

Pellissippi State Community College
Master Syllabus

COST ACCOUNTING
ACC 2360

Class Hours: 3.0

Credit Hours: 3.0

Laboratory Hours: 0.0

Date Revised: December 3, 2010

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, and cost allocation. Also includes absorption and variable costing, analysis of cost behavior, and decision making.

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: ACC 2030 (Principles of Accounting II) or equivalent

Corequisites: None

Textbooks and Other Supplies:

1. Lanen, Anderson, Maher. **Fundamentals of Cost Accounting**, Third Edition. McGraw-Hill Irwin, 2011 (ISBN: 978-0-07-352711-6).
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:

Week	Chapter	Topic
1	2	Cost Concepts and Behavior
2-3	13	Planning and Budgeting
4	6	Fundamentals of Product and Service Costing
4-5	7	Job Costing
6-7	8	Process Costing
8-9	11	Service Department and Joint Product Costs
10	3	Fundamentals of Cost Volume Profit Analysis
11	4	Fundamentals of Cost Analysis for Decision Making
12-13	16	Fundamentals of Variance Analysis
14	17	Additional Topics in Variance Analysis
15	→	Final Exam

II. Course Goals:*

This 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 goals reference goals of the Business Administration program.

III. Expected Student Learning Outcomes:

Students will be able to:

1. Explain the basic concepts of costs and expenses. A
2. Explain how costs and expenses are reported in the 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 cost. 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 operations 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 stage allocation system for product costing. A, C, D
19. Assign costs using a job order costing system. A, C
20. Prepare journal entries to record job costs. A, C
21. Account for manufacturing overhead using predetermined rates. 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 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 decision making. F
42. Build a basic CVP financial model. F
43. Build a financial model that reflects the affects of taxes, multiple products, and multiple 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 efficiency 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

*Letters after learning outcomes reference the course objectives 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:

92 - 100	A
89 - 91	B+
82 - 88	B
79 - 81	C+
72 - 78	C
65 - 71	D
0 - 64	F

V. **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.] (*See Pellissippi State 2010-2012 Catalog for more information*)

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 grade in the course. (*See Pellissippi State 2010-2012 Catalog for more information*)

C. **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 in accordance with Pellissippi State's computer usage policy. (*See Pellissippi State 2010-2012 Catalog for more information*)

D. **Accommodation 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 his or her office. Students must present a current accommodation plan from a staff member in Service 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, 131, 132, 134, or 135 or by phone: 539-7153 or TTY 694-6429. More information is available at www.pstcc.edu/departments/swd/