

Withdrawn 4/18/06
04-79c 05-8c

Undergraduate Distance Education Review Form

(Required for all courses taught by distance education for more than one-third of teaching contact hours.)

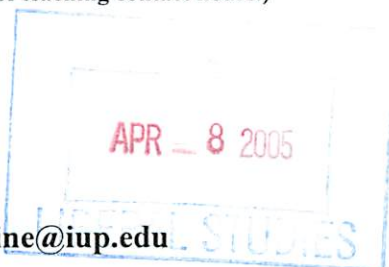
Existing and Special Topics Course

Course: ACCT 311: Cost Accounting

Instructor(s) of Record: See Attached

Phone: 724-357-2686

Email: gpkline@iup.edu



Step One: Proposer

A. Provide a brief narrative rationale for each of the items, A1- A5.

1. How is/are the instructor(s) qualified in the distance education delivery method as well as the discipline?
2. How will each objective in the course be met using distance education technologies?
3. How will instructor-student and student-student, if applicable, interaction take place?
4. How will student achievement be evaluated?
5. How will academic honesty for tests and assignments be addressed?

B. Submit to the department or its curriculum committee the responses to items A1- A5, the current official syllabus of record, along with the instructor developed online version of the syllabus, and the sample lesson. This lesson should clearly demonstrate how the distance education instructional format adequately assists students to meet a course objective(s) using online or distance technology. It should relate to one concrete topic area indicated on the syllabus.

Step Two: Departmental/Dean Approval

Recommendation: Positive (The objectives of this course can be met via distance education)
 Negative

Mansur Palma 4/7/2005
Signature of Department Designee Date

Endorsed: R. Combs 4/7/05
Signature of College Dean Date

Forward form and supporting materials to Liberal Studies Office for consideration by the University-wide Undergraduate Curriculum Committee. Dual-level courses also require review by the University-wide Graduate Committee for graduate-level section.

Step Three: University-wide Undergraduate Curriculum Committee Approval

Recommendation: Positive (The objectives of this course can be met via distance education)

Negative *The door was left open for summer approval!*

Gail Sechrist

Signature of Committee Co-Chair

4/19/05

Date

Forward form and supporting materials to the Associate Provost within 30 calendar days after received by committee.

Step Four: Provost Approval

Approved as distance education course

Rejected as distance education course

Signature of Provost

Date

Forward form and supporting materials to Associate Provost.

ACCT 311: Cost Accounting

Instructor of Record: Dr. Mohamed Ghobashy, Dr. Monsurur Rahman, Dr. Ronald Woan, Mr. Stan Yerep

Step One: Proposer

A. Provide a brief narrative rationale for each of the items, A1-A5.

1. How is/are the instructor(s) qualified in the distance education delivery method as well as the discipline?

The instructors of record are academically qualified to teach this course. Faculty who have taught on-line will serve as mentors to any newly assigned faculty in addition to their receiving training provided through the Instructional Design Center. When eligible faculties are scheduled to teach, they will be qualified in distance education.

2. How will each objective in the course be met using distance education technologies?

Integrated into the on-line course will be additional supplemental materials to enhance the assigned text readings and assignments:

- Video presentations
- Power point presentations
- Self study quizzes
- Links to other sites and informational materials
- Supporting materials from the publishers

3. How will instructor-student and student-student, if applicable, interaction take place?

There are several venues in which interaction will take place:

- On-line communications via
 - ** individual email
 - ** chat rooms
 - ** bulletin board
- direct communications via
 - ** phone conversations
 - ** office visits

4. How will student achievement be evaluated?

See the On-Line Syllabus of Record.

5. How will academic honesty for tests and assignments be addressed?

The University's academic integrity policy will be posted and any violations will be subject to disciplinary action. Certain on campus activities may be scheduled to ensure the academic honesty and homework assignments and discussion questions will be required to be submitted to verify independence of the student learning function.

**ACCT 311 Cost Accounting
Syllabus of Record**

I. Catalog Description

ACCT 311 Cost Accounting

Prerequisite: "C" or better in AG202 – Accounting Principles II

3 class hours

0 lab hours

3 credit hours

(3c-01-3cr)

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

II. Course Objectives

1. To review traditional techniques to account and control for material, labor and overhead costs associated with manufactures:
2. To review traditional techniques to account and control for labor and overhead costs associated with service organization.
3. To introduce 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 Accountants
 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. Budgeted Data
 - b. Product Life-Cycle
 - c. Value-added Activities
 - d. Target and Kaisen Costing
3. Reporting Elements
 - a. Financial Statements
 - b. Responsibilities 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 Perception
 1. Product Quality
 - a. Performance – Sales Returns
 - b. Reliabilities – Warranty Costs, Defective Units
 - c. Conformance to Specification – Statistical Control Charts, Maintenance time and Costs
 - d. Serviceability – number of Product Repairs
- 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. Cost 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. Prevention Maintenance costs
 - vi. Supplier Relationship –purchasing Costs
 - b. Appraisal Costs
 - i. Inspection Costs
 - ii. Quality Control Costs
 - iii. Quality Audits
 - iv. Recording Defective Work

2. Cost 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 Method (3 hours)

- A. Overhead Application Rates
 1. Plant – wide
 2. Departmental
 3. Variable
 4. Fixed
- B. Estimating Production costs
 1. Linear Regression Analysis
 2. High-Low Method
 3. Least Squares Regression Analysis
- C. Applying overhead costs to production
 1. Journal Entries
 2. Under-applied and Over-applied 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 Method
 - a. Direct
 - b. Step
 - c. Algebraic – Linear Programming
- V. The Master Budget (3 hours)
- A. Budgeting Progress
 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 (4hours)
- A. Product Life Cycles
 1. Development
 2. Introduction
 3. Growth
 4. Maturity
 5. Decline
 - B. Costing Method
 1. Target Costing – Development
 2. Kaizen Costing – Production 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 of 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 Report
 - D. Cost of Production Process
 - 1. Single Department
 - 2. subsequent Departments
 - 3. supporting journal entries

IX. Standard Costing (3 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 Variance
 - b. Efficiency (time) Variances
3. Overhead Variance
 - 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 System

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 Ordering Quantity

1. Minimization of Ordering and Storage Costs
2. Formula Calculation
3. Economic Production Runs

- C. Just-in-Time (JIT) Inventory System
 - 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. Distribution
 - 2. Implementation
 - a. Purchasing Issue
 - i. Quality Materials
 - ii. Suppliers Relationship
 - b. Product Design
 - i. Standard Rates
 - 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. Disadvantage
- 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 (3hours)

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. Warehouse

2. Transportation

3. Purchasing

4. Information Systems

5. Personal

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 Evaluation

d. Minimization of Taxes

e. Minimize of Foreign Exchange Risks

f. Internal Revenue Service Transfer pricing Policies

XIII. Performance Evaluation (3 hours)

A. Purpose

1. Evaluation 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. Variance
 - 2. Statement of Cash Flow – 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 decision
 - 5. Residual Income
 - 6. Economic Value Added
- E. ROI vs. Residual Income – Advantages and Disadvantages
- F. Long-Term Performance
 - 1. Non financial 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 Examination (3 hours)

IV. Evaluation Method

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% Homework and quizzes. Five short random quizzes, which could take the form of collected homework assignment, will be conducted during the semester.
- 5% Class participation. Student willingness to respond to solving problem assignment and other issues discussed in class will be documented throughout the semester.

V. Required textbooks, supplemental and readings

Jesse T. Barfield, Cecily A. Railborn, and Michael R. Kinney. Cost Accounting: Traditions and Innovations, 5th edition. Southwestern Publishing. Cincinnati, Ohio. 2003

VI. Special Resource Requirements

None

**ACCT 311 Cost Accounting
On-Line Syllabus of Record**

I. Catalog Description

ACCT 311: Cost Accounting	3 credits
Prerequisite: "C" or better in ACCT 202 – Accounting Principles II	3 lecture hours (3c-01-3sh)

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

II. Course Objectives

1. To review traditional techniques to account and control for material, labor and overhead costs associated with manufactures:
2. To review traditional techniques to account and control for labor and overhead costs associated with service organization.
3. To introduce 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

- I. Introduction to Cost and Management Accounting
 - 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 Accountants
 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

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. Budgeted Data
 - b. Product Life-Cycle
 - c. Value-added Activities
 - d. Target and Kaisen Costing
3. Reporting Elements
 - a. Financial Statements
 - b. Responsibilities Reports

III. Organizational Quality

- A. Measurement of Production Quality
 1. Value Added vs. Non-Value-Added activities
 2. Effect on Production Costs
- B. Measurement of Consumer Quality Perception
 1. Product Quality
 - a. Performance – Sales Returns
 - b. Reliabilities – Warranty Costs, Defective Units
 - c. Conformance to Specification – Statistical Control Charts, Maintenance time and Costs
 - d. Serviceability – number of Product Repairs
- 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. Cost 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. Prevention Maintenance costs
 - vi. Supplier Relationship –purchasing Costs
 - b. Appraisal Costs
 - i. Inspection Costs
 - ii. Quality Control Costs
 - iii. Quality Audits
 - iv. Recording Defective Work

2. Cost 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 Method

- A. Overhead Application Rates
 1. Plant – wide
 2. Departmental
 3. Variable
 4. Fixed
- B. Estimating Production costs
 1. Linear Regression Analysis
 2. High-Low Method
 3. Least Squares Regression Analysis
- C. Applying overhead costs to production
 1. Journal Entries
 2. Under-applied and Over-applied 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 Method
 - a. Direct
 - b. Step
 - c. Algebraic – Linear Programming

V. The Master Budget

- A. Budgeting Progress
 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

- A. Product Life Cycles
 1. Development
 2. Introduction
 3. Growth
 4. Maturity
 5. Decline
- B. Costing Method
 1. Target Costing – Development
 2. Kaizen Costing – Production 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 of 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
- 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
- A. Equivalent units of production
 - B. Weighted-average vs. FIFO methods
 - C. Normal Production Report
 - D. Cost of Production Process
 - 1. Single Department
 - 2. subsequent Departments
 - 3. supporting journal entries

IX. Standard Costing

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 Variance
 - b. Efficiency (time) Variances
3. Overhead Variance
 - 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 System

X. Inventory Control

A. Inventory Costs

1. Purchasing
 - a. Ordering Costs
 - b. Storage Costs
2. Production
 - a. Setup Costs
 - b. Storage Costs

B. Economic Ordering Quantity

1. Minimization of Ordering and Storage Costs
2. Formula Calculation
3. Economic Production Runs

- C. Just-in-Time (JIT) Inventory System
 - 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. Distribution
 - 2. Implementation
 - a. Purchasing Issue
 - i. Quality Materials
 - ii. Suppliers Relationship
 - b. Product Design
 - i. Standard Rates
 - 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
 - A. Decentralization
 - 1. Advantages
 - 2. Disadvantage
 - 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

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. Warehouse

2. Transportation

3. Purchasing

4. Information Systems

5. Personal

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 Evaluation

d. Minimization of Taxes

e. Minimize of Foreign Exchange Risks

f. Internal Revenue Service Transfer pricing Policies

XIII. Performance Evaluation

A. Purpose

1. Evaluation 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. Variance
 - 2. Statement of Cash Flow – 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 decision
 - 5. Residual Income
 - 6. Economic Value Added
- E. ROI vs. Residual Income – Advantages and Disadvantages
- F. Long-Term Performance
 - 1. Non financial 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 Examination

XV. Evaluation Method

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

- 70% Examinations. Three examinations during the regular semester and a 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 studies, or computer-based assignments designed for spreadsheet applications.
- 15% Homework and quizzes. Five short random quizzes, which could take the form of submitted homework assignment, will be conducted during the semester.

Semester grades will be based upon a weighted-average of the above mentioned evaluation Content under a traditional 100-point scale (i.e. 90-100 = "A", 80-89 = "B", 70-79 = "C", 60-69 = "D" and below 60 = "F").

For any activities in which the student is required to be on campus, alternative arrangements must be made prior to the activity if a student is unable to attend due to logistical constraints.

IV. Required textbooks, supplemental and readings

Jesse T. Barfield, Cecily A. Railborn, and Michael R. Kinney. Cost Accounting: Traditions and Innovations, 5th edition. Southwestern Publishing. Cincinnati, Ohio. 2003

V. Special Resource Requirements

To study on-line you will need regular access to a computer equipped with a modem and appropriate software, internet access and an email address. Minimum hardware requirements: PC, Pentium II or better, or Macintosh 68030 or better. Minimum of 256 MB RAM to run Netscape minimum 40 MB free disk space modem, 56 Kbps or faster software: (PC) 32-bit enable windows (MAC) system 7.5 or higher communications software, web browser, email program. A word-processing program, or at least a text editor. You should have a virus scanner such as McAfee or Norton Antivirus to scan incoming and outgoing email. Internet Access: you will need a graphical browser which is Java and JavaScript enabled to use all the feature of the on-line environment. The preferred browser is Netscape 7.0 or higher or Microsoft Internet Explorer 6.0 or higher. Should you have any questions regarding your computers capabilities, you should contact The Instructional Design Center at 724-357-7726.