

ITT Technical Institute
AC2720T
Cost Accounting
Onsite and Online Course

SYLLABUS

Credit hours: 4.5


Contact/Instructional hours: 56 (56 Theory Hours)

Prerequisite(s) and/or Corequisite(s):

Prerequisites: AC1420 Financial Accounting or equivalent

Course Description:

This course focuses on the evaluation of business cost elements and budgeting for future periods. Topics include cost analysis, variances, inventory costing and control of business finances.



COURSE SUMMARY

COURSE DESCRIPTION

This course focuses on the evaluation of business cost elements and budgeting for future periods. Topics include cost analysis, variances, inventory costing and control of business finances.

MAJOR INSTRUCTIONAL AREAS

1. Cost accounting fundamentals: organization and methodologies
2. Planning and control: budget and performance analysis
3. Decision-making: determining relevant information and cost management

COURSE LEARNING OBJECTIVES

By the end of this course, you should be able to:

1. Analyze how cost accounting supports management.
2. Make decisions using cost-volume-profit (CVP) analysis.
3. Evaluate methods to accurately determine job costs.
4. Evaluate the advantages of a budget in managing operations and developing a strategic plan.
5. Compute price variances and efficiency variances for direct-cost categories.
6. Analyze variable and fixed overhead cost variances.
7. Analyze inventory costing and denominator-level capacity concepts.
8. Analyze relevant financial information for making business decisions.

COURSE OUTLINE

MODULE 1: COST ACCOUNTING AND COST MANAGEMENT FUNDAMENTALS

COURSE LEARNING OBJECTIVES COVERED

- Analyze how cost accounting supports management.

TOPICS COVERED

- Financial Accounting, Management Accounting, and Cost Accounting
- Key Management Accounting Guidelines
- Ethical Responsibilities of Management Accountants
- Direct and Indirect Costs
- Variable and Fixed Costs
- Inventoriable and Period Costs

MODULE LEARNING ACTIVITIES	GRADE D	OUT-OF-CLASS TIME
Reading: Horngren, C. T., Datar, S. M., & Rajan, M. V., Chapters 1 and 2.	No	4.5 hr
Lesson: Study the lesson for this module.	No	1.5 hr
Discussion: Participate in the discussion titled “Management and Financial Accounting.”	Yes	N/A
Exercise: Submit the exercise titled “Costs and Income Statements.”	Yes	2 hr
Project: Read and begin the project.	No	0.5 hr

Total Out-Of-Class Activities: 8.5 Hours

MODULE 2: BASICS OF ACCOUNTING AND COSTING SYSTEMS

COURSE LEARNING OBJECTIVES COVERED

- Make decisions using cost-volume-profit (CVP) analysis.
- Evaluate methods to accurately determine job costs.

TOPICS COVERED

- CVP Analysis
- Job Costing and Process Costing
- Budgeted Manufacturing Overhead Rate and Allocated Manufacturing Overhead
- Cost Hierarchy
- Direct and Indirect Cost Rates

MODULE LEARNING ACTIVITIES	GRADE D	OUT-OF-CLASS TIME
Reading: Horngren, C. T., Datar, S. M., & Rajan, M. V., Chapters 3, 4, 5, and 6	No	8 hr
Lesson: Study the lesson for this module.	No	2.5 hr
Discussion: Participate in the discussion titled “CVP Analysis.”	Yes	N/A
Exercise 1: Submit the exercise titled “Job Costing and Process Costing.”	Yes	2 hr
Exercise 2: Submit the exercise titled “Cost Hierarchy Methods.”	Yes	2.5 hr
Project: Continue work on the project.	No	1 hr

Total Out-Of-Class Activities: 16 Hours

MODULE 3: COST ESTIMATION TECHNIQUES

COURSE LEARNING OBJECTIVES COVERED

- Compute price variances and efficiency variances for direct-cost categories.
- Analyze variable and fixed overhead cost variances.

TOPICS COVERED

- Flexible Budgets
- Direct-Cost Variances and Variance Analysis
- Variable and Absorption Costing
- Inventory Decision and Opportunity Costs

MODULE LEARNING ACTIVITIES	GRADE D	OUT-OF-CLASS TIME
Reading: Horngren, C. T., Datar, S. M., & Rajan, M. V., Chapters 7, 8, 9, 10, and 11.	No	10.5 hr
Lesson: Study the lesson for this module.	No	2.5 hr
Discussion: Participate in the discussion titled “Flexible Budgets, Direct-Cost Variances, and Management Control.”	Yes	N/A
Exercise: Submit the exercise titled “Variable vs. Absorption Costing.”	Yes	1.5 hr
Analysis: Submit the analysis titled “Bottlenecks, Theory of Constraints, and Throughput-Margin Analysis.”	Yes	2 hr
Project: Continue work on the project.	No	1 hr

Total Out-Of-Class Activities: 17.5 Hours

MODULE 4: COST ALLOCATION

COURSE LEARNING OBJECTIVES COVERED

- Evaluate the advantages of a budget in managing operations and developing a strategic plan.

TOPICS COVERED

- Balanced Scorecard, Merchandising Operation, and Social Performance
- Target Operating Income
- Activity-Based Costing
- Direct and Step-Down Allocation
- Allocation of Common Costs
- Process Costing

MODULE LEARNING ACTIVITIES	GRADE D	OUT-OF-CLASS TIME
Reading: Horngren, C. T., Datar, S. M., & Rajan, M. V., Chapters 12, 13, 14, 15, 16, and 17	No	11 hr
Lesson: Study the lesson for this module.	No	2 hr
Analysis 1: Submit the analysis titled “Strategic Profitability Analysis.”	Yes	2 hr
Analysis 2: Submit the analysis titled “Pricing Decisions and Cost Management.”	Yes	2 hr
Exercise 1: Submit the exercise titled “Allocation of Support and Revenues.”	Yes	1.5 hr
Exercise 2: Submit the exercise titled “Process Costing.”	Yes	1.5 hr
Project: Continue work on the project.	No	1 hr

Total Out-Of-Class Activities: 21 Hours

MODULE 5: COSTING METHODS

COURSE LEARNING OBJECTIVES COVERED

- Analyze inventory costing and denominator-level capacity concepts.

TOPICS COVERED

- Normal and Abnormal Spoilage
- Spoilage in Job Costing
- Costs of Quality Analysis
- Inventory Management, Just-in-Time, and Simplified Costing Methods

MODULE LEARNING ACTIVITIES	GRADE D	OUT-OF- CLASS TIME
Reading: Horngren, C. T., Datar, S. M., & Rajan, M. V., Chapters 18, 19, 20, and 21.	No	5.5 hr
Lesson: Study the lesson for this module.	No	2.5 hr
Analysis: Submit the analysis titled “Spoilage, Rework, and Scrap.”	Yes	3 hr
Exercise 1: Submit the exercise titled “Balanced Scorecard: Quality and Time.”	Yes	2 hr
Exercise 2: Submit the exercise titled “Inventory Management, Just-in-Time, and Simplified Costing Methods.”	Yes	2 hr
Project: Submit the project.	Yes	3 hr

Total Out-Of-Class Activities: 18 Hours

MODULE 6: MANAGEMENT CONTROL SYSTEMS

COURSE LEARNING OBJECTIVES COVERED

- Analyze inventory costing and denominator-level capacity concepts.
- Analyze relevant financial information for making business decisions.

TOPICS COVERED

- Performance Measurement
- Performance Evaluation
- Investment Decisions
- Return on Investment

MODULE LEARNING ACTIVITIES	GRADE D	OUT-OF- CLASS TIME
Reading: Horngren, C. T., Datar, S. M., & Rajan, M. V., Chapters 22 and 23	No	3.5 hr
Lesson: Study the lesson for this module.	No	1.5 hr
Final Exam: Prepare for the final exam.	No	5 hr
Analysis: Submit the analysis titled “Performance Measurement, Compensation, and Multinational Considerations.”	Yes	2 hr
Final Exam: Take the final exam.	Yes	N/A

Total Out-Of-Class Activities: 12 Hours

EVALUATION AND GRADING

EVALUATION CRITERIA

The graded assignments will be evaluated using the following weighted categories:

CATEGORY	WEIGHT
Discussion	10%
Exercise	20%
Analysis	20%
Final Exam	30%
Project	20%
TOTAL	100%

GRADE CONVERSION

The final grades will be calculated from the percentages earned in the course, as follows:

GRADE	PERCENTAGE
A (4.0))	90-100%
B+ (3.5))	85-89%
B (3.0))	80-84%
C+ (2.5))	75-79%
C (2.0))	70-74%
D+ (1.5))	65-69%
D (1.0))	60-64%

F	(0.0)	<60%
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LEARNING MATERIALS AND REFERENCES

REQUIRED RESOURCES

COMPLETE TEXTBOOK PACKAGE

Horngren, C. T., Datar, S. M., & Rajan, M. V. (2015). *Cost accounting: A managerial emphasis (15th ed.)*. Prentice Hall.

RECOMMENDED RESOURCES

- ITT Tech Virtual Library (accessed via Student Portal | <https://studentportal.itt-tech.edu>)
 - Basic Search>
 - Label, W. A. (2006). *Accounting for non-accountants: The fast and easy way to learn the basics*.
 - Mooney, K. (2008). *The essential accounting dictionary*.
 - Mott, G. (2008). *Accounting for non-accountants: A manual for managers and students. (7th ed.)*.



INSTRUCTIONAL METHODS AND TEACHING STRATEGIES

The curriculum employs a variety of instructional methods that support the course objectives while fostering higher cognitive skills. These methods are designed to encourage and engage you in the learning process in order to maximize learning opportunities. The instructional methods include but are not limited to lectures, collaborative learning options, use of technology, and hands-on activities.

To implement the above-mentioned instructional methods, this course uses several teaching strategies, such as lessons. Your progress will be regularly assessed through a variety of assessment tools including discussions, exercises, analyses, project, and final exam.

OUT-OF-CLASS WORK

For purposes of defining an academic credit hour for Title IV funding purposes, ITT Technical Institute considers a quarter credit hour to be the equivalent of: (a) at least 10 clock hours of classroom activities and at least 20 clock hours of outside preparation; (b) at least 20 clock hours of laboratory activities; or (c) at least 30 clock hours of externship, practicum or clinical activities. ITT Technical Institute utilizes a “time-based option” for establishing out-of-class activities which would equate to two hours of out-of-class activities for every one hour of classroom time. The procedure for determining credit hours for Title IV funding purposes is to divide the total number of classroom, laboratory, externship, practicum and clinical hours by the conversion ratios specified above. A clock hour is 50 minutes.

A credit hour is an artificial measurement of the amount of learning that can occur in a program course based on a specified amount of time spent on class activities and student preparation during the program course. In conformity with commonly accepted practice in higher education, ITT Technical Institute has institutionally established and determined that credit hours awarded for coursework in this program course (including out-of-class assignments and learning activities described in the “Course Outline” section of this syllabus) are in accordance with the time-based option for awarding academic credit described in the immediately preceding paragraph.

ACADEMIC INTEGRITY

All students must comply with the policies that regulate all forms of academic dishonesty or academic misconduct. For more information on the academic honesty policies, refer to the Student Handbook and the School Catalog.

INSTRUCTOR DETAILS

Instructor Name	
Office Hours	
Contact Details	

(End of Syllabus)