



*Kuwait University
College of Business Administration
Accounting Department*

Course Syllabus

ACCT 416: Cost & Managerial Accounting Spring 2022

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Class hours: Sunday – Tuesday - Thursday (S-T-Th)
From: 1:00pm to 1:50pm (01A)

Floor: 2 **Area:** D2 **Room:** 1017

Office Hours: 12:00pm – 12:50pm (S-T-Th) or by appointment

CBA Vision:

To be the leading provider of quality business education in the region.

CBA Mission:

As part of Kuwait University, the leading national institution of higher education, the College of Business Administration is committed to providing quality business education, engaging in research and community services to contribute to the socio-economic development of the country.

Course Description

This course is an extension to Introduction to Cost and Managerial Accounting (Acc. 214). The course is designed to provide in more depth and detail the important aspects of cost and managerial accounting. It introduces the cost concepts, techniques and analytical procedures necessary for the determination of cost and its uses in planning, control, and decision making. The main topics include: Job and process costing, activity based costing, standard cost and variance analysis, cost allocation, joint cost allocation, capital budgeting, decentralization and performance evaluation, and Relevant cost and benefits in decision making.

Course Objectives

This course aims to achieve the following learning objectives through proper and balanced selection of relevant text material, exercises, and problems. These objectives are:

1. Contrast cost and financial accounting, explain the different cost concepts, and the code of conduct for management accountant
2. Demonstrate the manufacturing cost and the underlying accounts and preparing cost of goods manufactured and cost of goods sold schedules.
3. Identify the characteristics of the Job order and, the process costing systems and, outline the accounting process to accumulate the cost of materials, labor , and manufacturing overhead in job order costing systems.
4. Outline the accounting process for over – under applied overhead cost in job order costing.
5. Prepare process cost report and accounting for transferred-in cost.
6. Explain the difference between the traditional costing system and the activity based costing system (ABC), outlines the product or service using ABC, and compares the results of the ABC with the traditional cost system.
7. Distinguish between flexible budget and static budgets, and prepare flexible budget to analyze direct material, direct labor and manufacturing overhead variances.
8. Outline the capital investment decision, and the methods to determine the cash flows of the projects
9. Evaluate and select the capital investment by using payback period, accounting rate of return, net present value, and internal rate of return.
10. Allocation of joint cost between joint and by-products, and the relevance of joint cost allocation to decision making.
11. Understanding of segment reporting and its role in responsibility accounting and performance evaluation.
12. Prepare analysis of various, decisions, properly identify the relevant costs and benefits.

Policies

a. Exams

Students are expected to take exams at scheduled times in the syllabus. Possible exceptions include serious illness, family emergency, or a legitimate conflict with recognized University activities. There are no makeup exams! **Exams' times will be assigned throughout the semester.**

b. Attendance and lateness

In the event of absences, it is the student responsibility to obtain missed class lecture notes, handouts, and assignment from another student. Students are expected to attend class on time. Every student in this course must abide by the Kuwait University Policy on Attendance (published in the Student Guide, Chapter 3, Section 13). A copy of the student guide can be accessed online on:

http://www.kuniv.edu/cs/groups/ku/documents/ku_content/kuw055940.pdf

c. Academic dishonesty

If you choose to cheat on assignments or examinations, university regulations related to that matter will be implemented. Every student in this course must abide by the Kuwait University Policy on Cheating and Plagiarism (published in the Student Guide, Chapter 3, Section 2). A copy of the student guide can be accessed online on:

http://www.kuniv.edu/cs/groups/ku/documents/ku_content/kuw055940.pdf

d. Classroom behavior

Inappropriate and disruptive classroom behavior might lead to your dismissal from class. **Examples** of unacceptable behavior include, but are not limited to: social chatting with other students, allowing mobile phones to ring, sending and reading SMS messages, inappropriate behavior toward the instructor or classmates.

e. Communication

All announcements and communications will be through **Teams**. It's your responsibility to check the class' board for any updates and your personal chat messages.

Class Materials

- Required Text:** *R.W. Hilton 12th Global Edition. Managerial Accounting, McGraw-hill, Irwin*
- PowerPoint Slides:** Slides can be found on Teams
- Mcgraw-Hill Connect:** <https://connect.mheducation.com/class/a-alrefai-acc416-1pm-spring22>

Homework Assignments

ALL of the assignments will be through McGraw-Hill Connect. It is your responsibility to check the McGraw-Hill Connect website for assignments and their due dates.

Grading

The grades for this class are distributed as follows:

Grade	Activity
10	Homework
10	Participation
60	3 QTERM Exams (20 each)
20	Final Exam (4 th QTERM Exam)
100	Total

Grade distribution

Range	Grade
>= 95	A
90-94	A-
87-89	B+
83-86	B
80-82	B-
77-79	C+
73-76	C
70-72	C-
65-69	D+
60-64	D
<= 59	F

Tentative Class Outline

Week	Chapter	Title / Topics	Page #
Week 1	1	The Changing Role of Managerial Accounting In a Dynamic Business Environment	Pg. 4 to 23
Week 2	2	Basic Cost Management Concepts <ul style="list-style-type: none"> • What do we mean by a cost? • Cost on financial statements. • Manufacturing cost flows. • Basic cost management concepts 	Pg. 36 to 55
Week 2 & 3	3	Product Costing and Cost Accumulation <ul style="list-style-type: none"> • Product and service costing. • Flow of costs in manufacturing firms. • Types of product-costing systems. • Accumulating costs in a Job-Order Costing. • Illustration of Job-Order Costing. 	Pg. 80 to 97
QTERM 1 CHAPTERS 1 – 2 – 3			
Week 4	5	Activity-Based Costing and Management <ul style="list-style-type: none"> • Traditional Volume-Based product costing • The Activity-Based Costing (ABC) system 	Pg. 166 to 178
Week 5	4	Process Costing and Hybrid Product-Costing Systems <ul style="list-style-type: none"> • Comparison of Job-order and Process costing • Equivalent Units: A key Concept. • Illustration of Process Costing. 	Pg. 134 to 144
QTERM 2 CHAPTERS 4 – 5			
Week 6 & 7	10	Standard Costing and Analysis of Direct Costs	ALL
Week 8 & 9	11	Flexible Budgeting and Analysis of Overhead Costs <ul style="list-style-type: none"> • Overhead budgets. • Flexible overhead budget illustrated. • Overhead Application in a standard-costing system. • Choice of Activity measures. • Cost management using overhead cost variances. 	Pg. 454 to 467
QTERM 3 CHAPTERS 10 – 11			
Week 10	13	Investment Centers and Transfer Pricing <ul style="list-style-type: none"> • Delegation of decision making. 	Pg. 544 to 552
Week 11&12	14	Decision Making: Relevant Costs and Benefits <ul style="list-style-type: none"> • Relevant information. • Identifying relevant costs and benefits. • Special decisions in manufacturing firms (Joint Product Costs). 	Pg. 591 to 605
Week 13	16	Capital Expenditure Decisions	ALL
FINAL EXAM (QTERM 4) 11/06/2022 8:00-10:00			