ACTG 66: COST ACCOUNTING

Foothill College Course Outline of Record

Heading	Value
Effective Term:	Summer 2022
Units:	5
Hours:	5 lecture per week (60 total per quarter)
Prerequisite:	ACTG 1C or 1CH, or equivalent experience.
Advisory:	Elementary Algebra or equivalent; demonstrated proficiency in English by placement via multiple measures OR through an equivalent placement process OR completion of ESLL 125 & ESLL 249.
Degree & Credit Status:	Degree-Applicable Credit Course
Foothill GE:	Non-GE
Transferable:	CSU
Grade Type:	Letter Grade (Request for Pass/No Pass)
Repeatability:	Not Repeatable

Student Learning Outcomes

- Explain cost accounting terminology, principles, and concepts.
- Explain different cost accounting methods and /or procedures.
- Demonstrate the ability to apply the different costing methods and / or procedures to solve cost accounting problems. Examples: Variable Costing , Absorption Costing

Description

Fundamentals of activity-based costing, job-order, process cost, and standard cost accounting systems.

Course Objectives

The student will be able to:

a. complete cost-volume-profit relationships.
b. prepare cost reports and working papers based on standard costs, direct costs, relevant costs, joint costs, and inventory control and valuation.
c. determine costs using both job-order and process cost methods.
d. understand and use cost accounting terminology.
e. understand and use activity-based costing.

Course Content

a. Description of the accountant's role in an organization including cost terminology and the major purposes of cost accounting
    i. Explain the uses of cost accounting data
    ii. Understand the ethical responsibilities and certification requirements for management accountants
    iii. Discuss the relationship of cost accounting to financial and management accountants
    iv. Identify the three basic elements of manufacturing costs
    v. Distinguish between the two basic types of cost accounting systems
    vi. Illustrate a job order cost system
b. Technique of computing, cost-volume relationships, including the preparation of graphs, applications of break-even analysis
    i. Compute the break-even point and the target volume needed to earn a certain point
    ii. Calculate the contribution margin ratio and the margin of safely margin
    iii. Discuss and analyze the impact of income tax on break-even computations
    iv. Apply CVP technique that uses the degrees of cost variability to measure the changes in volume on resulting profits
c. Computation of costs using standard costs analysis of variances, types of standard budgets, profit planning, and cost behavior
    i. Describe the standards used in determining standard costs
    ii. Determine procedures for recording standard costs
    iii. Compute and analyze variances
    iv. Prepare journal entries to record variances
    v. Perform variance analysis
    vi. Recognize the features of a standard cost system
    vii. Calculate standard costs in a departmentalized factory
    viii. Distinguish between actual and applied factory overhead
    ix. Compute variances using the two-variance method
    x. Compute variances using the four-variance method
    xi. Compute variances using the three-variance method
d. Training in cost accounting using variable, fixed and semi-variable costs. Preparation of overhead budgets and flexible budgets
    i. Identify cost behavior patterns
    ii. Separate semi-variable costs into variable and fixed components
    iii. Prepare a budget for factory overhead costs
    iv. Account for actual factory overhead costs
    v. Distribute service department factory overhead costs to production departments
    vi. Apply factory overhead using predetermined rates
    vii. Calculate actual and applied factory overhead
    viii. Explain the general principles involved in the budgeting process
    ix. Identify and prepare the components of the master budget
    x. Identify and prepare components of the flexible budget
    xi. Calculate the procedures to determine standard amounts of factory overhead at different levels of production

Lab Content

Not applicable.

Special Facilities and/or Equipment

1. Access to a computer lab and Excel software.
2. When taught as an online distance learning section, students and faculty need ongoing and continuous internet and email access.

Method(s) of Evaluation

Methods of Evaluation may include but are not limited to the following:

Examinations

Quizzes
Computerized assignments
Written reports
Group activities
Class presentations

Method(s) of Instruction

Methods of Instruction may include but are not limited to the following:

Lecture
Electronic discussions/chat
Excel and homework assignments

Representative Text(s) and Other Materials

Vanderbeck and Mitchell. Principles of Cost Accounting. 2018.

Types and/or Examples of Required Reading, Writing, and Outside of Class Assignments

a. Reading of corporate cost accounting policy - different samples
b. Written research paper - cost accounting policy
c. Reading of internet articles and incorporating the information into the written project
d. Reading on different topics (internet/business journals) or accounting-related current events and/or careers
e. Reading Wall Street Journal, Business Week

Discipline(s)

Accounting