ii. Efficiency Variance
    - h. Fixed Overhead

- 11. 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. Ordering Costs
- b. Storage Costs
- 2. Production

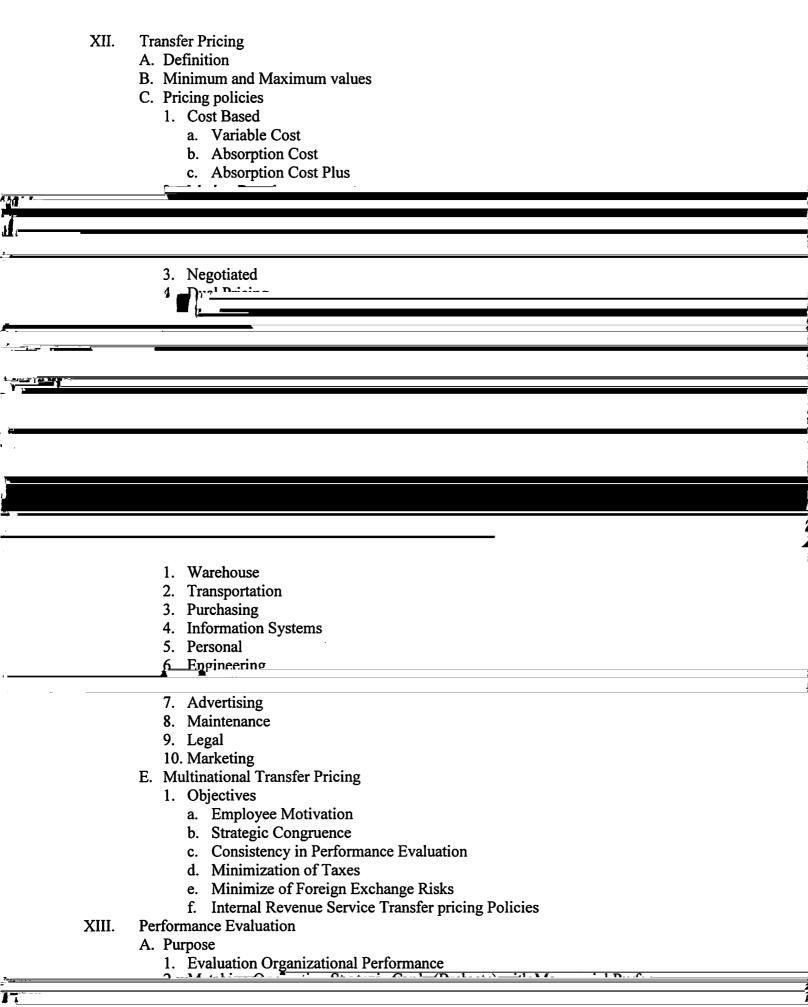
- C. Just-in-Time (JIT) Inventory System
  - 1. Purpose
    - a. Reduction of Inventory Holding Costs



- 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



- 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)

s. Correget on Annuatina 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.
- 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. <u>Cost Accounting: Traditions and Innovations</u>, 5<sup>th</sup> 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

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