

University of Arkansas – Fort Smith
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General Syllabus

ACCT 3023 Cost Accounting

Credit Hours: 3

Lecture Hours: 3

Laboratory Hours: 0

Prerequisite: ACCT 2813 Principles of Managerial Accounting, MGMT 2963 Business Statistics or STAT 2503 Probability and Statistics I and admission to the College of Business or consent of the instructor.

Effective Catalog: 2018-2019

I. Course Information

A. Catalog Description

General principles of cost accounting, including the methods of collection, preparation, and interpretation of cost data for industrial and commercial concerns, comprehensive budgets, and standard costs.

II. Student Learning Outcomes

A. Subject Matter

Upon successful completion of this course, the student will be able to:

1. Distinguish between uses and users of management accounting information and financial accounting information.
2. Describe the flows of costs through organizational processes and identify basic cost behaviors.
3. Identify problems and uncertainties, explore the pros and cons of alternatives, evaluate behavioral implications, and recognize decision maker values and priorities.
4. Integrate cost accounting material with the content of other accounting and business core courses, such as marketing, management, and finance.
5. Describe the accounting systems used by retail, manufacturing, and service businesses.
6. Apply cost-volume-profit analysis to identify elements of cost behavior and characterize the relationship among cost, volume, and profits.
7. Prepare the comprehensive budgets for a manufacturing business and relate concepts to merchandising and service businesses.
8. Calculate and interpret material, labor, and overhead variances.

9. Explain how the use of standards may facilitate analysis of financial and nonfinancial performance measures to gauge organizational progress and to motivate managers and employees.
10. Prepare and interpret responsibility accounting and performance measurement reports for a cost center, profit center, revenue center, and investment center.
11. Describe the elements and structure of performance measurement and control systems.
12. Apply incremental analysis for short-term managerial decisions based on accounting information.
13. Evaluate capital investment proposals using net present value analysis and internal rate of return.
14. Discuss the concepts of cost of quality, transfer pricing, and cost allocation.
15. Discuss the strengths and weaknesses of the balance scorecard including uncertainties about measurement issues, and the effects of biases on performance measure choices.

B. University Learning Outcomes

This course enhances student abilities in the following areas:

Analytical Skills

Critical Thinking Skills - Students will analyze business problems and use decision making methodologies to devise workable solutions and reports.

Ethical Decision Making

Students must be able to understand and discuss the ethical implications of management decisions and the use of accounting data.

III. Major Course Topics

- A. The Role of Accounting Information in Management Decision Making
- B. Cost Concepts and Behavior
- C. Cost Volume Profit Analysis
- D. Cost Estimation
- E. Job, Process, and Activity-Based Costing
- F. Cost Allocation
- G. Joint Product, By-Product Costing
- H. Static and Flexible Budgets
- I. Standard Costs and Variance Analysis
- J. Performance Measurement
- K. Transfer Pricing