

# Accounting 121 - Section 3 (DIS 31694)

## Cost Accounting

### Course Syllabus – Spring 2018

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#### Websites:

Course Website: <http://www.csus.edu/indiv/p/pforsichh/accy121.htm>

Online HW/Quizzes (Connect Register & Login):

<http://connect.mheducation.com/class/pforsich-spring-2018>

Lanen 4e Textbook Website: [http://highered.mheducation.com/sites/1259565408/student\\_view0/index.html](http://highered.mheducation.com/sites/1259565408/student_view0/index.html)

#### Required Text:

- **CONNECT online access code** (for online homework)
- Lanen, Anderson, Maher, **Fundamentals of Cost Accounting**, [hard cover]
  - (Optional) 5<sup>th</sup> ed., (2016) McGraw-Hill Irwin; ISBN--978-1259565403
  - (Recommended) Older, used versions and/or the e-text are acceptable (and cheaper!)

#### Course Description:

Emphasizing the concept of “different costs for different purposes,” this course focuses on cost accounting strategy and the decision making process. After successfully completing this course, students should have knowledge of:

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| <ul style="list-style-type: none"> <li>• Cost concepts and behavior</li> <li>• Cost-volume-profit (break-even) analysis</li> <li>• Relevant costs for decision making</li> <li>• Cost estimation</li> <li>• Job costing</li> <li>• Process costing</li> </ul> | <ul style="list-style-type: none"> <li>• Activity-based costing</li> <li>• Cost allocation</li> <li>• Budgeting</li> <li>• Variance analysis</li> <li>• Capital budgeting</li> </ul> |
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#### Grading:

	<u>Points</u>	<u>Percent</u>
• <b>Attendance</b> (10 pts. dropped per unexcused absence)	50	10 %
• <b>Quizzes/Homework (online)</b> (11 drop 2 = 9 @ 30 pts. each)	270	52 %
• <b>Midterm Exam</b> (chs. 2,3,4,5,7,8 – conceptual – <b>in class</b> )	100	19 %
• <b>Final Exam</b> (chs. 9,11,13,16, Appendix – conceptual -- <b>in class</b> )	<u>100</u>	<u>19 %</u>
	520	<u>100%</u>

1. **Academic Honesty** - Students are required to follow the guidelines regarding academic honesty: <http://www.csus.edu/umanual/student/STU-0100.htm>
2. **Reasonable Accommodation** - For services or information, please consult with the instructor and Services to Students with Disabilities <http://www.csus.edu/SSWD/>. Students with other types of accommodation requirements, including language development, are invited to discuss them with the instructors to facilitate understanding and the best learning experience for all. All information will remain confidential.
3. **Grading Method** -
  - Each student begins the semester with 50 attendance points which will be reduced by 10 points for each unexcused absence.
  - The difficulty level of the weekly chapter quizzes is medium to high. These quizzes consist of 10 quantitative multiple-choice problems covering the main topics of the chapter. The quiz is worth 20 points which will be added to the weekly homework score (10 points possible). The total will be recorded as a chapter score (30 points possible). The two lowest chapter scores will be dropped at the end of the semester when calculating final course scores and grades.
  - Two exams, a conceptual midterm and conceptual final (not cumulative; no calculations) worth 100 points each will be added into the final course score.
  - Final course grades will be straight A, B, C, D, or F (no plusses or minuses).

### ACCY 121 Learning Objectives

#### **Chapter 2: Cost Concepts and Behavior**

LO 2-1 Explain the basic concept of "cost."

LO 2-2 Explain how costs are presented in financial statements.

LO 2-3 Explain the process of cost allocation.

LO 2-4 Understand how material, labor, and overhead costs are added to a product at each stage of the production process.

LO 2-5 Define basic cost behaviors, including fixed, variable, semi-variable, and step costs.

LO 2-6 Identify the components of a product's costs.

LO 2-7 Understand the distinction between financial and contribution margin income statements.

#### **Chapter 3: Cost-Volume-Profit Analysis**

LO 3-1 Use cost-volume-profit (CVP) analysis to analyze decisions.

LO 3-2 Understand the effect of cost structure on decisions.

LO 3-3 Use Microsoft Excel to perform CVP analysis.

LO 3-4 Incorporate taxes, multiple products, and alternative cost structures into the CVP analysis.

LO 3-5 Understand the assumptions and limitations of CVP analysis.

#### **Chapter 4: Cost Analysis for Decision Making**

LO 4-1 Use differential analysis to analyze decisions.

LO 4-2 Understand how to apply differential analysis to pricing decisions.

LO 4-3 Understand several approaches for establishing prices based on costs for long-run pricing decisions.

LO 4-4 Understand how to apply differential analysis to production decisions.

LO 4-5 Understand the theory of constraints.

## **Chapter 5: Cost Estimation**

- LO 5-1 Understand the reasons for estimating fixed and variable costs.
- LO 5-2 Estimate costs using engineering estimates.
- LO 5-3 Estimate costs using account analysis.
- LO 5-4 Estimate costs using statistical analysis.
- LO 5-5 Interpret the results of regression output.
- LO 5-6 Identify potential problems with regression data.
- LO 5-7 Evaluate the advantages and disadvantages of alternative cost estimation methods.
- LO 5-8 (Appendix A) Use Microsoft Excel to perform a regression analysis.
- LO 5-9 (Appendix B) Understand the mathematical relationship describing the learning phenomenon.

## **Chapter 7: Job Costing**

- LO 7-1 Explain what job and job shop mean.
- LO 7-2 Assign costs in a job cost system.
- LO 7-3 Account for overhead using predetermined rates.
- LO 7-4 Apply job costing methods in service organizations.
- LO 7-5 Understand the ethical issues in job costing.
- LO 7-6 Describe the difference between jobs and projects.

## **Chapter 8: Process Costing**

- LO 8-1 Explain the concept and purpose of equivalent units.
- LO 8-2 Assign costs to products using a five-step process.
- LO 8-3 Assign costs to products using weighted-average costing.
- LO 8-4 Prepare and analyze a production cost report.
- LO 8-5 Assign costs to products using first-in, first-out (FIFO) costing.
- LO 8-6 Analyze the accounting choice between FIFO and weighted-average costing.
- LO 8-7 Know when to use process or job costing.
- LO 8-8 Compare and contrast operation costing with job costing and process costing.

## **Chapter 9: Activity-Based Costing**

- LO 9-1 Understand the potential effects of using reported product costs for decision making.
- LO 9-2 Explain how a two-stage product costing system works.
- LO 9-3 Compare and contrast plant-wide and department allocation methods.
- LO 9-4 Explain how activity-based costing and a two-stage product system are related.
- LO 9-5 Compute product costs using activity-based costing.
- LO 9-6 Compare activity-based product costing to traditional department product costing methods.
- LO 9-7 Demonstrate the flow of costs through accounts using activity-based costing.
- LO 9-8 Apply activity-based costing to marketing and administrative services.

## **Chapter 11: Service Department and Joint Cost Allocation**

- LO 11-1 Explain why service costs are allocated.
- LO 11-2 Allocate service department costs using the direct method.
- LO 11-3 Allocate service department costs using the step method.
- LO 11-4 Allocate service department costs using the reciprocal method.
- LO 11-5 Use the reciprocal method for decisions.
- LO 11-6 Explain why joint costs are allocated.
- LO 11-7 Allocate joint costs using the net realizable value method.
- LO 11-8 Allocate joint costs using the physical quantities method.
- LO 11-9 Explain how cost data are used in the sell-or-process-further decision.

## **Chapter 13: Planning and Budgeting**

- LO 13-1 Understand the role of budgets in overall organization plans.
- LO 13-2 Understand the importance of people in the budgeting process.
- LO 13-3 Estimate sales.
- LO 13-4 Develop production and cost budgets.
- LO 13-5 Estimate cash flows.
- LO 13-6 Develop budgeted financial statements.
- LO 13-7 Explain budgeting in merchandising and service organizations.
- LO 13-8 Explain why ethical issues arise in budgeting.
- LO 13-9 Explain how to use sensitivity analysis to budget under uncertainty.

## **Chapter 16: Variance Analysis**

- LO 16-1 Use budgets for performance evaluation.
- LO 16-2 Develop and use flexible budgets.
- LO 16-3 Compute and interpret the sales activity variance.
- LO 16-4 Prepare and use a profit variance analysis.
- LO 16-5 Compute and use variable cost variances.
- LO 16-6 Compute and use fixed cost variances.

### **A note on the hybrid nature of the course**

The CBA is committed to excellence in teaching. In order to ensure that this hybrid course provides students with an excellent learning experience, the following learning components have been installed:

- All office hours will be held in my office on campus. During non-office hours in which I am off campus, students are encouraged to call me on my cell phone. Students are also encouraged to email me anytime and will normally receive a prompt response, at least within 48 hours.
- As a full-time CBA faculty member I am actively involved in the Sacramento State campus life. I am in my office several hours every day and welcome my students to drop in during non-office hours.
- I participate in workshops that present best practices for online and/or hybrid classes.
- In order to promote a quality learning experience, I present unique value to my students through my class lessons in the following areas:
  - The textbook publisher's material is supplemented by video lectures that I have created for each textbook chapter.
  - An interactive component is built into the online portion of the class to accommodate student questions, learning and discussion.
    - Online homework settings are configured to allow students to check the answers to their work, link to relevant e-book sections for further reading and study, and receive helpful hints when requested by the student.
    - After a homework assignment is completed, students are given detailed online feedback on each assignment.
    - Online exams and quizzes include a feedback component that provides students with their results to be in compliance with the university's student rights policy.