

# Minnesota State University Moorhead

## ACCT 350: Cost Accounting

### A. COURSE DESCRIPTION

Credits: 3

Lecture Hours/Week: 3

Lab Hours/Week: \*.\*

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

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

1. Describe how cost accounting information is used for decision making and performance evaluation in organizations.
2. Explain cost behavior; how costs are presented in financial statements; the components of product costs; and the process of cost allocation.
3. Analyze decision using Cost Volume Profit analysis. Describe the effect of cost structure on decisions. Incorporate taxes and multiple products into the CVP analysis.
4. Apply differential analysis to various decisions, such as make or buy, special orders, dropping a product. Describe the theory of constraints and apply it to analyze scarce resource allocations.
5. Assign costs in a job cost system. Prepare journal entries necessary in a job cost system. Calculate predetermined overhead rates. Apply overhead.
6. Describe process costing. Calculate equivalent units of production. Assign product costs using weighted average and using FIFO methods. Prepare and analyze a production cost report.
7. Compare and contrast plant wide overhead rates, departmental rates, and activity based cost drivers. Describe the potential deficiencies in volume based systems, and the benefits of activity based costing systems. Compute product costs using Activity Based Costing. Apply activity based management concepts to determine the costs of suppliers and customers.
8. Allocate service department costs using direct method, step method, and reciprocal method. Allocate joint costs using net realizable method, and physical quantities method. Account for by products. Analyze sell or process further decisions.
9. Describe and apply the general transfer pricing methods. Identify the behavioral issues and incentive effects of differing transfer pricing methods.
10. Develop the various production and cost budgets. Develop budgeted financial statements.
11. Develop flexible budgets. Compute and analyze profit variance, variable cost variances, and fixed cost variances.
12. Identify nonfinancial performance measures. Describe an effective performance measurement system.
13. 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