

Course Description

ACG3343 | Cost Accounting and Controls | 3.00 credits

This course covers the preparation of accounting information for use in management decision making process. It contains information on budgeting, standard costing, direct costing, performance evaluation, and use of accounting information. Prerequisite: ACG2701

Course Competencies:

Competency 1: The student will understand the uses of cost accounting data by:

1. Evaluating the planning and control uses of cost accounting data
2. Comprehending the importance of professional ethics
3. Analyzing the relationship between cost accounting to financial and managerial accounting
4. Determining the three manufacturing costs: direct materials, direct labor, and factory overhead
5. Differentiate among the various cost accounting systems

Competency 2: The student will determine and analyze the cost of materials by:

1. Understanding the importance of maintaining physical control of materials
2. Calculating the cost of materials issued and related accounting procedures
3. Applying just-in-time materials control methods

Competency 3: The student will determine and analyze the cost of labor by:

1. Evaluating the scrap, spoiled goods and defective work and how to account for it
2. Differentiating among the various wages plans available for a firm
3. Understanding the methods used to control labor costs
4. Calculating the labor costs and related employee contributions

Competency 4: The student will determine and analyze factory overhead costs by:

1. Identifying the cost behavior patterns involved
2. Analyzing semi-variable factory overhead costs
3. Understanding how to budget overhead costs
4. Deciding on the appropriate accounting procedures for the recording of overhead costs
5. Allocating service department expenses to production areas
6. Applying factory overhead to production
7. Determining the appropriate accounting procedures for the recording of actual and applied factory overhead costs

Competency 5: The student will be able to apply process cost accounting procedures by:

1. Comparing and contrasting the basic cost systems
2. Determining direct material, direct labor, and factory overhead costs under process costing systems
3. Calculating equivalent units of production under first in, first out method
4. Analyzing the application of process costing to a multi- departmental factory

Competency 6: The student will be able to apply process cost accounting procedures to joint products and by-products by:

1. Understanding the application of materials in the process
2. Determining the units lost in production
3. Allocating costs among the joint products or by-products

Competency 7: The student will be able to complete the preparation of a master budget by:

1. Understanding the purpose and need for budgeting in a firm
2. Developing the master budget through its component budgets: sales, production, direct materials, Direct labor, factory overhead, cost of goods sold, selling and administrative expenses, budgeted income statement and cash budget
3. Evaluating budget performance using a flexible budget

Competency 8: The student will be able to evaluate performance through the use of standards by:

1. Understanding the difference between the types of standards
2. Determining the standard costs for materials and labor
3. Determining the variances for direct materials and direct labor
4. Analyzing the variances and determining necessary production changes
5. Determining the variances for factory overhead under the two-variance and the four-variance methods of analysis

Competency 9: The student will be able to apply job order costing to a service business by:

1. Determining the cost allocation base and tracing direct costs to the job
2. Completing the budgeting process for a service business
3. Applying activity-based costing to a service firm
4. Differentiating the allocations used by simplified costing vs. Activity based costing

Competency 10: The student will be able to apply cost analysis for management decision-making by:

1. Differentiating operating income derived under absorption costing versus variable costing
2. Understanding the merits and limitations of variable costing
3. Analyzing segment reporting for profitability analysis under variable costing

Competency 11: The student will be able to analyze business decisions using Cost-Volume-Profit Analysis by:

1. Understanding the limitations of breakeven analysis
2. Determining contribution margin and margin of safety
3. Applying break-even analysis to the computation changes in costs and prices of the product
4. Applying break-even analysis to sales mix issues

Competency 12: The student will be able to evaluate business decisions using Differential Analysis by:

1. Assessing the decision to accept or reject a special order
2. Assessing the decision to make or buy a component

Learning Outcomes:

- Use quantitative analytical skills to evaluate and process numerical data
- Solve problems using critical and creative thinking and scientific reasoning
- Use computer and emerging technologies effectively