



El Camino College
COURSE OUTLINE OF RECORD – Official

Course Acronym:	BUS
Course Number:	157
Descriptive Title:	Cost Accounting
Division:	Business
Department:	Accounting
Course Disciplines:	Accounting
Catalog Description:	This course emphasizes the theory and practice of cost accounting and cost procedures used in business and industry. Major topics include job order, process costing, and standard cost methods.
Prerequisite:	BUS 151 with a minimum grade of C or equivalent experience
Co-requisite:	
Recommended Preparation:	
Enrollment Limitation:	
Hours Lecture (per week):	3
Hours Laboratory (per week):	0
Outside Study Hours:	6
Total Course Hours:	54
Course Units:	3
Grading Method:	Letter Grade only
Credit Status:	Credit, degree applicable
Transfer CSU:	Yes
Effective Date:	
Transfer UC:	No
Effective Date:	
General Education: ECC	
Term:	
Other:	
CSU GE:	
Term:	
Other:	
IGETC:	
Term:	
Other:	
CalGETC:	
Term:	
Other:	

Student Learning Outcomes:	SLO #1 Concepts and Terminology Understand cost accounting concepts and terminology. SLO #2 Transactions Journalize and summarize cost accounting transactions. SLO #3 Solving Problems Solve theoretical and practical cost accounting problems relating to job order costing, process costing, standard costing and variance analysis, and budgeting.
Course Objectives:	1. Analyze an organizational chart as it relates to a business. 2. Contrast and compare the basics of general accounting to those of cost accounting. 3. Define the terminology of cost accounting and apply these terms to application of cost accounting principles in the flow of costs. 4. Explain and apply the information relating to cost accounting ledgers and journals and construct the necessary journal entries to record business transactions. 5. Explain and apply the cost accounting principles to job order cost accounting and evaluate unit costs as they relate to each job order. 6. Describe the process of procurement as it relates to the basic costs of raw materials, labor, and overhead. 7. Analyze and solve problems pertaining to current payroll regulations. 8. Analyze and solve practical cost accounting problems relating to job order costing using overhead cost application rates. 9. Explain methods used to record scrap, spoiled, and defective units resulting in the cost process. 10. Evaluate and explain the need for process cost accounting in place of job order costing. 11. Explain and apply the principles of average costing as well as first-in, first-out process costing. 12. Analyze and solve integrated problems in process cost accounting. 13. Evaluate and explain the use of by-products and joint products cost accounting. 14. Evaluate and explain the differences between the fixed flexible budget. 15. Analyze and solve problems of standards as it relates to variances. 16. Analyze and explain price and quantity variances for raw materials, direct labor, and overhead expenses. 17. Make journal entries to dispose of favorable and unfavorable variances. 18. Calculate the break-even point for manufacturing concern and evaluate the significance of such an analysis. 19. Apply cost accounting principles using direct costing methods.
Major Topics:	I. Basic Cost Accounting overview (6 hours, lecture) A. Terminology B. Types of inventory costs C. Types of cost accounting methods II. Job order costing (9 hours, lecture) A. Appropriate application of job order costing B. Illustration of job order cost systems C. Job order costing for decision making D. Overhead allocations III. Scrap, spoiled and defective units (3 hours, lecture) A. Causes B. Method of accounting

	IV. Process costing, by-products and joint costs (9 hours, lecture) A. Appropriate application of process costing B. Illustration of process cost system C. Material and cost flows in a process cost system D. Process costing for decision making E. Method of accounting for by-products F. Method of accounting for joint costs V. Standard cost accounting and cost, volume, profit analysis (12 hours, lecture) A. Determination of standard B. Reasons for variances C. Contribution margin D. Cost-volume-profit relationships VI. Managerial decisions and direct costing (12 hours, lecture) A. Appropriate application of direct costing B. Illustration of direct costing C. Direct costing for decision making VII. The role of computers in Cost Accounting applications (3 hours, lecture) A. Computer systems used B. Benefits achieved
Total Lecture Hours:	54
Total Laboratory Hours:	0
Total Hours:	54
A.1. Primary Methods of Evaluation (Part 1 - CCN courses only):	
A.2. Primary Method of Evaluation (Part 2 - all courses; choose one):	2) Problem solving demonstrations (computational or non-computational)
Typical Assignment Using Primary Method of Evaluation:	The records of Buster Inc., reflect the following data: Work in process, beginning of month -- 2,000 units one-half completed at a cost of \$1,250 for materials, \$675 for labor, and \$950 for overhead. Production costs for the month -- materials \$99,150; labor, \$54,925; factory overhead, \$75,050. Units completed and transferred to stock - 38,500. Work in process, end of month -- 3,000 units one-half completed. Calculate the unit cost for the month for materials, labor, and factory overhead. Present your findings in an Excel spreadsheet.
Critical Thinking Assignment 1:	Esso Company has a sales price per unit for its only product at \$13. The variable cost per unit is \$5. In year 19A, the company sold 80,000 units, which was 5,000 units above the break-even point. Compute the following and present your computations in an Excel spreadsheet: 1. Total fixed expenses 2. Total variable expense at the break-even volume

	3. Earnings if in year 19B the margin of safety ratio is 20%.
Critical Thinking Assignment 2:	Fabrix Company sells its only product for \$50 per unit. Fixed costs total \$600,000 per year. Variable expenses are \$1,120,000 when 40,000 units are sold. Fabrix anticipates that its variable expenses will increase 15% per unit in the next year due to material price and labor cost increases. How many units must be sold to make a net income of \$40,000? Present your computations in an Excel spreadsheet.
Other Evaluation Methods:	Class Performance, Completion, Homework Problems, Laboratory Reports, Matching Items, Multiple Choice, Other Exams, Performance Exams, Quizzes, True/False
Instructional Methods:	Discussion, Lecture, Multimedia presentations, Role play/simulation
If other:	
Work Outside of Class:	Answer questions, Problem solving activity, Required reading, Skill practice, Study, Written work (such as essay/composition/report/analysis/research)
If Other:	
Up-To-Date Representative Texts:	Blocher, E., <u>Cost Management: A Strategic Emphasis</u> , McGraw Hill, 2025 Release
Alternative Texts:	
Required Supplementary Readings:	
Other Required Materials:	
Requisite:	Prerequisite
Category:	sequential
Requisite course(s): List both prerequisites and corequisites in this box.	BUS 151
Requisite and Matching skill(s): Bold the requisite skill. List the corresponding course objective under each skill(s).	Differentiate between financial and managerial accounting, define and solve problems pertaining to the three basic types of manufacturing costs, product costs versus period costs, and overhead application rates. BUS 151 - Differentiate between financial and managerial accounting. BUS 151 - Solve problems pertaining to the three basic types of manufacturing costs, product costs versus period costs, manufacturing cost flows, direct versus indirect costs, and overhead application rates. Explain and solve problems pertaining to cost accounting, job order cost accounting systems, process costing systems, and the meaning of equivalent full units of production. BUS 151 - Evaluate and solve problems pertaining to cost accounting, job order cost accounting systems, process costing systems, and the meaning of equivalent full units of production. Explain and solve problems pertaining to accounting factors and relationships required in cost-volume-profit analysis.

	BUS 151 - Examine problems related to accounting factors and relationships required in cost-volume-profit analysis.
Requisite Skill:	Prerequisite
Requisite Skill and Matching Skill(s): Bold the requisite skill(s). If applicable	Differentiate between financial and managerial accounting, define and solve problems pertaining to the three basic types of manufacturing costs, product costs versus period costs, and overhead application rates. Differentiate between financial and managerial accounting. Solve problems pertaining to the three basic types of manufacturing costs, product costs versus period costs, manufacturing cost flows, direct versus indirect costs, and overhead application rates. Explain and solve problems pertaining to cost accounting, job order cost accounting systems, process costing systems, and the meaning of equivalent full units of production. Evaluate and solve problems pertaining to cost accounting, job order cost accounting systems, process costing systems, and the meaning of equivalent full units of production. Explain and solve problems pertaining to accounting factors and relationships required in cost-volume-profit analysis. Examine problems related to accounting factors and relationships required in cost-volume-profit analysis.
Requisite course:	
Requisite and Matching skill(s): Bold the requisite skill. List the corresponding course objective under each skill(s).	
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Enrollment Limitations and Category:	
Enrollment Limitations Impact:	
Course Created by:	Hugo Dallas
Date:	05/01/1973

Original Board Approval Date:	
Last Reviewed and/or Revised by:	Sidney Porter
Date:	10/15/2025
Last Board Approval Date:	01/21/2026
Effective Term:	FA 2026