

**Cedar Crest College**  
**ACC 203 70 2**  
**Cost Accounting**  
**Spring 2010**

**Instructor:** Susan C. Persley, CPA, MST  
**Office:** Lounge Area or Library  
**Phone:**  
**Email:** By appointment and available on weekends  
**Office Hours:**

**Course meets:** Monday 7:00 – 9:30 in Room Curtis 122

**Credits:** 3

**Prerequisites:** (CSC 214 and ACC 101, 102 and CIS 215) or (CSC 214 and BUA 101, 102)

**Course Description:** This course is a study of the principles and practices of job and process cost systems, as well as variable and absorption costing. Emphasis is also placed on standard cost systems as they relate to the accounting system as a whole. Additional topics include an understanding of accounting information system design, variance analysis and flexible and static budgeting.

**Course Text:** Cost Accounting Foundations & Evolutions, Kinney, Prather-Kinsey and Raiborn, 7<sup>th</sup> edition. ISBN-13: 978-0-324-56055-8

**Tools:** Financial calculator, computer, access to internet, Excel and library resources. Professor will provide an additional hand out tool called How to Read a Financial Report by Merrill Lynch.

**Format:** Lecture and discussion including class participation.

**Courses Objective:** Cost accounting teaches student how to address the demands of both financial and management accounting providing product cost information to (1) external parties (stockholders, creditors, and various regulatory bodies) for investment and creditor decisions and (2) internal managers for planning, controlling, decision making, and evaluating performance. Students will learn how to understand the material plus be able to communicate how each event effects the balance sheet and income of the interested parties.

**Outcome/Assessment:** At the completion of the course students are able to:

1. Students will be able to communicate the necessary terminology in a cost accounting environment.
2. Students will be able to articulate cost behaviors that as demonstrated.
3. Students will be able to allocate predetermined overhead rates.
4. Students will understand flexible budgeting and its limitations.
5. Students will be able to use absorption and variable costing methods.

6. Students will be able to use job order costing methods to account for transactions.
7. Students will be able to communicate the process of activity based costing and activity based management.
8. Students will be able to use process costing and communicate the balance sheet issues as a result of process costing.
9. Students will understand the components of a master budget and put together a complete master budget.
10. Students will be familiar with break even analysis and cost-volume-profit analysis.
11. Students will have a basic understanding of joint costs and accounting for by-products.
12. Students will be able to use transfer pricing in a decentralized organization.
13. Students will have a basic understanding of capital budgeting.

**Student evaluation and Grading:**

Minimal requirements for completion of the course are that students successfully take and pass four exams, plus successfully and regularly attend, participate in class and complete “ALL” homework assignments.

• First exam (Chapters 1-5)	20%
• Second exam (Chapters 6-10)	20%
• Third exam (Chapters 11-15)	20%
• Fourth exam (Chapters 16-19)	20%
• Class participation, attendance, Including “ALL” homework	<u>20%</u>
Total	100%

Exams will consist of problems and essays. They are based on text, homework, lectures and discussions.

Class discussion is evaluated based on relevance and contribution to a topic. In an effort to have students gain new perspective, questions and encouraged.

There are no extra credit opportunities.

**Classroom Expectations:**

All students are expected to attend class and contribute regularly to discussions. Students are expected to come to class prepared to discuss the assigned topics; therefore, they should read the assigned chapters prior to class. Students who miss class are expected to contact the professor and/or classmate. In addition, a missed class does not imply an automatic extension on an assignment’s due date. All assignments are due on the assigned due dates.

Each student is required to use her/his Cedar Crest email account for communication with the professor and fellow students. Students should check their email regularly.

**Please turn off all cell phones, beepers and pagers prior to the start of class.** If you use a notebook computer in class its use must be limited to class related purposes – **do not check and answer email, instant messages or surf the internet or use any electronic device for text messaging or any other activity that is distracting to the class.**

Appropriate classroom behavior is implicit in the Cedar Crest College Honor Code. Such behavior is defined and guided by the complete protection for the rights of all students and faculty to a courteous, respectful classroom environment. That classroom environment is free from distractions such as late arrivals, early departures, inappropriate conversations and any other behaviors that might disrupt instruction and/or compromise students’ access to their Cedar Crest College education.

The Cedar Crest Honor Code states that, “Cedar Crest College students shall uphold community standards for academic and social behavior in order to preserve a learning environment dedicated to personal and academic excellence. Upholding community standards is a matter of personal integrity and honor. Individuals who accept the honor of membership in the Cedar Crest College community pledge to accept responsibility for their actions in all academic and social situations and the effect their actions may have on other members of the College Community.” (Cedar Crest College Catalog, page 33)

“Incumbent from the Honor Code, academic integrity and ethical behavior provide the foundations of the Cedar Crest scholarly community and the basis for our learning environment. Cedar Crest College expects students to set a high standard for themselves to be personally and intellectually honest and to ensure that other students do the same. This standard applies to all academic work (oral, written or visual) completed as part of a Cedar Crest education.” (Cedar Crest College Catalog, page 33)

Any confirmed instance of academic dishonesty can result in a failing grade for this course.

*Students with Documented Disabilities*

Students with documented disabilities who may need academic accommodations should discuss these needs with the professor during the first two weeks of class. Students with disabilities who wish to request accommodations should contact the Advising Center.

Syllabus is subject to change with prior notice from the professor.

Date	Topic	Reading	Homework	
Monday 1/25	Introduction to Cost Accounting	Chapter 1	Questions 1-1,2,3,12,14 Exercises 1-16,18,28,36	
	Cost Terminology and Cost Behaviors	Chapter 2	Questions 2-1,2,3,4,5,9 Exercises 2-10,11,19,20,31 Problems 2-36,37,47	
Monday 2/1	Predetermined Overhead Rates, Flexible Budgets, and Absorption/	Chapter 3	Questions 3-1,2,3,10 Exercises 3-11,15,16,30	

	Variable Costing  Activity-Based Management and Activity-Based Costing	Chapter 4	Problems 3-37  Questions 4-1,2,3 Exercises 4-10,11,12,15 Problems 4-31,32	
Monday 2/8	Job Order Costing	Chapter 5	Questions 5-1,2,3,4 Exercises 5-8,9,15 Problems 5-31,34	Take Home Exam 1 Distributed
Monday 2/15	Process Costing  Standard Costing and Variance Analysis	Chapter 6  Chapter 7	Questions 6-1,2,3 Exercises 6-14,15,16 Problems 6-44  Questions 7-1,2,3,4 Exercises 7-13 Problems 7-36,47	Take Home Exam 1 Due
Monday 2/22	The Master Budget  Break-Even Point and Cost-Volume-Profit Analysis	Chapter 8  Chapter 9	Questions 8-1,2,3,4 Exercises 8-17,18 Problems 8-40  Questions 9-1,2,7 Exercises 9-8,9 Problems 9-35	
Monday 3/1	Relevant Information for Decision Making	Chapter 10	Questions 10-1,2,3 Exercises 10-12,19 Problems 10-35,37	Take Home Exam 2 Distributed
Monday 3/8	Spring Break			
Monday 3/15	Allocation of Joint Costs and Accounting for By-Product/Scrap  Introduction to Cost Management Systems	Chapter 11  Chapter 12	Questions 11-1,2,3 Exercises 11-12 Problems 11-37  Questions 12-2,3,4 Exercises 12-11 Problems 12-25	Take Home Exam 2 Due
Monday 3/22	Responsibility Accounting, Support Department Cost Allocation, and Transfer Pricing  Performance Measurement, Balanced Scorecards, and Performance Rewards	Chapter 13  Chapter 14	Questions 13-2,3,4 Exercises 13-14,16 Problems 13-37,41  Questions 14-1,2,3 Exercises 14-21,22 Problems 14-37,38	
Monday 3/29	Capital Budgeting	Chapter 15	Questions 15-1,2,3 Exercises 15-17,22 Problems 15-44	Take Home Exam 3 Distributed
Monday 4/5	Break			
<b>Tuesday 4/6</b>	Managing Costs and Uncertainty	Chapter 16	Questions 16-1,2,3,4 Exercises 16-15 Problems 16-33	Take Home Exam 3 Due

Monday 4/12	Implementing Quality Concepts	Chapter 17	Questions 17-1,2,3,4 Exercises 17-14,22 Problems 17-29,33	
Monday 4/19	Inventory and Production Management	Chapter 18	Questions 18-1,2,3,4 Exercises 18-13,15,16 Problems 18-25	
Monday 4/26	Emerging Management Practices	Chapter 19	Questions 19-1,2,3,4 Exercises 19-11,12 Problems 19-30,31	Take Home Exam 4 Distributed
Monday 5/3	How to read a Financial Statement by Merrill Lynch	Hand out	Review 46 pages	Take Home Exam 4 Due