

Teaching plan

Cost Accounting I

Degrees: **Ciencias Empresariales - *Management* (EMP)**

Code: 21853

Course: Second

Term: Second

Number of ECTS credits: 5

Hours of student dedication: 125

Language: Catalan

1. Presentation of the subject

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.

2. Competences to be attained

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

General competences
<ol style="list-style-type: none">1. To understand and interpret academic texts in an appropriate and reasoned manner.2. To be able to justify positions with consistent arguments, as well as to defend them publically.3. To have consolidated habits of self-discipline, self-commitment and rigor in the conduct of academic work, its organization and its proper timing.4. To have a proactive attitude in exploring often ignored matters, a fundamental skill in all educational processes and long-run professional life.5. To be able to apply acquired knowledge flexibly and creatively to new contexts and situations.6. To show a sufficient level of knowledge required for professional performance.7. To know the different contexts in which one may work: economic, industry, market, firm, and department.8. To use the appropriate information for devising proposals and problem solving.

Specific competences
<ol style="list-style-type: none">1. To develop the skills needed to calculate the product cost following different costing systems.2. Understanding the functions of cost accounting within the field of accounting.3. Differentiation of cost types.4. Application of accounting procedures: Ordering data. Calculating the cost elements of a product or service. And differentiation and application of cost systems in accordance with the company's ethics.5. Preparation of analytical income statements.

3. Contents

The content of the subject can be found in the basic and recommended bibliography for each topic. The recommended bibliography will allow the student to deepen the knowledge of the area but it is not indispensable to achieve the objectives of each topic.

The subject is divided into nine topics each of them has its own objectives with the aim to achieve the general objectives of the subject.

Topic 1: Introduction

Objectives:

After studying this topic, you should be able to

- differentiate between financial accounting, management accounting and cost accounting.
- describe the objectives of management accounting and cost accounting.
- distinguish between the concepts of expense, cost, payment and investment.

Program:

Financial accounting - Management accounting - Cost accounting. Differences between expense, cost, payment and investment.

Topic 2: Classification of costs.
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Objectives:

After studying this topic, students will be able to:

- List the main types of costs: the classification by nature, fixed and variable costs, direct and indirect costs, product and period costs, opportunity costs, the classification by functional areas and other classifications.

Program:

Classification of costs: for nature, for operating costs, direct and indirect costs, product and period fixed and variable costs, opportunity costs, historical and current / Standard / replacement costs, other types of costs.

Topic 3: Direct costs systems

Objectives:

After studying this topic, students will be able to:

- Calculate the costs using systems developed direct costs and direct costs
- Understand the differences between firms that produce a single product and producing various products.
- Calculate profit for the company, using the direct costs.

Program:

Cost systems. System costs. Other systems of partial costs: system costs

Topic 4: Cost system variables.

Objectives:

After studying this topic, students will be able to:

- Calculate the costs using systems developed variable costs and variable costs.
- Calculate the result of the enterprise systems using variable costs.
- Define break even.
- Calculate and interpret the equilibrium point.
- Explain the basic analysis of cost-volume-profit and describe the underlying assumptions.
- Apply cost-volume-profit analysis.

Program:

Cost systems. System variable costs. Other systems of partial costs: variable costs system evolved. The equilibrium point. Analysis of sensitivity. Cost-volume-profit.

Topic 5: System Costs sections.

Objectives:

After studying this topic, students will be able to:

- Differentiate between systems and systems of partial costs full cost.
- processing overheads.
- Allocation of indirect costs to main and auxiliary sections.
- Identify and allocate the indirect costs to products: rate allocation.

Program:

Systems and systems of partial costs full cost. Cost to complete sections of the

business division into sections. Main sections and auxiliary sections. Indirect costs between the main and auxiliary sections. Distribution costs of the ancillary sections production sections. Sections auxiliary reciprocal benefits, indirect cost allocation rate and equivalent units. Costs per unit of product.

Topic 6: Systems Cost per order.

Objectives:

After studying this topic, students will be able to:

- Prepare a cost report per order.
- Know how to allocate the direct costs and indirect costs for a system of order.
- Calculate the resulting profit (loss) generated by contracts not completed.

Program:

Work order. Treatment costs orders: direct costs, indirect costs of production, allocation of other indirect costs. Calculation of profit (loss) generated by orders not completed.

Topic 7: Process cost systems.

Objectives:

After studying this topic, students will be able to:

- Differentiate between cost systems for order and process cost.
- Know how to allocate the direct costs and indirect costs for a system of order.

Program:

Partial direct cost versus full cost. Complete process cost system. Ongoing evaluation of the products.

Topic 8: System Costs Based Activities (ABC).

Objectives:

After studying this topic, students will be able to:

- Understand the changes that can occur in business and the impact of these changes on the cost and management systems.
- Describe the conceptual framework of the system of activity-based cost (ABC).
- Identify activities and inductors costs.
- Explain the differences, advantages and disadvantages of ABC in relation to traditional cost systems.

Program:

Changes in the context of its impact on business and accounting systems. Description of the ABC model. Activities concept, the main core activities and auxiliary activities. Inductors costs. Advantages and disadvantages of ABC.

Topic 9: Cost Accounting and the process of decision making.

Objectives:

After studying this topic, students will be able to:

- Apply cost accounting concepts for decision making. Decisions on pricing, special prices for specific orders, production or subcontracting, remove part of the company or the replacement of equipment.
- Understand the importance of different types of costs in the decision making process including the relevant costs, sunk costs or expenses controlled.
- Explain the basic theory of constraints and its application in the process of decision making.

Program:

The relevant costs. Make decisions with cost accounting data: pricing, develop or outsource (outsourcing), removal of part of the business, replacement of equipment. Theory of constraints. Limitations of the data in the process of decision making.

4. 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.

4.1. 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

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

4.2. Exam retake policy and summary of assessment criteria

Continuous assessment can not recover or compensate. This applies to 20% for practices and for presentation in seminars (20%).

The final exam (60%) can be recovered in case of having it suspended. The exact date will be announced during the academic year.

The following table summarizes the evaluation criteria and the potential for recovery in case of suspension:

Continuous Assessment (40%)		Final Exam (60%)
Practices (20%)	Presentation (30%)	
Yes	Yes	The importance of continuous assessment in conjunction with the final exam is high. To make it medium must pass the final exam (a 5 out of 10).
Non-compensable or non-recoverable		In case of suspension can be retrieved in February

In the extraordinary situation of being part of an officially recognized UPF exchange programme, the student may be assessed using different evaluation mechanisms.

5. Bibliography and teaching resources

5.1. Bibliography

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

Amat, O.; Soldevila, P. (2002): *Contabilidad y Gestión de Costos*, Ediciones Gestión 2000, SA, Barcelona.

Amat, O. i Soldevila, P. (2010): *Comptabilitat i gestió de costos*, ACCID, Barcelona.

Drury, C. (2012): *Management and Cost Accounting*, 8th edition, Cengage Learning, Hampshire.

Hornigren, C.T.; Foster, G.; Datar, S.M. (2011): *Cost Accounting: A Managerial Emphasis*, 14th edition, Prentice Hall, New Jersey.

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

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

5.2. Teaching resources

- Blocks of exercises.
- Transparencies.
- Notes.

6. 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.

7. Activities planning

	Thursday /Friday	Monday	Time outside the classroom (ESTIMATE)
Week 1 7-Jan	Plenary Session INTRODUCTION INTRODUCTION TO COST ACCOUNTING		- Individual work: 2 hours
Week 2 14- Jan	Plenary Session CLASSIFICATION OF COSTS		- Individual work: 2 hours
Week 3 21- Jan	Plenary Session DIRECT COSTS SYSTEMS		- Individual work: 2 hours
Week 4 28- Jan	Plenary Session VARIABLE COSTS SYSTEMS		- Individual work: 2 hours - 1 st practice preparation: 2 hours Group work: - If applicable, presentation preparation: 2 hours
Week 5 4-Feb	Plenary Session COMPLETE SYSTEM COSTS BY SECTION I	Seminar: DIRECT COSTS AND SYSTEM VARIABLES - Introduction - Correction 1 st practice	- Individual work: 2 hours - Preparation 2 nd practice: 2 hours Group work: - If applicable, presentation preparation: 2 hours

	Thursday /Friday	Monday	Time outside the classroom (ESTIMATE)
Week 6 11-Feb	Plenary Session COMPLETE SYSTEM COSTS FOR COMPLETE SECTIONS ISISTEMES COST BY SECTION II	Seminar: COST TO COMPLETE SECTIONS - Introduction - Correction 2 nd practice	- Individual work: 2 hours - Development Practice 3 rd: 2 hours Group work: -If applicable, presentation preparation: 2 hours
Week 5 18-Feb	Plenary Session SYSTEM COSTS FOR ORDER	Seminar: SYSTEM COSTS FOR COMPLETE SECTIONS - Introduction - Correction 3 rd practice	- Individual work: 2 hours - Development Practice 4 th: 2 hours Group work: - If applicable, presentation preparation: 2 hours
Week 6 25-Feb	Plenary Session SYSTEMS PROCESS COST	Seminar: COST PER ORDER - Introduction - Correction 4 th practice	- Individual work: 2 hours - Production 5 th practice: 2 hours Group work: - If applicable, presentation preparation: 2 hours
Week 9 4-Mar	Plenary Session INTRODUCTION TO SYSTEM COSTS BASED ACTIVITIES	Seminar: process cost - Presentation. - Correction 5 th practice	- Individual work: 2 hours - Creation 6 th practice: 2 hours Group work: -If applicable, presentation preparation: 2 hours
Week 10 11-Mar	Plenary Session MAKING DECISIONS BASED ON COSTS	Seminar: COST ABC - Presentation. - Correction 6 th practice	- Individual work: 6-8 hours

