



El Camino College
COURSE OUTLINE OF RECORD – Approved

I. GENERAL COURSE INFORMATION

Subject and Number: Business 4
Descriptive Title: Cost Accounting
Course Disciplines: Accounting
Division: Business

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.

Conditions of Enrollment:

Prerequisite: Business 1B with a minimum grade of C or equivalent experience

Course Length:	X Full Term	Other (Specify number of weeks):
Hours Lecture:	3.00 hours per week	TBA
Hours Laboratory:	0 hours per week	TBA
Course Units:	3.00	

Grading Method: Letter
Credit Status: Associate Degree Credit

Transfer CSU: X Effective Date: Prior to 7/1992
Transfer UC: No

General Education:
El Camino College:

CSU GE:

IGETC:

II. OUTCOMES AND OBJECTIVES

A. COURSE STUDENT LEARNING OUTCOMES (The course student learning outcomes are listed below, along with a representative assessment method for each. Student learning outcomes are not subject to review, revision or approval by the College Curriculum Committee)

1.SLO #1 Concepts and Terminology

Understand cost accounting concepts and terminology.

2. SLO #2 Transactions

Journalize and summarize cost accounting transactions.

3. SLO #3 Problem Solving

Solve theoretical and practical cost accounting problems relating to job order costing, process costing, standard costing and variance analysis, and budgeting.

The above SLOs were the most recent available SLOs at the time of course review. For the most current SLO statements, visit the El Camino College SLO webpage at <http://www.elcamino.edu/academics/slo/>.

B. Course Student Learning Objectives (The major learning objective for students enrolled in this course are listed below, along with a representative assessment method for each)

1. Analyze an organizational chart as it relates to a business.
 - Homework Problems
2. Contrast and compare the basics of general accounting to those of cost accounting.
 - Objective Exams
3. Define the terminology of cost accounting and apply these terms to application of cost accounting principles in the flow of costs.
 - Quizzes
4. Explain and apply the information relating to cost accounting ledgers and journals and construct the necessary journal entries to record business transactions.
 - Objective Exams
5. Explain and apply the cost accounting principles to job order cost accounting and evaluate unit costs as they relate to each job order.
 - Other (specify)
 - Problem-solving exam
6. Describe the process of procurement as it relates to the basic costs of raw materials, labor, and overhead.
 - Objective Exams
7. Analyze and solve problems pertaining to current payroll regulations.
 - Homework Problems
8. Analyze and solve practical cost accounting problems relating to job order costing using overhead cost application rates.
 - Other (specify)
 - Problem-solving exam
9. Explain methods used to record scrap, spoiled, and defective units resulting in the cost process.
 - Objective Exams
10. Evaluate and explain the need for process cost accounting in place of job order costing.
 - Quizzes
11. Explain and apply the principles of average costing as well as first-in, first-out process costing.
 - Homework Problems
12. Analyze and solve integrated problems in process cost accounting.
 - Other (specify)
 - Problem-solving exam

13. Evaluate and explain the use of by-products and joint products cost accounting.
 - Objective Exams
14. Evaluate and explain the differences between the fixed flexible budget.
 - Homework Problems
15. Analyze and solve problems of standards as it relates to variances.
 - Other (specify)
 - Problem-solving exam
16. Analyze and explain price and quantity variances for raw materials, direct labor, and overhead expenses.
 - Objective Exams
17. Make journal entries to dispose of favorable and unfavorable variances.
 - Homework Problems
18. Calculate the break-even point for manufacturing concern and evaluate the significance of such an analysis.
 - Quizzes
19. Apply cost accounting principles using direct costing methods.
 - Objective Exams

III. OUTLINE OF SUBJECT MATTER (Topics are detailed enough to enable a qualified instructor to determine the major areas that should be covered as well as ensure consistency from instructor to instructor and semester to semester.)

Lecture or Lab	Approximate Hours	Topic Number	Major Topic
Lecture	6	I	Basic Cost Accounting overview A. Terminology B. Types of inventory costs C. Types of cost accounting methods
Lecture	9	II	Job order costing A. Appropriate application of job order costing B. Illustration of job order cost systems C. Job order costing for decision making D. Overhead allocations
Lecture	3	III	Scrap, spoiled and defective units A. Causes B. Method of accounting
Lecture	9	IV	Process costing, by-products and joint costs 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

Lecture	12	V	Standard cost accounting and cost, volume, profit analysis A. Determination of standard B. Reasons for variances C. Contribution margin D. Cost-volume-profit relationships
Lecture	12	VI	Managerial decisions and direct costing A. Appropriate application of direct costing B. Illustration of direct costing C. Direct costing for decision making
Lecture	3	VII	The role of computers in Cost Accounting applications A. Computer systems used B. Benefits achieved
Total Lecture Hours		54	
Total Laboratory Hours		0	
Total Hours		54	

IV. PRIMARY METHOD OF EVALUATION AND SAMPLE ASSIGNMENTS

A. PRIMARY METHOD OF EVALUATION:

Problem solving demonstrations (computational or non-computational)

B. 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.

C. COLLEGE-LEVEL CRITICAL THINKING ASSIGNMENTS:

- 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:
 - Total fixed expenses
 - Total variable expense at the break-even volume
 - Earnings if in year 19B the margin of safety ration is 20%.

- 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.

D. OTHER TYPICAL ASSESSMENT AND EVALUATION METHODS:

Performance exams
Other exams
Quizzes
Laboratory reports
Class Performance
Homework Problems
Multiple Choice
Completion
Matching Items
True/False
Other (specify):
Analyzing and solving word problems and cases.

V. INSTRUCTIONAL METHODS

Discussion
Lecture
Multimedia presentations
Role Play
Simulation

Note: In compliance with Board Policies 1600 and 3410, Title 5 California Code of Regulations, the Rehabilitation Act of 1973, and Sections 504 and 508 of the Americans with Disabilities Act, instruction delivery shall provide access, full inclusion, and effective communication for students with disabilities.

VI. WORK OUTSIDE OF CLASS

Study
Answer questions
Skill practice
Required reading
Problem solving activities
Written work

Estimated Independent Study Hours per Week: 6

VII. TEXTS AND MATERIALS

A. UP-TO-DATE REPRESENTATIVE TEXTBOOKS

Datar and Rajan. Horngren's Cost Accounting: A Managerial Emphasis. 16th ed. Pearson, 2018.

B. ALTERNATIVE TEXTBOOKS

C. REQUIRED SUPPLEMENTARY READINGS

D. OTHER REQUIRED MATERIALS

VIII. CONDITIONS OF ENROLLMENT

A. Requisites (Course and Non-Course Prerequisites and Corequisites)

Requisites	Category and Justification
Course Prerequisite Business-1B or	Sequential
Non-Course Prerequisite	This course requires understanding of and familiarity with basic cost accounting terminology and concepts (i.e. stages of inventory, components of inventory cost, inventory journal entries/ledgers for costs flows, costing methods, etc.). These topics are covered on an introductory level in BUS 1B. Without taking BUS 1B or having equivalent experience in cost accounting giving them sufficient understanding of the terminology and concepts, a student will be unlikely to succeed in this class.

B. Requisite Skills

Requisite Skills
a. 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 1B - Differentiate between financial and managerial accounting. BUS 1B - 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.
b. 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 1B - 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.
c. Explain and solve problems pertaining to accounting factors and relationships required in cost-volume-profit analysis. BUS 1B - Examine problems related to accounting factors and relationships required in cost-volume-profit analysis.

C. Recommended Preparations (Course and Non-Course)

Recommended Preparation	Category and Justification
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D. Recommended Skills

Recommended Skills

E. Enrollment Limitations

Enrollment Limitations and Category	Enrollment Limitations Impact
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Course created by Hugo Dallas on 05/01/1973.

BOARD APPROVAL DATE:

LAST BOARD APPROVAL DATE: 12/16/2019

Last Reviewed and/or Revised by: Sidney Porter
20175

Date: 10/1/2019