



MERCER
COUNTY COMMUNITY COLLEGE

COURSE OUTLINE

Course Number
ACC215

Course Title
Cost Accounting

Credits
3

Hours:
3 Lecture/ 1Lab

Pre-requisite
ACC112 with a minimum "C" Grade

Implementation
Semester & Year
Spring 2022

Catalog description:

Examination of the accounting practices to record and control of material, labor, and overhead costs. Study includes job-order, process cost and standard cost systems for manufacturing and service firms.

General Education Category:
Not Gen Ed

Course coordinator: Josie Mathias, 609-570-3341,
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Required texts & Other materials:

VanDerbeck & Mitchell. *Principles of Cost Accounting*. Cengage Learning 17th Edition, ISBN-13: 978-1-305-08740-8

Course Student Learning Outcomes (SLO):

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

1. Define cost accounting and contrast it with financial accounting.(ILG #1, 2, 9,11))PLO#1)
2. Discuss the various major techniques of cost accounting. (ILG #1, 2, 11) (PLO#1, PLO#3)
3. Explain the role of the cost accountant as part of the management team of an organization. (ILG #1, #2) (PLO#3)

Course-specific Institutional Learning Goals (ILG):

Institutional Learning Goal 1. Written and Oral Communication in English. Students will communicate effectively in both speech and writing.

Institutional Learning Goal 2. Mathematics. Students will use appropriate mathematical and statistical concepts and operations to interpret data and to solve problems.

Institutional Learning Goal 9. Ethical Reasoning and Action. Students will understand ethical frameworks, issues, and situations.

Institutional Learning Goal 11. Critical Thinking: Students will use critical thinking skills understand, analyze, or apply information or solve problems.

Program Learning Outcomes for AAS Accounting (PLO)

1. Perform all the steps of the accounting cycle for sole proprietorships, partnerships, and corporations;
2. Compute and record financial transactions that are unique to governmental and not-for-profit institutions such as hospitals, colleges, and universities;
3. Analyze financial statements, prepare managerial reports, and suggest appropriate actions to alleviate or eliminate problems;
4. Implement an effective system of internal control;
5. Utilize the computer to record accounting information and perform spreadsheet analysis;
6. Research printed and electronic resources, evaluate the quality of the information, and report findings orally and/or in written reports.

Units of study in detail – Unit Student Learning Outcomes:

Competencies

1. **Describe the characteristics and elements of cost accounting - Chapter One** [Supports Course SLO #1, 3]
Learning Objectives
 - a. Define the users of accounting data.
 - b. Describe the relationship of cost accounting to financial accounting.
 - c. Explain the elements that make up manufacturing costs.
 - d. Describe the basic cost accounting systems.
 - e. Discuss the need for professional ethics in the performance of management accounting.
2. **Discuss the accounting for materials in a cost accounting system - Chapter Two** [Supports Course SLO #2]
Learning Objectives
 - a. Describe materials control and material control procedures.
 - b. Apply accounting principles to the accounting for materials.
 - c. Define what is meant by scrap, spoiled goods, and defective work.
 - d. Describe just-in-time materials control.
3. **Analyze the costs of labor in a cost accounting system - Chapter Three** [Supports Course SLO #2]
Learning Objectives
 - a. Describe the nature of and purposes of wages plans.
 - b. Explain the procedures used to control labor cost.
 - c. Apply accounting principles to the accounting for labor.
 - d. Discuss the need for and the procedure for payroll accrual.
 - e. Describe the special labor cost problems that exist and how accounting can help to solve them.
4. **Define and describe the effects of overhead on product/service costs - Chapter Four**[Supports Course SLO #2]
Learning Objectives
 - a. Identify cost behavior patterns.

- b. Analyze semi-variable factory overhead costs.
- c. Prepare a budget of factory overhead costs.
- d. Apply accounting rules to the accounting for actual factory overhead.
- e. Distribute service department costs.
- f. Apply factory overhead to production.
- g. Apply accounting rules for actual and applied factory overhead.

5. **Describe the general procedures used in a process cost accounting system - Chapter Five** [Supports Course SLO #2, 3]

Learning Objectives

- a. Discuss the basic cost accounting systems.
- b. Apply accounting rules to a process cost system.
- c. Define the purpose of Work in Process inventories.
- d. Prepare cost of production summaries.
- e. Discuss the process to apply changes to a prior's department's unit transfer costs.

6. **Explain how joint products and by-products influence a process cost accounting system - Chapter Six** [Supports Course SLO #2, 3]

Learning Objectives

- a. Explain how equivalent production is calculated.
- b. Apply the accounting for units lost and gained in production.
- c. Discuss the accounting for joint products and by-products.

7. **Discuss the principles and calculation involved in budgeting - Chapter Seven** [Supports Course SLO #1, 2, 3]

Learning Objectives

- a. Discuss the principles of budgeting.
- b. Prepare a master budget.
- c. Prepare a flexible budget for factory overhead.

8. **Define and calculate the analyses involved in a standard cost accounting system - Chapter Eight** [Supports Course SLO #1, 2, 3]

Learning Objectives

- a. Explain the types of standards.
- b. Determine standard costs.
- c. Calculate and account for variances.
- d. Analyze variances.

9. **Explain how cost accounting concepts are applied in a service organization - Chapter Nine** [Supports Course SLO #1, 2, 3]

Learning Objectives

- a. Apply Job Order costing to a service business.
- b. Discuss budgeting procedures for a service business.
- c. Apply activity-based costing to a service business.
- d. Calculate allocations using simplified cost versus Activity-based costing.

10. **Apply cost analysis concepts in managerial decision making - Chapter Ten** [Supports Course SLO #1, 2, 3]

Learning Objectives

- a. Compare and contrast variable costing and absorption costing.
- b. Discuss segment reporting for profitability analysis.
- c. Describe cost-volume-profit reporting.
- d. Calculate the contribution margin and the margin of safety.
- e. Calculate the effect of income taxes on break-even and net income.
- f. Describe and perform differential analysis.

Grading Information

Grading Scale

Tests	80% (Chapters 1 to 10)*
Reaction Papers	15%
Class Work	5%

*The instructor will announce during the first class meeting the number of tests and the chapters covered in each test.