

**Cost Accounting**

Code: 102374  
ECTS Credits: 6

Degree	Type	Year	Semester
2501572 Business Administration and Management	OB	2	1
2501573 Economics	OT	3	2
2501573 Economics	OT	4	0

The proposed teaching and assessment methodology that appear in the guide may be subject to changes as a result of the restrictions to face-to-face class attendance imposed by the health authorities.

**Contact**

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**Use of Languages**

Principal working language: catalan (cat)  
Some groups entirely in English: Yes  
Some groups entirely in Catalan: Yes  
Some groups entirely in Spanish: No

**Teachers**

Immaculada Vilardell Riera  
John Slof  
Gerard Resina Sanchez  
Judit Creixans Tenas

**External teachers**

Antoni Amorós

**Prerequisites**

Before taking this course, it is recommended to have followed the course Introduction to Accounting.

**Objectives and Contextualisation**

- Provide basic understanding of the economic and financial context of cost accounting and management accounting, and to introduce students to its basic terminology and purposes.
- Help students discover and learn to use the relationship between costs, activity level and profit of a business.
- Describe the logic of cost accumulation for inventory valuation and profit measurement.
- Introduce students to the absorption and contribution approaches to income statement preparation.
- Make students aware of the conceptual intricacy of indirect costs and familiarize them with the main methods used in practice to allocate these costs to cost objects.

## Competences

### Business Administration and Management

- Capacity for oral and written communication in Catalan, Spanish and English, which enables synthesis and oral and written presentation of the work carried out.
- Organise the work in terms of good time management, organisation and planning.
- Select and generate the information necessary for each problem, analyse it and take decisions based on that information.
- Use of the available information technology and adaptation to new technological environments.

### Economics

- Apply theoretical knowledge of finances to improve relations with sources of financing, identifying the different forms of financing and the advantages and disadvantages for the company and the providers.
- Generate and transmit the information necessary for taking decisions at company headquarters level.
- Organise the work in terms of good time management, organisation and planning.
- Select and generate the information necessary for each problem, analyse it and take decisions based on that information.
- Use of the available information technology and adaptation to new technological environments.

## Learning Outcomes

1. A capacity of oral and written communication in Catalan, Spanish and English, which allows them to summarise and present the work conducted both orally and in writing.
2. Assess the usefulness of compatibility for potential users.
3. Identify the decisions that can be made on the basis of accounting information.
4. Interpret the profitability indicators of a company and prepare decision-making.
5. Organise work, in terms of good time management and organisation and planning.
6. Select and generate the information needed for each problem, analyse it and make decisions based on this information.
7. Use available information technology and be able to adapt to new technological settings.

## Content

### Topic 1. INTRODUCTION

- 1.1. Differences between Financial Accounting and Management Accounting
- 1.2. Why do organizations incur costs, and why do they need to know them?
- 1.3. The concept of costs in accounting and economics
- 1.4. Types of resources used by organizations
- 1.5. Service, merchandising and manufacturing companies

### Topic 2. ALLOCATION OF COSTS BETWEEN DIFFERENT COST OBJECTS

- 2.1. The choice of a cost object and the costs to be assigned
- 2.2. Direct and indirect costs
- 2.3. Alternative methods for indirect cost allocation
- 2.4. "Full costs"

### Topic 3. THE PRODUCT OF COMPANY AS A COST OBJECT

- 3.1. Full costing and period costs vs product costs

- 3.2. Total costs and unit costs
- 3.3. Price, revenues, gross margin, operating income and profit
- 3.4. Inventories and their valuation
- 3.5. Costs of unused capacity
- 3.6. Implications for the accounting information system

#### Topic 4. COST ALLOCATION BETWEEN DEPARTMENTS

- 4.1. Operating and support departments
- 4.2. Worksheets for allocating costs between departments
- 4.3. Allocation of support department costs
- 4.4. Implications for the accounting information system

#### Topic 5. COSTING OF PRODUCTS AND SERVICES: PROCESS COSTING

- 5.1. Average costs vs. individualized costs
- 5.2. Process costing systems
- 5.3. Work in process and equivalent units
- 5.4. Implications for the accounting information system

#### Topic 6. COSTING OF PRODUCTS AND SERVICES: JOB ORDER COSTING

- 6.1. Job costing systems
- 6.2. Alternatives for the grouping of indirect costs and their allocation
- 6.3. Cost accumulation; actual costs and budgeted costs
- 6.4. Hybrid costing systems
- 6.5. Implications for the accounting information system

#### Topic 7. COST-VOLUME-PROFIT ANALYSIS

- 7.1. Cost drivers and the causal relationship with output
- 7.2. Fixed and variable costs
- 7.3. The role of time
- 7.4. Unit price and contribution
- 7.5. Break-even point and safety margin
- 7.6. Cost structures and operating leverage
- 7.7. Analysis in multiproduct settings

#### Topic 8. COST SYSTEMS BASED ON VARIABLE COSTS

- 8.1. "Direct costing"
- 8.2. Contribution margin vs. gross margin

8.3. Consequences for inventory valuation and operating income

8.4. Implications for the accounting information system

## Methodology

Teaching will be offered on campus or in an on-campus and remote hybrid format depending on the number of students per group and the size of the rooms at 50% capacity.

In this course theoretical presentations by the instructor will be combined with the discussion of cases and readings and the solution of practical exercises. On a regular basis students will be assigned readings and problems, and they are expected to prepare these in advance of or during class sessions, as instructed.

The proposed teaching methodology may undergo some modifications according to the restrictions imposed by the health authorities on on-campus courses.

## Activities

Title	Hours	ECTS	Learning Outcomes
Type: Directed			
Class sessions	46	1.84	1, 3, 4, 5, 6, 7, 2
Type: Supervised			
Tutoring	2.5	0.1	3, 4, 5, 2
Type: Autonomous			
Self study	98	3.92	1, 3, 4, 5, 6, 7, 2

## Assessment

Evaluation of this course will be carried out on a continuous basis, as explained below.

During the semester, there will be two partial exams and exercises will be collected, usually in the practice sessions.

If an exercise is assigned to be solved in class, it will only be collected during that particular class session; therefore these exercises cannot be handed in before or after the session, nor can they be handed in on behalf of the student by a third person.

If a student has missed, or has obtained a score lower than 4 on, at most, one of the two partial exams, he or she will be allowed to repeat that particular exam. In this case, only the corresponding partial examination can be recovered, and the grades of the other exam and the exercises that were obtained at the time will be preserved.

The overall grade for the course is calculated by averaging the grades obtained in the two partial exams (weighing 40% each) and the exercises (20%). This average will only be calculated for students who:

- have obtained a score of 4 or higher on each of the partial exams, and
- have handed in at least 75% of the assigned exercises.

In case a student does not fulfill the two criteria for averaging specified above, the overall mark will be calculated as the lowest value between 3.4 and the weighted average of the two partial exams and the mark for the exercises.

All students are required to perform the evaluation activities. If the student's grade is 5 or higher, the student passes the course and it cannot be subject to further evaluation. If the student grade is less than 3.5, the student will have to repeat the course the following year. Students who have obtained a grade that is equal to or greater than 3.5 and less than 5 can take a second chance exam. The lecturers will decide the type of the second chance exam. When the second exam grade is greater than 5, the final grade will be a PASS with a maximum numerical grade of 5. When the second exam grade is less than 5, the final grade will be a FAIL with a numerical grade equal to the grade achieved in the course grade (not the second chance exam grade).

A student who does not perform any evaluative task is considered "not evaluable", therefore, a student who performs a continuous assessment component can no longer be qualified with a "not evaluable".

#### Calendar of evaluation activities

"The dates of evaluation activities cannot be modified, unless there is an exceptional and duly justified reason why an evaluation activity cannot be carried out. In this case, the degree coordinator will contact both the teaching staff and the affected student, and a new date will be scheduled within the same academic period to make up for the missed evaluation activity." Section 1 of Article 115. Calendar of evaluation activities (Academic Regulations UAB). Students of the Faculty of Economics and Business, who in accordance with the previous paragraph need to change an evaluation activity date must process the request by filling out an Application for exams' reschedule [https://eformularis.uab.cat/group/deganat\\_feie/application-for-exams-reschedule](https://eformularis.uab.cat/group/deganat_feie/application-for-exams-reschedule)

#### Grade revision process

After all grading activities have ended, students will be informed of the date and way in which the course grades will be published. Students will be also be informed of the procedure, place, date and time of grade revision following University regulations.

#### Retake Process

"To be eligible to participate in the retake process, it is required for students to have been previously been evaluated for at least two thirds of the total evaluation activities of the subject." Section 3 of Article 112 ter. The recovery (UAB Academic Regulations). Additionally, it is required that the student to have achieved an average grade of the subject between 3.5 and 4.9.

The date of the retake exam will be posted in the calendar of evaluation activities of the Faculty. Students who take this exam and pass, will get a grade of 5 for the subject. If the student does not pass the retake, the grade will remain unchanged, and hence, student will fail the course.

#### Irregularities in evaluation activities

In spite of other disciplinary measures deemed appropriate, and in accordance with current academic regulations, "in the case that the student makes any irregularity that could lead to a significant variation in the grade of an evaluation activity, it will be graded with a 0, regardless of the disciplinary process that can be instructed. In case of various irregularities occur in the evaluation of the same subject, the final grade of this subject will be 0". Section 10 of Article 116. Results of the evaluation. (UAB Academic Regulations).

The proposed evaluation activities may undergo some changes according to the restrictions imposed by the health authorities on on-campus courses.

## Assessment Activities

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Title	Weighting	Hours	ECTS	Learning Outcomes
Exercises	20%	0	0	1, 3, 4, 5, 6, 7, 2
Partial exam 1	40%	1.75	0.07	1, 3, 4, 5, 6, 7, 2
Partial exam 2	40%	1.75	0.07	1, 3, 4, 5, 6, 7, 2

## Bibliography

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Donoso Anes R, Donoso Anes A. Sistemas de costes e información económica. Pirámide.

Mallo Rodríguez C, Jiménez Montañés MA. Contabilidad de costes. Pirámide.

Nicolàs P. Costes para la dirección de empresas. Servei de publicacions UAB.

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