PELLISSIPPI STATE COMMUNITY COLLEGE
MASTER SYLLABUS
COST ACCOUNTING
ACCT 2360

Class Hours: 3.0  Credit Hours: 3.0
Laboratory Hours: 0.0  Revised: Fall 2012

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 and variable costing.

Entry Level Standards:

The student must be able to read and comprehend at the college level. Students must have a working knowledge of college level algebra. Students must also have a basic understand of the usage of computers and Microsoft Word and Excel. Students must have a working knowledge of accounting principles, recording of financial data, and the basic accounting cycle for service businesses, merchandisers, and manufacturers.

Prerequisites

ACCT 1020

Textbook(s) and Other Course Materials:

2. Three (3) pocket folders
3. Calculator (Note: programmable calculators (such as TI-8x series), electronic devices, computers, and cell phones may not be used on tests or quizzes in this course).
4. Accounting Paper (8½” x 11”): 2-column, 4-column, and 6-column

I. Week/Unit/Topic Basis:

<table>
<thead>
<tr>
<th>Week</th>
<th>Topic</th>
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<tbody>
<tr>
<td>1</td>
<td>Cost Concepts and Behavior</td>
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<tr>
<td>2-3</td>
<td>Planning and Budgeting</td>
</tr>
<tr>
<td>4</td>
<td>Fundamentals of Product and Service Costing</td>
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<tr>
<td>4-5</td>
<td>Job Costing</td>
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<tr>
<td>6-7</td>
<td>Process Costing</td>
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</tbody>
</table>
II. Course Goals*

The course will:

A. Enhance student’s knowledge of basic cost accounting concepts. I, II, III, V, VI
B. Enhance student’s understanding of the master budget cycle. I, II, III, IV, V, VI
C. Increase student’s understanding of job order cost accounting systems. I, II, III, V, VI
D. Expand student’s understanding of process cost accounting systems. I, II, III, V, VI
E. Build student skills to account for the costs service departments and of joint products and by-products. I, II, III, V, VI
F. Expand student’s understanding of techniques used for analyzing cost behavior patterns and profitability. I, II, III, V, VI
G. Increase student’s knowledge and understanding of the standard cost accounting systems and variances. I, II, III, V, VI

*Roman numerals after course objectives refer to goals of the Business Administration program.

III. Expected Student Learning Outcomes*

The student will be able to:

1. Explain the basic concepts of costs and expenses. A
2. Explain how costs and expenses are reported in financial statements. A
3. Explain the process of cost allocation. A
4. Prepare an income statement and a schedule of cost of goods manufactured and sold. A
5. Analyze how materials, labor, and manufacturing overhead costs are added to a product at each stage of the production process. A
6. Define basic cost behaviors, including variable, fixed, semi-variable, and step costs. A
7. Identify the components of a product’s costs. A
8. Distinguish between and prepare financial and contribution margin income statements. A
9. Describe the role of budgets and strategic plans in overall organization goals. B
10. Develop production and cost budgets. B
11. Estimate cash flow and prepare a cash budget. B
12. Develop budgeted financial statements. B
13. Explain the differences in job-order, process, and operation costing. A, C, D
14. Explain how costs flow through the manufacturing cost accounts. A, C
15. Explain how cost allocation is used in a cost management system. A, C
16. Explain how manufacturing overhead is allocated to products. A, C
17. Explain how a basic product costing system works. A, C, D
18. Explain the operation of a two sage allocation system for product costing. A, C, D
19. Assign costs in a job-order costing system. A, C
20. Prepare accounting journal entries to record job costs. A, C
22. Identify the ethical issues in job costing. A, C
23. Describe the difference between jobs and projects. A, C
24. Recognize organizations that should use process costing and those that should use job order costing. C, D
25. Explain why process-costing information is useful. D
26. Explain the concept of equivalent units. D
27. Use the five-step costing method to assign process costs to products. D
28. Assign process costs to products using weighted-average process costing. D
29. Account for costs transferred between processes. D
30. Assign process costs to products using first-in, first-out (FIFO) process costing. D
31. Compare and contrast the results from weighted-average and FIFO process costing. D
32. Explain why service costs are allocated. E
33. Allocate service department costs using the direct, step, and reciprocal methods. E
34. Explain why joint costs are allocated. E
35. Determine how to use the net realizable value and physical quantities joint cost allocation methods. E
36. Use cost data in the sell-or-process-further decision. E
37. Explain how to account for by-products. E
38. Explain which of various joint cost allocation methods should be used under a variety of circumstances. E
39. Explain and graph the following basic cost patterns: variable, fixed, semi-variable, and step. F
40. Use cost volume profit analysis to analyze decisions. F
41. Identify the effect of cost structure on decisions. F
42. Build a basic CVP financial model. F
43. Build a financial model that reflects the effects of taxes, multiple products, and alternative cost structures. F
44. Use differential analysis to analyze decisions. F
45. Apply differential analysis to pricing and production decisions. F
46. Identify the theory of constraints. F
47. Use budgets for performance evaluation. B, G
48. Develop and use flexible budgets. B, G
49. Compute and interpret the sales activity variance. G
50. Prepare and use a profit variance analysis. G
51. Compute and use variable and fixed cost variances. G
52. Identify and record costs and variances in a standard costing system. G
53. Distinguish between perfect and practical standards. G
54. Compute and interpret direct material price and quantity variances and direct labor rate and efficiency variances. G
55. Explain how to prorate variances to inventories and cost of goods sold. G
56. Compute and interpret mix and yield variances. G
57. Explain how companies use standard costs in product costing. G
58. Determine which variances to investigate. G
59. Explain how overhead is applied to work in process inventory under standard costing. G
60. Compute and interpret variable overhead spending and efficiency variances and the fixed overhead budget and volume variances. G
61. Evaluate production performance using production mix and yield variances. G
62. Apply the variance analysis model to non-manufacturing costs. G

* Capital letters after Expected Student Learning Outcomes reference the course goals listed above.
IV. Evaluation:

A. Testing Procedure:

The instructor’s policy on exams, quizzes, homework, attendance, and grades will be provided by the instructor in a supplement to the course syllabus.

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:

N/A

D. Other Evaluation Methods:

This information, if applicable, will be provided by the instructor in a supplement to the course syllabus.

E. Grading Scale:

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

A. Attendance Policy:

Pellissippi State expects students to attend all scheduled instructional activities. As a minimum, students in all courses (excluding distance learning courses) must be present for at least 75 percent of their scheduled class and laboratory meetings in order to receive credit for the course. Individual departments/programs/disciplines, with the approval of the vice president of Academic Affairs, may have requirements that are more stringent. In very specific circumstances, an appeal of the policy may be addressed to the head of the department in which the course was taken. If further action is warranted, the appeal may be addressed to the vice president of Academic Affairs.

B. Academic Dishonesty:

Academic misconduct committed either directly or indirectly by an individual or group is subject to disciplinary action. Prohibited activities include but are not limited to the following practices:

- Cheating, including but not limited to unauthorized assistance from material, people, or devices when taking a test, quiz, or examination; writing papers or reports; solving problems; or completing academic assignments.
- Plagiarism, including but not limited to paraphrasing, summarizing, or directly quoting published or unpublished work of another person, including online or computerized services, without proper documentation of the original source.
- Purchasing or otherwise obtaining prewritten essays, research papers, or materials prepared by another person or agency that sells term papers or other academic materials to be presented as one’s own work.
• Taking an exam for another student.
• Providing others with information and/or answers regarding exams, quizzes, homework or other classroom assignments unless explicitly authorized by the instructor.
• Any of the above occurring within the Web or distance learning environment.

Please see the Pellissippi State Policies and Procedures Manual, Policy 04:02:00 Academic/Classroom Conduct and Disciplinary Sanctions for the complete policy.

C. Accommodations for disabilities:

Students who need accommodations because of a disability, have emergency medical information to share, or need special arrangements in case the building must be evacuated should inform the instructor immediately, privately after class or in her or his office. Students must present a current accommodation plan from a staff member in Services for Students with Disabilities (SSWD) in order to receive accommodations in this course. Services for Students with Disabilities may be contacted by going to Goins 127, 132, 134, 135, 131 or by phone: 539-7153 or TTY 694-6429. More information is available at http://www.pstcc.edu/sswd/.

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.