

Alabama State University
College of Business Administration
Department of Accounting and Finance
Course Syllabus

Course Number:	ACT 411	Instructor:
Course Title:	Cost Accounting	Office:
Course Credit Hours:	3	Office Hours:
Course Prerequisite:	ACT 215	Telephone:
Course Offered:	Every Semester	

Class Attendance Policy: University Policy

Deadline for Withdrawal: University Policy

Required Text:

Cost Accounting: A Managerial Emphasis, 13th edition, Carter and Usry (Dame; 2002)

Required Supplement: Business Week

MISSION STATEMENT

The College of Business Administration (COBA) supports the mission of the University by serving the higher educational needs of business students at Alabama State University. Programs are designed to help students advance their education in business to become more productive citizens, further their careers, and pursue advanced studies within a changing global environment.

Undergraduate programs offer selected specializations built on a foundation of general education and a broad business core with an **emphasis on entrepreneurship**. The Master of Accountancy program offers advanced accounting studies. COBA promotes special concern for student learning, the effective use of technology and ethical behavior. Teaching/coaching and the resultant student learning are the highest priority of COBA. To that end, instructional development and faculty intellectual contributions of applied scholarship are emphasized. Faculty development, community service and involvement in professional organizations resulting in service to key stakeholders are stressed. COBA solicits input from its primary stakeholders through advisory councils.

Course Objectives:

OBJECTIVE I – Cost Behavior Analysis

After completing this chapter, you should be able to:

1. Classify an expenditure as fixed, variable, or semi variable.
2. List reasons for separating fixed and variable costs.
3. Compute the fixed and variable components of costs by three methods.
4. Define, compute, and explain the use of the coefficient of determination.
5. Define, compute, and explain the use of the standard error of the estimates.
6. Compute an estimate of cost using the equation developed by the method of least squares and then compute a confidence interval for the estimate.

Cost Systems and Cost Accumulation

1. Present the flow of manufacturing costs using general journal entries and T accounts.
2. Prepare a statement of cost of goods sold from a manufacturer.
3. Prepare financial statements for a manufacturer.
4. Name different kinds of cost systems, state how each system measures cost, and tell which cost elements are included in product costs under each system.
5. Distinguish between job order and process costing, and give examples of businesses in which each is used.

OBJECTIVE 2 – Job Order Costing

After completing this chapter, you should be able to:

1. Perform job order cost accumulation.
2. Identify and prepare the eight basic cost accounting entries involved in job order costing.
3. Prepare a job order cost sheet.
4. Use a predetermined overhead rate in job order costing.
5. Recognize job order cost sheets in a variety of forms, for both manufacturing and service businesses.

OBJECTIVE 3 – Process Costing

After completing this chapter, you should be able to:

1. Cite examples of businesses in which process costing is used.
2. Explain three common patterns of manufacturing production flow.
3. Determine if a process cost system can be used, based on an examination of the manufacturing environment
4. Calculate equivalent production and departmental unit costs.
5. Prepare a departmental cost of production report based on average costing.
6. Prepare general journal entries to record manufacturing costs in a process cost system.
7. (Appendix) Prepare a departmental cost of production report based on FIFO costing.

OBJECTIVE 4 – Budgeting: Profits, Sales, Costs, and Expenses

After completing this chapter, you should be able to:

1. Define profit planning.
2. Distinguish between long-range and short-range planning.
3. List the advantages and disadvantages of profit planning.
4. List the fundamental principles of budget development and implementation.
5. Point out employee motivational hazards in budgeting and list requirements to avoid those hazards.
6. Prepare a complete operating budget, including budgeted financial statements and budget schedules for sales, production, and commercial expenses.

OBJECTIVE 5 – Setting Standards and Analyzing Variances

After completing this chapter, you should be able to:

1. Define standard cost and explain how standards are used.
2. Explain how standards are set.
3. Compute the standard cost of actual or equivalent units produced.
4. Compute standard cost variances for materials, labor, and factory overhead.
5. Define standard cost variance and state how their causes can be determined.
6. Explain how tolerance limits are set and used for variance control.
7. List problems that can result from overemphasizing variance reports for cost control and employee evaluation.

OBJECTIVE 6 – Direct Costing, Cost Volume-Profit Analysis, and the Theory of Constraints

After completing this chapter, you should be able to:

1. Distinguish between direct costing and absorption costing.
2. Calculate income by direct costing and reconcile it with absorption costing.
3. List uses of direct costing.
4. List arguments for and against direct costing.
5. State the position of the accounting profession, the IRS, and the SEC on the nonacceptability of direct costing in external reporting.
6. Calculate the level of sales required to achieve a specific specified profit.
7. Prepare a break-even chart.
8. Define and calculate the margin of safety and the margin of safety ratio.
9. State the relationship between direct costing and the theory of constraints.
10. Define and calculate the throughput.
11. List ways to improve a constraint or bottleneck in a manufacturing system.

Evaluation:

Students will be evaluated on all objectives through examinations, and additional work to be assigned by the individual instructor, including, but not limited to, a term paper. Each of these items and evaluation methods will be discussed under the appropriate subheading below.

Examinations:

There will be three examinations and one final examination. Each of the four exams will consist of problems and questions.

- *Exam I will cover objectives 1, and 2 in depth.
- *Exam II will cover objectives 3 and 4 in depth.
- *Exam III will cover objectives 5 and 6 in depth.
- *The final exam will cover all objectives in summary.

Any exam may be missed only for (a) death/serious illness in the immediate family; (b) National Guard or Reserve Duty; or (c) an official university function. Proof of such from the office of the Vice President for Student Affairs must be presented to the instructor, who will then, at his discretion, either grant a make-up exam or make such other arrangements as he feels suitable. In the case of missed final exams (with the required proof), a grade of “I” may be granted. This “I” grade must be cleared at the first possible opportunity and in no case later than the mid-term week of the immediately following semester. The “I” grade will not be granted for any other reason not specified above.

Additional Information-Assigned Work:

This may consist of reports on journal articles, computer exercises or problem, quizzes, etc., at the discretion of your instructor.

Grade Distribution:

	<u>Percent</u>
Term Exams 3 @ 20%	60%
Instructor Assignment	10%
Term Paper	10%
Final Exam	<u>20%</u>
Grand Total	<u>100%</u>

Grading:

- A 90 – 100% of total points and pass all Objectives.
- B 80 – 89% of total points and pass all Objectives.
- C 70 – 79% of total points and pass all Objectives.
- D 60 – 69% of total points.
- F less than 60% of total points.

To pass an objective, students must earn at least 70% of the points available during the in-dept exam for that objective.

COURSE POLICIES:

1. Major exams are subjected to make up provided a legal excuse is obtained.
2. Calculators will not be shared during tests or exams.
3. No leaving the classroom during tests, exams, lectures, or any time without the express approval of the instructor.
4. No smoking any time, please.
5. For all tests and homework, problems will be solved on separate sheets of paper. No sheet of paper will contain more than one problem. Each sheet will contain the student’s name, student’s number, problem number and page number of the problem. (Example: Page 1 of 1 or page 2 of 3).
6. Students who are 10 minutes late are considered absent.
7. No gum chewing.
8. No beepers or cellular phones.

ADA STATEMENT:

If you have a disability of any kind and will need academic adjustments or assistance in the classroom or with this course, please see the instructor immediately.

Professional dress attire is required for all class presentations. This attire includes a dark suit (blue, black or gray), white or light blue shirt/blouse, dark socks/neutral stockings (no colors such as red, blue, green, etc.) and dark shoes. Neckties should be very conservative. Jewelry should be limited: One wrist watch, no more than two finger rings/earrings (women), one finger ring/no earrings (men), short, unpainted fingernails. Conservative haircut and make up.

Class Attendance Policy Effective Spring Semester 2004

Each student is expected to attend all lectures, seminars, laboratories, and field work for each registered class including the first week of class session, in order to verify registration with instructors, and to complete all work assigned for the course. When students are absent from class for authorized reasons such as death in the family, illness, obstructive situations or University activities, they will be allowed to make up assignments/examinations that they missed. Instructors, of course, are not obligated to provide makeup opportunities for students who are absent, unless the absences have been officially approved. Official excuses can be obtained from the Office of Student Affairs. An officially excused absence, however merely gives the individual who missed the class an opportunity to make up the work and in no way excuses him/her from completing the course requirements. Students receiving veteran's benefits are required to attend classes according to the regulations of the Veterans Administration, in addition to those requirements set by the University for all students.

Instructors are required to keep an accurate attendance record for all students enrolled. It is the responsibility of the student to withdraw from the University or drop a course, within the allowed timeframe, when this is the desired course of action.

Adopted by the Alabama State Board of Trustees: 09/25/03