

# Minnesota State University Moorhead

## ACCT 350: Cost Accounting

### A. COURSE DESCRIPTION

Credits: 3

Lecture Hours/Week: 3

Lab Hours/Week: 0

OJT Hours/Week: \*.\*

Prerequisites:

This course requires the following prerequisite

ACCT 231 - Principles of Accounting II

Corequisites: None

MnTC Goals: None

Emphasis on costing systems, including job order and process costing, joint and operation costing, ABC, variable costing and standard costing with variance analysis.

**B. COURSE EFFECTIVE DATES:** 01/29/1999 - Present

### C. OUTLINE OF MAJOR CONTENT AREAS

1. Cost Accounting: Information for Decision Making
2. Planning and Budgeting
3. Standard Costing and Variance Analysis
4. Financial and Nonfinancial Performance Measurement
5. Business Unit Performance Evaluation
6. Cost Concepts and Behaviors
7. Cost Volume Profit Analysis
8. Fundamentals of Cost Analysis for Decision Making
9. Job Order Costing
10. Process Costing
11. Activity Based Costing and Cost management
12. Service Department and Joint Cost Allocation
13. Transfer Pricing

#### **D. LEARNING OUTCOMES (General)**

1. Distinguish the role of accounting information for management planning, evaluating, and decision making.
2. Distinguish the behavior and the function of costs for cost objects at varying hierarchical levels.
3. Distinguish variable, fixed, and mixed cost using various methods.
4. Describe how costs are presented in financial statements; define the components of product costs; apply the process of cost allocation.
5. Compare and contrast plantwide overhead rates, departmental rates, and activity based drivers; describe the potential deficiencies in volume based systems, and the benefits of activity based costing systems.
6. Calculate product, process, service, and client costs for financial statement reporting.
7. Assign costs in a job cost system; prepare journal entries necessary in a job cost system; calculate predetermined overhead rates; apply overhead.
8. Calculate costs in a process system; calculate equivalent units of production and assign costs to products using weighted average method and FIFO method.
9. Compute product costs using Activity Based Costing; compute the cost of clients, customers, and vendors using Activity Based Costing. Apply Activity Based Management.
10. Allocate service department costs using various methods. Allocate joint costs. Account for the costs of by-products.
11. Assemble cost information to manage operations and make short run decisions.
12. Describe the effect of costs structure on decisions. Analyze operating choices using Cost Volume Profit analysis. Incorporate taxes and multiple products into the CVP analysis.
13. Apply differential analysis to various decision choices; such as make or buy, sell or process further, special orders, dropping a segment or product. Optimize the utilization of scarce resources.
14. Formulate master budgets, adjusting for changes in sales volume.
15. Develop sales, production, cost budgets. Develop cash receipts and disbursement budgets. Develop pro forma financial statements.
16. Develop flexible budgets.
17. Evaluate performance of products, responsibility centers, divisions, and business organizations.
18. Compute and analyze profit variance, variable cost variances, and fixed cost variances.
19. Describe transfer pricing methods. Identify the behavioral issues and incentive effects of different transfer pricing methods.
20. Identify, calculate and analyze nonfinancial performance measures. Evaluate performance using the Balanced Scorecard. Describe an effective performance measurement system.
21. Calculate and interpret return on investment, residual income, and economic value added as performance measurements.

#### **E. Minnesota Transfer Curriculum Goal Area(s) and Competencies**

None

#### **F. LEARNER OUTCOMES ASSESSMENT**

As noted on course syllabus

#### **G. SPECIAL INFORMATION**

None noted