



Course Syllabus

Subject: Cost Accounting I (21853)
Lecturers: Jordi de Falguera, Ramon Bastida
Studies: Grado en Ciencias Empresariales (EMP),
Number of credits: 5
Academic year: 2
Term: 2

Introduction

Cost Accounting I is a compulsory subject on the Bachelor's Degree in Business Sciences.

The basic objective of the subject is to understand the procedures used by companies to calculate the cost of the products and services they offer in order to make the right decisions.

Cost accounting is of strategic importance in an increasingly competitive environment.

The subject has been adapted to the European credits system, as laid down in the European Higher Education Area. With this in mind, a set of skills students need to acquire in order to pass the subject have been drawn up.

Classroom hours have been reduced to create more time for active learning on the part of the student. This means students are involved on an ongoing basis in the subject as it develops by means of continuous assessment and personal study of the works listed in the bibliography. More importance has been given to team work and communications ability, both oral and written, since these are two key skills in the career development of Business Sciences graduates.

1. Syllabus

Module 1. Introduction

Management Accounting. Financial accounting *versus* cost accounting. Distinction between expenses, costs, payments and investments.

Module 2. Cost classification

Costs by nature. Costs by function. Direct costs and indirect costs. Product costs and period costs. Variable costs and fixed costs. Opportunity costs.

Module 3. Direct cost systems

Single-product companies. Multi-product companies. Direct cost systems. Evolved direct cost systems.

Module 4. Variable cost systems

Variable cost systems. Evolved variable cost systems. Equilibrium point and cost-volume-profit analysis.

Module 5. Full costing systems by section

Dividing the company into its main and secondary sections. Work units and unit equivalents. Costs per product unit.

Module 6. Order costing systems

Work order. Treating direct costs. Allocation of indirect costs to orders. Estimating financial result of goods in process.

Module 7. Process costing systems

Partial direct cost *versus* full cost. Full costing system by process. Valuation of work in process.

Module 8. Activity-based cost systems (ABC) (Introduction)

Changes in the business environment and repercussions on cost calculation and management. ABC Model. Activities. Cost drivers.

Module 9. Cost-based decision making

Relevant costs. Setting sale prices. Manufacturing or subcontracting. Removing segments. Replacement of production equipment. Controllable costs and uncontrollable costs. Cost-reduction techniques. Limitation of cost data in decision making.

2. Subject competences

The knowledge that students must acquire in Cost Accounting I, outlined in terms of general and specific competences, are set out below.

General competences	Specific competences
<p>Interpersonal:</p> <ul style="list-style-type: none"> - Reaching a consensus in solving practical case studies working as a team. - The ability to communicate the conclusions of a report both in writing and orally (public presentations). <p>Instrumental:</p> <ul style="list-style-type: none"> - Preparation of written reports that are structured, clear and understandable. - Planning the time required to carry out tasks and activities. - Solving problems in an orderly manner, applying the appropriate methodology. <p>Systemic:</p> <ul style="list-style-type: none"> - Putting knowledge into practice. 	<ul style="list-style-type: none"> - Understanding the functions of cost accounting within the field of accounting. - Differentiation of cost types. - Application of accounting procedures: <ul style="list-style-type: none"> - Ordering data. - Calculating the cost elements of a product or service. - Differentiation and application of cost systems in accordance with the company's ethics. - Preparation of analytical income statements.

3. Assessment

The assessment system that has been devised is focused in a way that allows both lecturer and student to have points of reference for how the learning is progressing and for how this process is advancing throughout the term.

3.1. General assessment criteria

Weighting:

1. Continuous assessment: 40% of the final mark

1.1. Practicals: 20%

1.2. Presentation: 20%

2. Final assessment: 60% of the final mark

1. Continuous assessment (40%):

Continuous assessment for the subject is carried out by means of:

- 1.1. Practicals:** preparation and submission of the practical work set (20%).
- 1.2. Solving exercises or case studies and presenting them in public:** presentation of an exercise or case study (20%).

1.1. Practicals (20%)

Objective

The objective of preparing practicals is to contextualise and apply the procedures and concepts taught to numerical case studies.

Grouping

Practicals need to be carried out in groups of four to seven people.

Presentations

Marks will be given for clear and coherent presentations that are well-presented and well structured. Students are required to prepare their presentations using a word processor (*Word* or similar).

Number of practicals

Practicals have a weight of 20% towards the final mark.

Submission

Reports are to be submitted during seminars and will be analysed later.

1.2. Presentation in seminars (20%):

Objective

The objective of presentations is to analyse a practical case and to put forward a reasoned response to colleagues.

Grouping

Oral presentations lasting approximately 20 minutes will be made by groups of four to seven people during the seminar sessions.

Assessment

Presentations have a weight of 20% towards the final mark.

Tutoring

Groups will have the opportunity to meet with their lecturer several days prior to the presentation.

2. Final assessment (60%):

Objective

Application of the procedures and methods learnt during the term to specific case studies by students on an individual basis.

Characteristics

Students will sit a written exam on their own covering both theoretical and practical aspects. A pass is needed in the exam (at least five out of ten) to pass the subject.

3. Self-assessment:

Objective

To learn and consolidate the contents covered in plenary sessions and seminars.

Characteristics

- Activities included in the block of exercises that are not covered in the plenary sessions.
- Answers are given in the subject's Aula Global
- Self-assessment is optional and does not count towards the final mark.

3.2. Summary of assessment criteria

Continuous assessment (40%)		Final examination (60%)	Top mark
Practicals (20%)	Presentation (20%)		
Yes	Yes	The weighting of the continuous assessment with the exam mark is carried out provided the student passes the final assessment (at least five out of ten)	10

Evaluation criteria are the same for the two calls of the course

3.3. Applying accounting principles:

3.3.1. Calculating the cost elements of a product or service.

Concepts	Procedures	Approach
1. Financial accounting / cost accounting. 2. Management accounting 3. Cost classification: 3.1. Costs by nature 3.2. Costs by function 3.3. Direct costs and indirect costs 3.4. Product costs and period costs 3.5. Variable costs and fixed costs 3.6. Opportunity costs	1. Procedures related to management accounting: 1.1. Management accounting <i>versus</i> cost accounting 1.1.1. Treatment of information generated in different areas 1.2. Financial accounting <i>versus</i> cost accounting 1.2.1. Relationship between financial accounting and cost accounting 1.2.2. Transfer of information Shared information 1.2.3. Distinction between expenses, costs, payments and investments 2. Procedures related to cost classification: 2.1. Distinction and use of costs by nature 2.2. Distinction and use of costs by function 2.3. Distinction and use of direct and indirect costs 2.4. Distinction and use of product and period costs 2.5. Distinction and use of variable and fixed costs 2.6. Distinction and use of opportunity costs	1. Proactive attitude in the learning process 2. Active participation in sessions 3. Ability to order data supplied in the case studies 4. Rigorous approach in solving exercises/case studies 5. Good formal presentation of work

3.3.2. Differentiation and application of cost systems in accordance with the company's ethics

Concepts	Procedures	Approach
<ol style="list-style-type: none"> 1. Cost systems: <ol style="list-style-type: none"> 1.1. Direct cost systems 1.2. Variable cost systems 1.3. Order costing systems 1.4. Process costing systems 1.5. Full costing system by section 1.6. Activity based cost system (ABC) 2. Cost based decision making 	<ol style="list-style-type: none"> 1. Allocation of costs in a direct cost system: <ol style="list-style-type: none"> 1.1. Single-product companies 1.2. Multi-product companies 1.3. Allocation of costs in a direct cost system 1.4. Allocation of costs in an evolved direct cost system 2. Allocation of costs in a variable cost system: <ol style="list-style-type: none"> 2.1. Variable cost systems 2.2. Evolved variable cost system 2.3. Equilibrium point and cost-volume-profit analysis 3. Allocation of costs in an order costing system <ol style="list-style-type: none"> 3.1.1. Treatment of work orders 3.1.2. Treatment of direct costs 3.1.3. Allocation of indirect costs to orders 3.1.4. Estimating financial result of work in process 4. Allocation of costs in process costing system <ol style="list-style-type: none"> 4.1.1. Partial direct cost <i>versus</i> full cost 4.1.2. Full costing system by process 4.1.3. Valuation of work in process 5. Allocation of costs in a full costing system by section <ol style="list-style-type: none"> 5.1.1. Differentiation and division of a company into its principal and auxiliary sections 5.1.2. Treatment of work units 5.1.3. Treatment of unit equivalents 5.1.4. Calculation of costs per product unit 6. Introduction to allocating costs in an activity based costing system (ABC)xyz <ol style="list-style-type: none"> 6.1.1. Reflections on changes in the business environment 6.1.2. Repercussions on calculating and managing costs 	<ol style="list-style-type: none"> 1. Proactive attitude in the learning process 2. Respect for accounting regulations 3. Ability to order data supplied in the case studies 4. Rigorous approach in solving exercises/case studies 5. Good formal presentation of work

	<ul style="list-style-type: none">6.1.3. Allocation of costs in an ABC model6.1.4. Treatment of activities6.1.5. Treatment of cost drivers7. Decision making associated with costs<ul style="list-style-type: none">7.1.1. Treatment of relevant costs7.1.2. Setting sale prices7.1.3. Assessing and deciding whether to manufacture or subcontract7.1.4. Assessing and deciding whether to remove segments and substitute production equipment7.1.5. Identification of controllable and uncontrollable costs7.1.6. Application of cost reduction techniques7.1.7. Limitations of cost data in decision making	
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3.4. Teaching methodology

This subject uses a variety of sessions and work methods so students can acquire the knowledge outlined in the programme. The sessions are divided into two main groups: classroom sessions and consultation and study sessions.

CLASSROOM SESSIONS

Plenary sessions: 90-minute sessions for the whole group. Most of the input in plenary sessions comes from the lecturer, who presents the key concepts in cost accounting and explains the correct procedures to follow in order to solve problems.

Seminar sessions: these last 90-minutes. The objective of seminar sessions is to consolidate students' knowledge and to put it into practice by means of their active participation.

- a. During the first 20-30 minutes the group has to work on the exercise or case study set for that week.
- b. The second part of the session is taken up by looking at the practical work assigned for that seminar and to answering any queries arising from the plenary sessions.

CONSULTATION AND STUDY SESSIONS

Consultation tutorials: students need to contact the designated lecturer by email or check the Aula Global for tutorial times.

Individual work: this comprises personal study time to assimilate the concepts and procedures covered during lectures. It covers the study of basic teaching resources and working on the self-assessment exercises. The aim of individual work is to prepare for practical work and presentations and to study for the final exam.

Group work: time spent working in groups to prepare the presentation.

4. Time planning

	PLENARY SESSIONS	SEMINARS*	TIME OUTSIDE THE CLASSROOM (APPROX.)
Week 1	PRESENTATION INTRODUCTION TO COST ACCOUNTING		- Individual work: 2 hours
Week 2	COST CLASSIFICATION		- Individual work: 2 hours
Week 3	DIRECT COST SYSTEMS		- Individual work: 2 hours
Week 4	VARIABLE COST SYSTEMS		- Individual work: 2 hours - Preparation for the first practical: 2 hours - Group work: - Preparation for the presentation (as appropriate) 2 hours
Week 5	ORDER COSTING SYSTEMS	DIRECT AND VARIABLE COST SYSTEM - Presentation - Correction of the first practical:	- Individual work: 2 hours - Preparation for the second practical: 2 hours - Group work: - Preparation for the presentation (as appropriate) 2 hours
Week 6	FULL COSTING SYSTEM BY SECTION I	PROCESS COSTING - Presentation - Correction of the second practical	- Individual work: 2 hours - Preparation for the third practical: 2 hours - Group work: - Preparation for the presentation (as appropriate) 2 hours

	PLENARY SESSIONS	SEMINARS*	TIME OUTSIDE THE CLASSROOM (APPROX.)
Week 7	FULL COSTING SYSTEM BY SECTION II	FULL COSTING BY SECTION - Presentation - Correction of the third practical	- Individual work: 2 hours - Preparation for the fourth practical: 2 hours - Group work: - Preparation for the presentation (as appropriate) 2 hours
Week 8	PROCESS COSTING SYSTEMS	ORDER COSTING - Presentation - Correction of the fourth practical	- Individual work: 2 hours - Preparation for the fifth practical: 2 hours - Group work: - Preparation for the presentation (as appropriate) 2 hours
Week 9	INTRODUCTION TO ACTIVITY BASED COSTING SYSTEMS (ABC)	FULL COSTING BY SECTION - Presentation - Correction of the fifth practical	- Individual work: 2 hours - Preparation for the sixth practical: 2 hours - Group work: - Preparation for the presentation (as appropriate) 2 hours
Week 10	COST-BASED DECISION MAKING	ABC COSTS - Presentation - Correction of the sixth practical	- Individual work: 6-8 hours

* Seminars start in Week 5.

5. Subject resources

5.1. Teaching resources (Aula Global)

- Blocks of exercises.
- Transparencies.
- Notes.

5.2. Information resources

. Bibliography:

ACCID (2010): "Noves tendències en control i reducció de costos" .Monografia de la *Revista de Comptabilitat i Direcció*, Barcelona.

Amat, O. i Soldevila, P. (2009): *Comptabilitat i gestió de costos, SCCID-Profit*, Barcelona.

Drury, C.: *Costing an introduction*. Ed. Chapman and Hall.

Lucey, T. (2007): *Costing*, Thomson Learning, Londres.

Rosanas, J. M. (1994): *Contabilidad de costes para la toma de decisiones*. Desclée de Brouwer, Bilbao.