Class Hours: 3.0  Credit Hours: 3.0
Laboratory Hours: 0.0  Revised: Fall 04

NOTE: This course is NOT designed for transfer credit.

Catalog Course Description:

A study of cost accounting terminology and concepts. Includes job order costing, process costing, and standard costing; also includes accounting for overhead and joint processing costs, as well as absorption vs. variable costing.

Entry Level Standards:

The student must have an understanding of generally accepted accounting principles and recording of financial data and must be at the college level in reading and mathematics.

Prerequisites

ACC 2120

Textbook(s) and Other Course Materials:

Required:
2. Diskettes, 3-1/2" with labels, two (2) and pocket folder
3. Calculator (NOTE: Programmable calculators may NOT be used during exams. In addition, no sharing of calculators will be allowed during exams.)
4. Accounting Paper; 8-1/2" x 11", 2-column, 4-column, and 6-column.

Recommended:
1. Study Guide to accompany text.

I. Week/Unit/Topic Basis:

<table>
<thead>
<tr>
<th>Week</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-2</td>
<td>Product Costing</td>
</tr>
<tr>
<td>3-4</td>
<td>Budgeting</td>
</tr>
<tr>
<td>5-6</td>
<td>Job Order Costing</td>
</tr>
<tr>
<td>6-7</td>
<td>Process Costing &amp; Spoilage</td>
</tr>
<tr>
<td>8-9</td>
<td>Joint Products and Costs</td>
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</tbody>
</table>
II. Course Objectives*:

A. Exhibit a knowledge of basic cost accounting concepts. I, II, VII

B. Develop an understanding of the master budget cycle. I, II, V, VI, VII, VIII

C. Demonstrate and understanding of job order cost accounting systems. I, II, III, VII, VIII

D. Develop an understanding of process cost accounting systems. I, II, V, VII, VIII

E. Exhibit knowledge of accounting for the costs of joint products and by-products. I, II, VII, VIII

F. Develop an understanding of techniques used by managers for analysis and decision-making. I, VII, VIII

G. Demonstrate an understanding of the standard cost accounting systems and variances. I, II, VII, VIII

*Roman numerals after course objectives reference goals of the Computer Accounting program.

III. Instructional Processes*:

Students will:

1. Exhibit professional behavior by attending class regularly, arriving punctually with the appropriate materials, and being prepared for active class participation each day. Personal Development Outcome, Transitional Strategy

2. Use spreadsheet software on a personal computer. Technological Literacy Outcome, Information Literacy Outcome, Active Learning Strategy

3. Strengthen their analytical skills by using a variety of decision-making techniques to evaluate financial information. Problem Solving and Decision Making Outcome, Numerical Literacy Outcome

4. Work in small groups with other students to arrive at group solutions to assigned problems. Communication Outcome, Problem Solving and Decision Making Outcome, Active Learning Strategy, Transitional Strategy

5. Refine their reading skills and expand their vocabularies through completion of assigned readings. Communication Outcome

*Strategies and outcomes listed after instructional processes reference Pellissippi State’s goals for strengthening general education knowledge and skills, connecting coursework to experiences beyond the classroom, and encouraging students to take active and responsible roles in the educational process.

IV. Expectations for Student Performance*:

Upon successful completion of this course, the student should be able to:
1. Explain the role of product costs, period costs, and expenses in financial statements.  
2. Prepare an income statement and a schedule of cost of goods manufactured and sold. 
3. List the components of manufacturing cost, and diagram their flow through a production process. 
4. Explain how unit-level, variable, and fixed costs differ. 
5. Explain the difference between committed costs, opportunity costs, sunk costs, direct costs, and indirect costs. 
6. Prepare an income statement using absorption and variable costing. 
7. Reconcile income under absorption and variable costing. 
8. Discuss the advantage and disadvantages of absorption and variable costing. 
9. Explain the five purposes of budgeting systems. 
10. Describe and prepare a master budget including each of its components. 
11. Describe a typical organization's process of budget administration. 
12. Understand the behavioral implications of budgetary slack and participative budgeting. 
13. Use the economic order quantity model to make inventory-ordering decisions. 
14. Explain the differences in job-order, process, and operation costing. 
15. Explain how costs flow through the manufacturing cost accounts. 
16. Assign costs to production jobs or products using a job-order costing system. 
17. Prepare accounting journal entries to record job costs. 
18. Use a predetermined overhead rate to assign indirect costs to production jobs. 
19. Explain how to measure production costs under actual, normal, and standard costing systems. 
20. Recognize organizations that should use process costing and those that should use job order costing. 
21. Explain why process-costing information is useful. 
22. Use the five-step costing method to assign process costs to products. 
23. Assign process costs to products using weighted-average process costing. 
25. Analyze and manage "normal" and "abnormal" spoilage. 
26. Assign process costs to products using first-in, first-out (FIFO) process costing. 
27. Compare and contrast the results from weighted-average and FIFO process costing.
28. Use cost information to increase profits from using scarce resources of joint-production processes. E

29. Use cost data in the sell-or-process-further decision. E

30. Explain why organizations allocate costs. E

31. Understand how to use the net-realizable-value and physical-measures joint cost allocation methods. E

32. Explain how to account for by-products. E

33. Determine allocation of joint costs using relative-sales-value-at-split-off method and constant gross margin percentage method. E

34. Explain which of various joint cost allocation methods should be used under a variety of circumstances. E

35. Understand and use target costing. F

36. Identify both quantitative and qualitative relevant costs and benefits of decision alternatives. F

37. Use a cost-benefit approach for common decisions, such as obtaining new technology outsourcing, pricing, and modifying, adding or dropping a product, service, or business unit. F

38. Discuss how companies use standard-costing systems to manage costs, and describe two ways to set standards. G

39. Distinguish between perfection and practical standards. G

40. Compute and interpret direct material price and quantity variances and direct labor rate and efficiency variances. G

41. Describe several methods used to determine to significance of cost variances. G

42. Discuss some behavioral effects of standard costing and the controllability of variances. G

43. Explain how companies use standard costs in product costing. G

44. Summarize some advantages attributed to standard costing. G

45. Compute and interpret mist and yield variances. G

46. Explain how cost-management analysis use flexible overhead budget using formula and columnar formats. G

47. Explain how overhead is applied to work-in-process inventory under standard costing. G

48. Compute and interpret variable overhead spending and efficiency variances and the fixed overhead budget all volume variances. G

*Letters after performance expectations reference the course objectives listed above.

V. Evaluation:

A. Testing Procedures:
The instructor's policy on exams, quizzes, homework, attendance, and grades will be provided in a supplement to the course syllabus. A minimum of four major exams is recommended.

B. Laboratory Expectations:

Computer-based projects will be assigned in class. The student is expected to complete these assignments out of class as specified by the instructor.

C. Field Work:

None

D. Other Evaluation Methods:

This information, if applicable, will be provided by the instructor in full detail during the first week of class via syllabus supplement.

E. Grading Scale:

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<thead>
<tr>
<th>Score Range</th>
<th>Grade</th>
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<tbody>
<tr>
<td>92 - 100</td>
<td>A</td>
</tr>
<tr>
<td>89 - 91</td>
<td>B+</td>
</tr>
<tr>
<td>82 - 88</td>
<td>B</td>
</tr>
<tr>
<td>79 - 81</td>
<td>C+</td>
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<tr>
<td>72 - 78</td>
<td>C</td>
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<tr>
<td>65 - 71</td>
<td>D</td>
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<tr>
<td>Below 65</td>
<td>F</td>
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VI. Policies:

A. Attendance Policy:

Pellissippi State Technical Community College expects students to attend all scheduled instructional activities. As a minimum, students in all courses must be present for at least 75 percent of their scheduled class and laboratory meetings in order to receive credit for the course. [NOTE: No differentiation is noted for excused/unexcused absences. These will be treated as an absence.] (Pellissippi State, 2004-2006 Catalog, page 83)

B. Academic Dishonesty:

Plagiarism, cheating, and other forms of academic dishonesty are prohibited. Students guilty of academic misconduct, either directly or indirectly through participation or assistance, are immediately responsible to the instructor of the class. In addition to other possible disciplinary sanctions which may be imposed through the regular Pellissippi State procedures as a result of academic misconduct, the instructor has the authority to assign an F or a zero for the exercise or examination or to assign an F in the course. (Pellissippi State, 2004-2006 Catalog, pages 62-63)

C. Accommodations for disabilities:

If you need accommodation because of a disability, if you have emergency medical information to share, or if you need special arrangements in case the building must be evacuated, please inform the instructor immediately. Privately after class or in the instructor's office. To request accommodations students must register with Services for Students with Disabilities: Goins 127 or 131, Phone: (865) 539-7153 or (865) 694-6751 Voice/TDD.

D. Computer Usage Guidelines:
College-owned or operated computing resources are provided for use by students of Pellissippi State. All students are responsible for the usage of Pellissippi State’s computing resources in an effective, efficient, ethical and lawful manner. (Pellissippi State, 2004-2006 Catalog, pages 67-70)