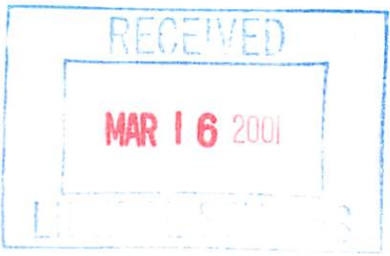


LSC Use Only
Number: _____
Submission Date: _____
Action-Date: _____



UWUCC USE Only
Number: 01-16d
Submission Date: 00-59d
Action-Date: App 11/27/01
Senate App 2/26/02

CURRICULUM PROPOSAL COVER SHEET
University-Wide Undergraduate Curriculum Committee

I. CONTACT

Contact Person DR. THOMAS PRESSLY Phone 72753
Department ACCOUNTING

II. PROPOSAL TYPE (Check All Appropriate Lines)

COURSE COST ACCOUNTING
Suggested 20 character title

New Course* _____
Course Number and Full Title

Course Revision ACCT 311 COST ACCOUNTING
Course Number and Full Title

Liberal Studies Approval + _____
for new or existing course Course Number and Full Title

Course Deletion _____
Course Number and Full Title

Number and/or Title Change _____
Old Number and/or Full Old Title

New Number and/or Full New Title

Course or Catalog Description Change _____
Course Number and Full Title

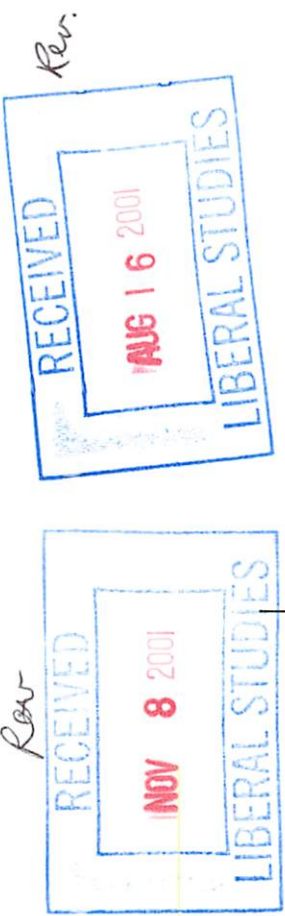
PROGRAM: _____ Major _____ Minor _____ Track

New Program* _____
Program Name

Program Revision* _____
Program Name

Program Deletion* _____
Program Name

Title Change _____
Old Program Name



III. Approvals (signatures and date)

T. Pressly 3/18/99
Department Curriculum Committee

[Signature]
College Curriculum Committee

[Signature] 2/18/99
Department Chair

[Signature] 2/28/01
College Dean

[Signature]
*Provost (where applicable)

+ Director of Liberal Studies (where applicable)

Part II. Description of Curriculum Change

1. New Syllabus of Record

I. Catalog Description

ACCT311: Cost Accounting	3 credit hours
Prerequisite: "C" or better in ACCT202 – Accounting Principles II	0 lab hours
	3 semester hours (3c-0l-3sh)

This course studies the aggregation and use of financial information for internal management decision-making. Discussions will concentrate on cost management system design, cost estimation methods for budget preparation and achievement, cost accumulation methods for manufacturing and service organizations, inventory control procedures, transfer pricing administration, and managerial performance evaluation techniques.

II. Course Objectives

1. Students will review traditional techniques to account and control for material, labor, and overhead costs associated with manufacturers;
2. Students will review traditional techniques to account and control for labor and overhead costs associated with service organizations;
3. Students will be introduced to new cost accounting concepts such as accounting for quality costs, manufacturing cycle time, target and kaisen costing, and cost drivers associated with activity-based cost allocation procedures.
4. To apply budget preparations to spreadsheet template formats.

III. Course Outline (42 semester hours)

- I. Introduction to Cost and Management Accounting (2 hours)
 - A. Differences Between Financial and Managerial Accounting
 - B. Relationship Between Cost and Managerial Accounting
 - C. Role of Management Accounting in Current Business Environment
 1. Planning - Budgeting
 2. Information Feedback
 3. Performance Evaluation
 4. Strategic Decision-Making
 - D. The Management Accounting Profession
 1. Institute of Management Accountants
 2. Certified Management Accountant
 - a. Examination Contents and Qualifications
 - b. Ethical Standards for Management Accounting Professionals



E. Interrelationship Between Strategic Planning and Management Accounting

1. Corporate Mission
 - a. Build
 - b. Hold
 - c. Harvest
2. Strategic Plans
3. Master Budget
4. Performance Standards

II. Cost Management Systems (2 hours)

A. Types of Information

1. Internal
 - a. Planning (Budgeting)
 - b. Control (Actual)
 - c. Decision-Making
 - d. Performance
2. External
 - a. Customers
 - b. Competition
 - c. Government
 - d. Suppliers
 - e. Investors

B. Cost System Integration

1. Financial Accounting
2. Production Reporting
3. Inventory Management
4. Production Scheduling
5. Research and Development
6. Quality Control
7. Marketing

C. System Design

1. Organizational Form
 - a. Corporation
 - b. Partnership
2. Organizational Structure
 - a. Decentralization vs. Centralization
 - b. Culture
3. Organization Mission
 - a. Critical Success Factors
 - i. Product Differentiation
 - ii. Cost Leadership

D. System Elements

1. Motivational
 - a. Performance Measurements
 - b. Reward Structure
 - c. Congruence of Budgeted Goals with Reward Structure

2. Information
 - a. Budget Data
 - b. Product Life-Cycle
 - c. Value-Added Activities
 - d. Target and Kaisen Costing
 3. Reporting Elements
 - a. Financial Statements
 - b. Responsibility Reports
- III. Organizational Quality (3 hours)
- A. Measurement of Production Quality
 1. Value-Added vs. Non-Value-Added Activities
 2. Effect on Production Costs
 - B. Measurement of Consumer Quality Perceptions
 1. Product Quality
 - a. Performance – Sales Returns
 - b. Reliability – Warranty Costs, Defective Units
 - c. Conformance to Specifications – Statistical Control Charts, Maintenance Time and Costs
 - d. Serviceability – Number of Product Repairs
 2. Service Quality
 - a. Reliability – Customer Satisfaction
 - b. Knowledge of Employees – Training Costs
 - c. Responsiveness – Response and Completion Time
 - C. Total Quality Management (TQM)
 1. Total Quality System
 - a. Emphasis on Prevention of Product Defects/Poor Service
 - b. Continuous Improvement
 2. Benchmarking
 - a. Concept
 - b. Results Benchmarking
 - c. Process Benchmarking
 - D. Accounting and Reporting Quality Costs
 1. Costs of Compliance
 - a. Prevention Costs
 - i. Screening Costs for New Employees
 - ii. Continuing Education
 - iii. Identifying Consumer Needs – Consumer Research Costs
 - iv. Engineering Design Costs
 - v. Preventive Maintenance Costs
 - vi. Supplier Relationships – Purchasing Costs
 - b. Appraisal Costs
 - i. Inspection Costs
 - ii. Quality Control Costs
 - iii. Quality Audits
 - iv. Recording Defective Work

2. Costs of Noncompliance
 - a. Internal Failure
 - i. Rework Costs
 - ii. Waste
 - iii. Reinspection Costs
 - iv. Downtime
 - v. Rescheduling Production Interruptions
 - b. External Failure
 - i. Labor and Overhead Costs – Customer Complaints, Service Department
 - ii. Warranty Costs
 - iii. Opportunity Costs – Lost Future Sales
 - iv. Product Recalls
 - v. Litigation Costs From Defective Products
3. Relationships Between Compliance, Noncompliance and Total Quality Costs
4. Quality Cost Reporting and Analysis
 - a. Pareto Analysis – 80/20 Rule
 - b. Quality Cost Ledger Accounts – Four Quality Cost Categories
 - c. Cost of Quality Report
5. International Quality Standards
 - a. ISO 9000 Criteria
 - b. Quality Audits for ISO 9000 Certification

IV. Cost Allocation Methods (3 hours)

- A. Overhead Application Rates
 1. Plant-Wide
 2. Departmental
 3. Variable
 4. Fixed
- B. Estimating Production Costs
 1. Linear Regression Equation
 2. High-Low Method
 3. Least Squares Regression Analysis
- C. Applying Overhead Costs to Production
 1. Journal Entries
 2. Underapplied and Overapplied Overhead
- D. Cost Pools
 1. Cost Drivers
- E. Service Department Cost Allocation
 1. Cost Drivers
 - a. Research and Development
 - b. Personnel
 - c. Accounting
 - d. Sales and Marketing
 - e. Purchasing
 - f. Legal and Tax
 - g. Executive Compensation

2. Allocation Methods
 - a. Direct
 - b. Step
 - c. Algebraic – Linear Programming
- V. The Master Budget (3 hours)
- A. Budgeting Process
 1. Mission Statement
 2. Corporate Strategy and Goals
 3. Budget Preparation
 - B. Financial Budgets
 1. Sales
 2. Production
 3. Purchasing
 4. Personnel (Direct Labor)
 5. Overhead
 6. Selling and Administrative
 7. Capital Investment
 8. Cash
 - a. Receipts
 - b. Payments
 9. Income Statement
 10. Balance Sheet
 11. Statement of Cash Flows
 - C. Continuous Budgeting
- VI. Activity-Based Costing (4 hours)
- A. Product Life Cycles
 1. Development
 2. Introduction
 3. Growth
 4. Maturity
 5. Decline
 - B. Costing Methods
 1. Target Costing – Development
 2. Kaizen Costing – Product Introduction and Growth
 3. Standard Costing – Maturity and Decline
 4. Life-Cycle Costing
 - C. Evaluation of Value-Added and Non-Value-Added Activities
 1. Process Mapping
 2. Value Charts
 3. Classifying and Measuring Activity Time
 - a. Processing Time
 - b. Inspection Time
 - c. Transfer Time
 - d. Manufacturing Cycle Efficiency

- 4. Cost Driver Analysis
 - a. Unit Costs
 - b. Batch Costs
 - c. Process Costs
 - d. Organizational Costs
 - D. Activity-Based Costing
 - a. Activity Cost Pools
 - b. Activity Cost Driver
 - c. Cost Allocation Procedures
 - E. Benefits of Activity-Based Costing
 - 1. Better Monitoring of Costs
 - 2. Identification of Wasted Activities and Costs
 - 3. Cost Control Through Increased Efficiency of Productive Activities
 - 4. Improved Accuracy of Overhead Cost Allocation to Product/Service Lines
 - 5. Improved Measurement of Profit Performance of Product/Service Lines
 - F. Flow Manufacturing
- VII. Job Order Costing (3 hours)
- A. Valuation Methods
 - 1. Actual Costing
 - 2. Normal Costing
 - 3. Standard Costing
 - B. Manufacturing Cost Components
 - 1. Direct Materials –Materials Requisitions
 - 2. Direct Labor – Labor Time Reports
 - 3. Manufacturing Overhead – Applied vs. Actual
 - C. Inventory Components
 - 1. Raw Materials Inventory
 - 2. Work in Process
 - 3. Finished Goods Inventory
 - D. Normal Production Sequence and Journal Entries
 - E. Job Order Cost Sheets
- VIII. Process Costing (3 hours)
- A. Equivalent Units of Production
 - B. Weighted-Average vs. FIFO Methods
 - C. Normal Production Process
 - D. Cost of Production Report
 - 1. Single Department
 - 2. Subsequent Departments
 - 3. Supporting Journal Entries

- IX. Standard Costing (4 hours)
 - A. Development of Production Standards
 - 1. Materials
 - 2. Labor
 - 3. Overhead
 - 4. Standard Cost Card
 - B. Basis for Standards
 - 1. Ideal Standards
 - 2. Practical Standards
 - 3. Normal Standards
 - 4. Expected Annual Standards
 - C. Variances
 - 1. Materials
 - a. Price Usage Variance
 - b. Price Purchase Variance
 - c. Quantity Variance
 - 2. Labor Variance
 - a. Rate Variances
 - b. Efficiency (Time) Variances
 - 3. Overhead Variances
 - a. Variable Overhead
 - i. Spending Variance
 - ii. Efficiency Variance
 - b. Fixed Overhead
 - i. Spending Variance
 - ii. Volume Variance
 - c. Variance Methodologies
 - i. Two-Variance
 - ii. Three-Variance
 - iii. Four-Variance
 - 4. Supporting Journal Entries for Standard Costing Systems
- X. Inventory Control (3 hours)
 - A. Inventory Costs
 - 1. Purchasing
 - a. Ordering Costs
 - b. Storage Costs
 - 2. Production
 - a. Setup Costs
 - b. Storage Costs
 - B. Economic Order Quantity
 - 1. Minimization of Ordering and Storage Costs
 - 2. Formula Calculations
 - 3. Economic Production Runs

- C. Just-In-Time (JIT) Inventory Systems
 - 1. Purpose
 - a. Reduction of Inventory Holding Costs
 - b. Reduction of Product Defects
 - c. Improved Productivity
 - d. Improved Quality
 - e. Employee Training
 - f. Value Chain
 - i. Suppliers
 - ii. Distributors
 - 2. Implementation
 - a. Purchasing Issues
 - i. Quality Materials
 - ii. Supplier Relationships
 - b. Product Design
 - i. Standard Parts
 - ii. Manufacturing Simplification
 - iii. Minimal Engineering Changes
 - c. Manufacturing
 - i. Reduced Set-Up Time
 - ii. Quality Control
 - d. Plant Layout
 - i. Manufacturing Work Cells
 - ii. Multiprocess Handling
 - e. Flexible Manufacturing Systems
 - f. Computer-Aided Manufacturing
 - g. Flow Manufacturing Systems
- D. Cost Accounting Implications of JIT/Flow Manufacturing Systems
 - 1. Backflush Costing
 - a. Inventory Accounts
 - b. Journal Entries

- XI. Responsibility Accounting (3 hours)
 - A. Decentralization
 - 1. Advantages
 - 2. Disadvantages
 - B. Responsibility Accounting Systems
 - 1. Responsibility Reports
 - a. Detailed Lower-Level Reports
 - b. Summary Executive Reports
 - C. Responsibility Centers
 - 1. Cost Centers - Variances
 - 2. Revenue Centers
 - 3. Profit Centers
 - 4. Investment Centers

XII. Transfer Pricing (3 hours)

- A. Definition**
- B. Minimum and Maximum Values**
- C. Pricing Policies**
 - 1. Cost-Based**
 - a. Variable Cost**
 - b. Absorption Cost**
 - c. Absorption Cost Plus**
 - 2. Market-Based**
 - 3. Negotiated**
 - 4. Dual Pricing**
- D. Service Transfer Pricing**
 - 1. Warehousing**
 - 2. Transportation**
 - 3. Purchasing**
 - 4. Information Systems**
 - 5. Personnel**
 - 6. Engineering**
 - 7. Advertising**
 - 8. Maintenance**
 - 9. Legal**
 - 10. Marketing**
- E. Multinational Transfer Pricing**
 - 1. Objectives**
 - a. Employee Motivation**
 - b. Strategic Congruence**
 - c. Consistency in Performance Evaluations**
 - d. Minimization of Taxes**
 - e. Minimization of Foreign Exchange Risks**
 - f. Internal Revenue Service Transfer Pricing Policies**

XIII. Performance Evaluations (3 hours)

- A. Purposes**
 - 1. Evaluating Organizational Performance**
 - 2. Matching Organization Strategic Goals (Budgets) With Managerial Performance**
 - 3. Empowering Management Development**
 - 4. Organizational Communications**
 - 5. Employee Motivation**
 - 6. Promotion Judgments**
 - 7. Organizational Control**
- B. Selecting Performance Measures**
 - 1. Congruence With Strategic Goals**
 - 2. Congruence With Budgetary Criteria**

- C. Multiple Performance Measures – The Balanced Scorecard
 - 1. Financial Perspective
 - 2. Customer Perspective
 - 3. Internal Business Perspective
 - 4. Innovation and Employee Learning Perspective
- D. Evaluation Bases
 - 1. Variances
 - 2. Statement of Cash Flows - Operating Cash Flows
 - 3. Return on Investment (ROI)
 - a. Segment or Operating Income
 - b. Before or After Taxes
 - c. Total Assets or Net Assets
 - d. Original Asset Cost-Book Value-Current Value
 - e. Ending, Beginning, or Average Assets
 - 4. DuPont Model – ROI Components
 - a. Asset Turnover
 - b. Profit Margin
 - c. Managerial ROI Decisions
 - 5. Residual Income
 - 6. Economic Value Added
- E. ROI vs. Residual Income - Advantages and Disadvantages
- F. Long-Term Performance
 - 1. Nonfinancial Measures – Cost Drivers
 - a. Quality
 - b. Customer Service
 - c. Production Efficiency
 - d. Employee Motivation
 - e. Innovation
 - f. Engineering Design Time
 - 2. Throughput Measures
 - a. Manufacturing Cycle Efficiency
 - b. Process Productivity
 - c. Process Quality Yield

XIV. Semester Examinations (3 hours)

IV. Evaluation Methods

The final grade for the course will be determined as follows:

- 70% Examinations. Three hours of semester examinations and a two-hour final exam will contain questions predominantly consisting of multiple choice, short essay, and short quantitative problems.
- 15% Individual project. This project could focus on research on current cost accounting trends, case study presentations, or computer-based assignments designed for spreadsheet applications.
- 10% Quizzes. Five short random quizzes, which could take the form of collected homework assignments, will be conducted during the semester.
- 5% Class participation. Student willingness to respond to solving problem assignments and other issues discussed in class will be documented throughout the semester.

Semester grades should be based upon a weighted-average of the above-mentioned evaluation content under a traditional 100-point scale (i.e., 90-100 = "A", 80-90 = "B", 70-80 = "C", 60-70 = "D", below 60 = "F").

V. Required Textbooks, Supplemental Books, and Readings

Required Textbook:

Barfield, J. T., Raiborn, C. A., and Kinney, M. R. (2001). Cost Accounting: Traditions and Innovations (4th edition). Cincinnati, Ohio: Southwestern College Publishing Company.

Supplemental Books:

Campbell, A. D. and Dow, S. T. (2001). Study Guide to Accompany Cost Accounting: Traditions and Innovations (4th edition). Cincinnati, Ohio: Southwestern College Publishing Company.

Ehrbar, Al. (1998). EVA: The Real Key to Creating Wealth. New York: John Wiley and Sons, Inc.

Harry, M., and Schroeder, R. (2000). Six Sigma: The Breakthrough Management Strategy Revolutionizing the World's Top Corporations. New York: Currency/Doubleday.

Hicks, D. T. (1999). Activity-Based Costing: Making It Work for Small and Mid-Size Companies (2nd edition). New York: John Wiley and Sons, Inc.

Kaplan, R. S. and Cooper, R. The Balanced Scorecard. Boston, Mass.: Harvard Business School Press.

Kaplan, R. S. and Cooper, R. (1998). Cost and Effect: Using Intergrated Cost Systems to Drive Profitability and Performance. Boston, Mass.: Harvard Business School Press.

Woods, M. A. (1994). Total Quality Accounting. New York: John Wiley and Sons, Inc.

VI. Special Resource Requirements

Each student will be required to purchase a fifteen-week subscription to the Wall Street Journal.

VII. Bibliography

Banham, R. (2000, February). Better Budgets. Journal of Accountancy, 37-40.

Banker, R. D., Potter G., and Srinivasan, D. (2000, January). An Empirical Investigation of an Incentive Plan that Includes Nonfinancial Performance Measures. The Accounting Review, 75(1), 65-92.

Barnet, M. J. (2000, December). Benchmarking At Its Best. Strategic Finance, 58-63.

Baxendale, S. J., and Dornbusch, V. (2000, March). Activity-Based Costing for a Hospice. Strategic Finance, 65-70.

Damitio J. W., Hayes, G. W., and Kintzele, P. L. (2000, Winter). Integrating ABC and ABM at Dow Chemical. Management Accounting Quarterly, 21-26.

Forsythe, R., Bunch, J. A., and Burton, E. J. (1999, Fall). Implementing ABC and the Balanced Scorecard at a Publishing House. Management Accounting Quarterly, 10-18.

Frigo, M. L., and Krumwiede, K. R. (2000, January). The Balanced Scorecard: A Winning Performance Measurement System. Strategic Finance, 50-54.

Gauharou, B. (2000, Summer). Activity-Based Costing at DSL Client Services. Management Accounting Quarterly, 4-11.

Germain, C. J. (2000, May). Balance Your Project. Strategic Finance, 46-52.

Hangstefer, J. B. (2000, July). Revenue Margin: A Better Way to Measure Company Growth. Strategic Finance, 41-44.

Huff, P. (2001, Winter). Using Drum-Buffer-Rope Scheduling Rather Than Just-In-Time Production. Management Accounting Quarterly, 36-40

Johnson, D. and Sopariwala, P. (2000, Winter). Standard Costing is Alive and Well and Parker Brass. Management Accounting Quarterly, 12-20.

Kaplan, R. S. and Norton, D. P. (2001, March). Transforming the Balanced Scorecard From Performance Measurement to Strategic Management: Part I. Accounting Horizons, 15(1), 87-104.

- Kaplan, R. S. and Norton, D. P. (2001, June). Transforming the Balanced Scorecard From Performance Measurement to Strategic Management: Part II. Accounting Horizons, 15(2), 147-160.
- Kearney, T. (2000, January). Why Outsourcing is In. Strategic Finance, 34-38.
- Kershaw, R. and Kershaw, S. (2001, Winter). Developing a Balanced Scorecard to Implement Strategy at St. Elsewhere Hospital. Management Accounting Quarterly, 28-35.
- Kettering, R. C. (2001, Spring). Accounting for Quality with Nonfinancial Measures: A Simple No-Cost Program for the Small Company. Management Accounting Quarterly, 14-19.
- Lipe, M. G. and Salterio, S. E. (2000, July). The Balanced Scorecard: Judgmental Effects of Common and Unique Performance Measures. The Accounting Review, 75(3), 283-298.
- Milano, R. J. (2000, Spring). Activity-Based Management for Colleges and Universities. Management Accounting Quarterly, 43-48.
- Nair, M. (2000, Spring). Activity-Based Costing: Who's Using It and Why? Management Accounting Quarterly, 29-33.
- Ness, J. A., Schroeck, M. J., Letendre, R. A., and Douglas, W. J. (2001, April). The Role of ABM in Measuring Customer Value: Part Two. Strategic Finance, 44-49.
- Rezaee, Z. (2000, November). Help Keep the World Green. Journal of Accountancy, 57-67.
- Roehm, H. A. (2000, Fall). Standard Costing and Variance Analysis. Management Accounting Quarterly, 34-40.
- Shirouzu, N. (2001, March 15). Why Toyota Wins Such High Marks on Quality Surveys. The Wall Street Journal, A1, A11.
- Siegel, G. (1999, November). Counting More, Counting Less: The New Role of Management Accountants. Strategic Finance, 20-22.
- Stewart, T. A. (1994, October 3). Your Company's Most Valuable Asset: Intellectual Capital. Fortune, 71-72.
- Stewart, T. A. (1999). Intellectual Capital. New York: Currency/Doubleday, Inc.
- Tatikonda, L. U. and Tatikonda, R. J. (2001, Winter). Activity-Based Costing for Higher Education Institutions. Management Accounting Quarterly, 18-27.
- Thomas, M. (2001, Spring). The Multree Homes Transfer Pricing Evolution. Management Accounting Quarterly, 4-13.

Verschoor, C. C. (2000, July). Can An Ethics Code Change Behavior? Strategic Finance, 26, 28.

Wing, K. T., (2000, Winter). Using Enhanced Cost Models in Variance Analysis for Better Control and Decision Making. Management Accounting Quarterly, 27-35.

2. Summary of the Proposed Revisions

The proposed change in the course description reflects significant changes in proposed course content changes reflected in the new syllabus of record.

According to the previous syllabus of record and a recent course syllabus, subjects eliminated by this course revision would include the following:

1. An introduction of cost accumulation systems and terminology that is repeated in other coverage areas (ACCT202 – Accounting Principles II)
2. Accounting systems and internal control (covered in New ACCT303 – Financial System Analysis and ACCT431 – Auditing)
3. By-product and joint product costing
4. Accounting for production losses (spoilage, waste, and scrap)
5. Accounting for labor costs (payroll costs – covered in ACCT305 – Intermediate Accounting II)
6. Home and branch office accounting.
7. Materials procurement
8. Service department cost accumulation

Replacement topics will include the following:

1. Cost management system design
2. Accounting for quality costs
3. Budget preparation
4. Standard costing, including journal entries
5. Responsibility accounting
6. Transfer pricing
7. Performance evaluation
8. Value-added activities
9. Benchmarking
10. Kaisen and target costing
11. Flow manufacturing

3. Justification for the Revision

The first-year accounting course ACCT202 – Accounting Principles II introduces managerial accounting topics to accounting and other business majors. Because of the interrelationship between management and cost accounting, ACCT202 has a direct impact on course coverage in ACCT311. Therefore, ACCT311 course coverage must be formally revised to minimize redundancy of introductory subjects reviewed in ACCT202 while expanding on ACCT202 management accounting practices pertinent to accounting majors taking ACCT311.

In addition, changes in management practices reflecting technological advances, rapid sales turnover, and product/service quality have created demands for innovative forms of information collection and analysis. Automated techniques and an emphasis on intellectual capital creation have replaced manual labor activities in many manufacturing processes. Emphasis on quality design and prevention of production errors have led to the establishment of modern management techniques such as benchmarking, target costing during product design, value-added activity evaluation, activity-based cost allocation methods, and flow manufacturing arrangements.

This revision attempts to introduce the effects on information collection and analysis of these innovative productivity techniques to accounting majors who will soon enter this new competitive environment.

This course reduces previous emphasis on labor-driven costs, accounting for secondary product lines, and accounting for waste that many companies continue to eliminate through more efficient design, production, and quality control activities.

Finally, an updated syllabus based upon currency with management accounting practices represents an essential element of instructional quality in the pursuit of professional accreditation by the Eberly College of Business and Information Technology.

4. The Old Syllabus of Record – See Attached Document

The attached syllabus is assumed to be the current syllabus of record in that the course description contained in the attachment is identical to the course description that appears in the 1998-1999 IUP undergraduate catalog. The current department syllabus of record has already undergone significant topic change since its inception simply because of updates in textbook material reflecting evolving management practices. However, the fact remains that a significant period of time has past since any formal departmental revision of ACCT311 curriculum coverage. It is believed that the curriculum contained in the new syllabus of record will better address current issues and provide better consistency in subject coverage across multiple-course offerings of the accounting department.

Prerequisite: at least 2.C QPA in BU 221 and BU 251
AG 201 AG 202

Catalog Description:

Cost Accounting methods and procedures are studied, including cost accumulation under a job order cost system and a process cost system, cost allocation, budgeting, and accounting for spoilage, joint and by-products. The planning and control aspect of cost accounting is emphasized.

Course objectives:

- 1-To acquaint the students with the role of Management Accountant and his unique relationship to management
- 2-To acquaint the students with cost accounting terminology, cost types and cost behavior patterns
- 3-To familiarize the students with the flow of cost in the accounts under both a job order cost system and a process cost system for product costing purposes
- 4-To expose the students to accounting systems involving different sets of books kept at home office and factory
- 5-To discuss the purpose and methods of cost allocation between service departments and production departments
- 6-To give the student facility in the accounting treatment of spoilage, waste, defective units, joint products, and by-products
- 7-To develop the students' ability to give a logical analytical presentation of cost data for purposes of planning and control

Course contents:

- 1-The Accountant's role in the organization
 - a-Focus of management accounting
 - b-Duties of management accountant
- 2-An introduction to cost terms and purposes
 - a-Cost objectives
 - b-Cost accumulation systems
 - c-Variable costs and fixed costs
 - d-Unit costs and total costs
 - e-Product costs and period costs
 - f-Subdivisions of labor and materials cost
 - g-Classifications of cost according to different criteria
- 3-Job order cost accounting
 - a-Review of elements of cost
 - b-Determination of factory overhead rate
 - c-Illustration of the flow of cost through the accounts and subsidiary records

BU 353 Cost Accounting

4-Process cost accounting

- a-The equivalent units concept
- b-Need for preparation of production cost report
- c-How to prepare a production cost report on weighted average and fifo basis with normal and abnormal spoilage
- d-Illustration of the flow of cost through the accounts and subsidiary records

5-Accounting systems and Internal control

- a-Definition of internal control system
- b-Characteristics of a reliable internal control system
- c-Illustration of accounting entries in the books of home office and branch factory

6-Joint-product costs and By-product costs

- a-Definition of joint-product and by-product
- b-Methods of allocating joint costs to products
 - 1-physical measures
 - 2-net realizable value
- c-Irrelevance of joint costs in decision making
- d-Methods of accounting for by-products

7-Spoilage, Waste, Defective units, and scrap

- a-Definition of terms
- b-Accounting for normal and abnormal spoilage under a job order cost system and a process cost system
- c-Accounting for rework of defective units
- d-Accounting for scrap and waste

8-Accounting for payroll in a manufacturing concern

- a-Journal entry to record payment of payroll
- b-Journal entry to record accrual of payroll including treatment of fringe benefits
- c-Journal entry to pay withholdings and employer's payroll taxes

9-Cost Allocation

- a-The general process of allocation
 - 1-cost objective
 - 2-cost pooling
 - 3-cost allocation base
- b-Purpose of cost allocation
 - 1-planning and control
 - 2-product costing

BU 353 Cost Accounting

- c-The contribution approach to cost allocation
- d-Service department cost reallocation to production departments:
 - 1-direct method
 - 2-step method
 - 3-selection of base to determine departmental factory overhead application rates in the production departments after reallocation of service departments' costs
 - 4-departmental factory overhead application rates contrasted with plant-wide rate

10-Inventory Planning and Control

- a-Relevant costs for inventory decisions
 - 1-ordering cost
 - 2-carrying cost
- b-Economic order quantity
- c-Safety stocks
- d-Control methods
 - 1-"two-bin" method
 - 2-abc method
 - 3-other methods

When offered: Fall, Spring, and Summer