

***Kuwait University***

***College of Business Administration***

***Accounting Department***

**Course Syllabus**

 **ACCT 416: Cost & Managerial Accounting**

**Fall 2023**

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**Email**: ar.alrefai@ku.edu.kw

**Class hours**: Monday – Wednesday (M-W)

**From:** 2:00pm to 3:15pm

**Floor**: 2 **Area**: C2 **Room**: 1008

**Office Hours:** 12:30pm – 1:30pm (M-W) 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. Allocation of joint cost between joint and by-products, and the relevance of joint cost allocation to decision making.
9. Understanding of segment reporting and its role in responsibility accounting and performance evaluation.
10. Explain the importance of setting the price for the products and the way to do so.
11. Prepare analysis of various, decisions, properly identify the relevant costs and benefits.

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| --- | --- | --- | --- | --- | --- |
| **Course Learning Objectives** | **Analytical Competency** | **Communication Competency** | **Information Technology Competency** | **Ethical Competency** | **General Business Knowledge** |
| 1 |  |  |  |  | R |
| 2 | A |  |  |  | R |
| 3 | A |  |  |  | I |
| 4 | A |  |  |  | I |
| 5 | A | I |  |  | I |
| 6 | A | I |  |  | I |
| 7 | A | I |  |  | I |
| 8 | A |  |  |  | I |
| 9 | A |  |  |  | I |
| 10 | A |  |  |  | I |
| 11 | A |  |  |  | I |
| 12 | A | R |  |  | I |

Table 1: Mapping Course Learning Objectives to CBA Skill Based Competency Goals.

Type of Emphases are:

**(I)ntroduce**: Students will be introduced to the skill and their grasp of it assessed in the course.

**(A)pply:** The course will not cover the skill. Students should have a high-level grasp of the skill and are required to apply it in the course.

**(R)einforce:** Students should have an introductory-level grasp of the skill and the course will improve their mastery to a higher level.

# Policies

1. **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.**

1. **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>

1. **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

1. **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.

1. **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

**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 |
| 15 | Product Cost Project |
| 75 | 3 Exams |
| **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** |

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# Tentative Class Outline

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| --- | --- | --- | --- |
| Week | Chapter | **Title / Topics** | **Page #** |
| Week 1 | 1 | The Changing Role of Managerial Accounting In a Dynamic Business Environment | Pg. 4 to 23 |
| Week 1 | 2 | Basic Cost Management Concepts* 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* 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 |
| Week 4 | 5 | Activity-Based Costing and Management* Traditional Volume-Based product costing

The Activity-Based Costing (ABC) system | Pg. 166 to 178 |
| **EXAM 1****CHAPTERS 1 – 2 – 3 – 5** |
| Week 5 | 4 | Process Costing and Hybrid Product-Costing Systems* Comparison of Job-order and Process costing
* Equivalent Units: A key Concept.
* Illustration of Process Costing.
 | Pg. 134 to 144 |
| Week 6 & 7 | 10 | Standard Costing and Analysis of Direct Costs | ALL |
| Week 8 & 9 | 11 | Flexible Budgeting and Analysis of Overhead Costs* 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 |
| **EXAM 2****CHAPTERS 4 – 10 – 11** |
| Week 10 | 13 | Investment Centers and Transfer Pricing* Delegation of decision making.
 | Pg. 544 to 552 |
| Week 11 | 14 | Decision Making: Relevant Costs and Benefits* Relevant information.
* Identifying relevant costs and benefits.
* Special decisions in manufacturing firms (Joint Product Costs).
 | Pg. 591 to 605 |
| Week 12 | 15 | Target Costing and Cost Analysis for Pricing Decisions | Pg. 666 to 681 |
| **EXAM 3****CHAPTERS 13 – 14 – 15** |