**Course Syllabus**

**Acc. 416**

Cost & Managerial Accounting

**Spring 2023**

**Instructor: Dr. Saad Alkazemi**

**Dept.**  : Accounting Dept.

**Contact Information:**

**Location** : Accounting Dept.

**Email** : saad.alkazemi@ku.edu.kw

**Office** : Building BUA-S 4th floor Accounting Dept. 1041

**Office Hours** : Monday and Wednesday 12:30-1:45pm

**Lecture Time and Location:**

Course Section:1020416-02A

BUA-S C2, 1021, Monday and Wednesday 3:30-4:45pm

## **TEAMS: 416-Spring 2023COST&MANAGERIAL ACCT.-S. ALKAZEMI**

**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 evluation, and Relevant cost and benefits in decision making.

**Course Learning 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:

LO1: contrast cost and financial accounting, explain the different cost concepts, and the code of conduct for management accountant

LO2: Demonstrate the manufacturing cost and the underlying accounts and preparing cost of goods manufactured and cost of goods sold schedules.

LO3: 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.

LO4: Outline the accounting process for over – under applied overhead cost in job order costing.

LO5: Prepare process cost report and accounting for transferred-in cost.

LO6: 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.

LO7: Distinguish between flexible budget and static budgets, and prepare flexible budget to analyze direct material, direct labor and manufacturing overhead variances.

LO8: Outline the capital investment decision, and the methods to determine the cash flows of the projects

LO9: Evaluate and select the capital investment by using payback period, accounting rate of return, net preset value, and internal rate of return.

LO 10: Allocation of joint cost between joint and by-products, and the relevance of joint cost allocation to decision making.

LO 11: Understanding of segment reporting and its role in responsibility accounting and performance evaluation.

LO 12: Prepare analysis of various, decisions, properly identify the relevant costs and benefits.

**Text Book:**

R.W. Hilton **10th Global Edition**. Managerial Accounting, McGraw-hill, Irwin.

**Student’s Evaluation:**

In General, evaluation of performance and grading follows the following system:

* 20% First Midterm Exam.
* 20% Second Midterm Exam.
* 10% Quizes and Cases.
* 10% Class participation, homework, TA quizes and assignments.
* 40 %Final Exam*.* **(Tuesday May 9, 2023 11:00-13:00)**

***Course Requirements and Policies:***

* Attendance on time!!
* Do not miss exam!! No make-up exam.
* The final exam is all inclusive and includes all topics studies during the term.
* Grades will be based entirely upon the earned % relative to the regular examinations, homework, attendance , class performance, and final exams.

**Attendance and Participation:** 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

This course has a significant seminar component and class participation is critical to the learning experience. Participation will be assessed in each class period. Your class participation and attendance will both contribute to your score of in-class performance.

**Cheating and Plagiarism:** 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

Please carefully note all sources and assistance when you turn in your work. Under no circumstances should you take credit for work that is not yours. You should neither receive nor give any unauthorized assistance on any deliverable. If you have any questions about what constitutes “unauthorized assistance” please email me before the deliverable is submitted.

**Writing Style:** Students must refer to APA writing style for their assignments and report writing. Refer to the English Language Center for help.

***Student Evaluation and Grading:***

The scores in this course will be the weighted average of the following items:

|  |  |
| --- | --- |
| **Weight** | **Description** |
| 20% | Exam 1(Wednesday March 22, 2023)  |
| 20% | Exam 2 (Monday April 17, 2023)  |
| 10% | Quizes and Cases |
| 10% | Class participation, homework, TA quizes and assignments |
| 40% | Final Exam (Tuesday May 9, 2023 11:00-13:00) |
| 100% | TOTAL |

**Grade Distribution:**

|  |  |
| --- | --- |
| **Grade** | **Range** |
| A | ≥ 95 |
| A- | ≥ 90 and < 95 |
| B+ | ≥ 87 and < 90 |
| B | ≥ 83 and < 87 |
| B- | ≥ 80 and < 83 |
| C+ | ≥ 77 and < 80 |
| C | ≥ 73 and < 77 |
| C- | ≥ 70 and < 73 |
| D+ | ≥ 65 and < 70 |
| D | ≥ 60 and < 65 |
| F | < 60 |

**Course Outline**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***HW*** | ***TA*** | ***Readings*** | ***Topics*** | ***Week*** |
| E2-28, P2-44, P2-45 |  | Ch.1 and Ch2: - What do we mean by a cost?- Cost on financial statemnts.- Manufacturing cost flows.- Basic cost manangement concepts |  |  |
|  |  | Basic Cost management Concepts.. | 1 |
| E3-33, E3-35, P3-42, P3-45 |  | Ch.3: - 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. | Product costing and cost accumulation in a batch production environment | 23 & 4 |
| P5-45, P5-46,P5-48 |  | Ch.5: * Traditional Volume-Based product costing
* The Activitiy-Based Costing (ABC) system

  | Activity-Based Costing and Mangement |
| E4-17,E4-18,E4-21,P4-30 |  | Ch.4: * Comparison of Job-order and Process costing
* Equivalent Units: A key Concept.
* Illustration of Process Costing.

  | Process Costing and Hyprid product-costing systems |
| P10-34,P10-38,P10-47,P10-48 |  | Ch. 10: - Mananging Costs.- Setting standards.- Cost variance Analysis.- Signficance of cost variances.- Standard Costs - management by exception.- Setting Standard Costs.- Balanced Scorecard. | Standard Costing, operational performance measures, and the Balanced Scorecard | 5 & 6 |
| E11-35,P11-42,P11-45 |  | Ch. 11:* Overhead budgets.
* Flexible overhead budget illustrated.
* Overhead Application in a standard-costing system.
* Choice of Activity measures.
* Cost management usign overhead cost variances.
 | Flexible budgeting and manangment of overhead and support activity centers | 7 |
| E12-28 E12-29,E12-34 |  | Ch 12: * Responsibility centers.
* Segment Reporting
 | Responsibility Accounting… | 8&9 |
| E13-27,P13-36,P13-37, P13-40,P13-45 |  | Ch. 13:* Delegation of decision making.
* Goal Congurance

Calculate an investment center’s return on investment, residual income, and economic value added (EVA). | Investment Centers and Transfer Pricing. |  |
| E14-37, E14-38, P14-44 |  | Ch. 14:* Relevant information.
* Identifying relevant costs and benefits.
* Special decisions in manufacturing firms (Joint Product Costs).
 | Decision Making: Relevant Costs and Benefits. | 10&11 |
| P16-40, P16-51, P16-54 |  | Ch16: Discounted cash flow Analysis. | Capital Expendeture Decisions | 12 |