

# COURSE OUTLINE

**ACCT-215**  
**Cost Accounting**  
3 Semester Hours

## HOWARD COMMUNITY COLLEGE

### Description

Upon completion of this course, the student will be able to apply the cost accounting principles involved in the determination of material, labor, and overhead costs in job-order and process cost systems. Standard costs, analysis of variances, analysis of cost information and cost statements for administrative control purposes will be prepared by the student. Prerequisite: ACCT-112. (3 hours weekly)

### Overall Course Objectives

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

1. Distinguish between financial accounting and management accounting and identify the major components of a management control system.
2. Differentiate between the different manufacturing costs.
3. Calculate breakeven point and target operating income using cost-volume-profit analysis.
4. Successfully demonstrate the job-order costing system for accounting for costs in a manufacturing company.
5. Compare and contrast job-order costing, process costing and activity-based accounting systems.
6. Prepare process costing schedules using both the weighted average and first-in, first-out (FIFO) methods.
7. Calculate the effects of spoilage, reworked units and scrap.
8. Compare and contrast different hybrid costing systems, including just-in-time (JIT), operation costing and backflush costing.
9. Assess the benefits derived by the organization from budgeting systems.
10. Prepare the supporting schedules and main statements for a master budget.
11. Distinguish between static budgets and flexible budgets.
12. Calculate price, efficiency and overhead variances.
13. Analyze the differences in operating income under absorption costing and variable costing.
14. Describe the five-step sequence in a decision process.
15. Describe the purpose of cost allocations and examine the different methods.

## **Major Topics**

- I. Fundamentals of Cost Accounting
  - A. Accountant's Role in the Organization
  - B. Cost Terms and Purposes
  - C. Cost-Volume-Profit Relationships
  
- II. Costing Systems
  - A. Job Costing in Manufacturing, Services, and Activity-Based Accounting
  - B. Process Costing
  - C. Spoilage, Reworked Units, and Scrap
  - D. Hybrid Systems: Operation Costing and Backflush Costing
  
- III. Budgeting and Standard Costs
  - A. Master Budget and Responsibility Accounting
  - B. Flexible Budgets and Standards
  - C. Alternative Inventory Costing Methods
  
- IV. Special Topics
  - A. The Decision Process
  - B. Cost Allocation

## **Course Requirements**

Grading/Exams: Grading procedures will be determined by the individual faculty member but will include the following:

Exams: Four exams

Grading: Four exams will be worth a minimum of 85% of total grade.

## **Other Course Information**

None