

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	1

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

Other comments on languages

group 4 in English

Teachers

Immaculada Vilardell Riera
John Slof
Celine Françoise Marie Gayet
Marcela Ramirez Melo

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.
- Evaluate the usefulness of accounting information for decision-making of different users.
- Generate and transmit the appropriate accounting information at all times to the information needs of different users.
- 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

- 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. Develop information relating to a system of management accounting.
3. Identify decisions that can be taken through the analysis and interpretation of accounting information.
4. Know the accounting information systems to support the management and functions of the same in the management of organizations.
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. Why do organizations incur costs, and why do they need to know them?
- 1.2. Differences between Financial Accounting and Management Accounting
- 1.3. The role of Cost Accounting in Financial Accounting and Management Accounting
- 1.4. The concept of costs in accounting and economics
- 1.5. Types of resources used by organizations and the fixed or variable nature of their costs
- 1.6. Key activities and internal organization of 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 the allocation of indirect cost
- 2.4. "Full" costs

TOPIC 3. THE COMPANY'S PRODUCT AS THE COST OBJECT

- 3.1. Full and partial costing systems

3.2 *Full costing* and period costs vs. product costs

3.3. Total costs and unit costs

3.4. Price, revenues, gross margin, operating income, and profit

3.5. Inventories and their valuation

3.6. Costs of unused capacity

3.7. 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. Full costs of the final product

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

TOPIC 6. COSTING OF PRODUCTS AND SERVICES: JOB ORDER COSTING

6.1. Job costing systems

6.2. Alternatives for the pooling of indirect costs and their allocation

6.3. Cost accumulation; actual costs and budgeted costs

6.4. Hybrid costing systems

TOPIC 7. COST-VOLUME-PROFIT ANALYSIS

7.1. Cost drivers and the causal relationship with output

7.2. Fixed and variable costs with regard to the level of activity

7.3. The role of time for cost behavior

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

7.8 Multilevel contribution analysis, articulated by product lines, customers, markets, regions, etc.

Methodology

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.

Annotation: Within the schedule set by the centre or degree programme, 15 minutes of one class will be reserved for students to evaluate their lecturers and their courses or modules through questionnaires.

Activities

Title	Hours	ECTS	Learning Outcomes
Type: Directed			
Class sessions - practice	17	0.68	1, 4, 2, 3, 5, 6, 7
Class sessions - theory	32.5	1.3	4, 2, 3, 5, 6, 7
Type: Supervised			
Tutoring	7.5	0.3	4, 2, 3, 5
Type: Autonomous			
Self study	89	3.56	1, 4, 2, 3, 5, 6, 7

Assessment

During the semester there will be two partial exams and generally every week exercises will be collected. Each partial exam and the whole of the exercises will be scored with a grade between 0 and 10.

The final grade of the subject will be obtained from the weighted average of the grades of the two partial exams (each weighing 40%) and the exercises (20%). This calculation of the average is conditional on having achieved at least a grade of 4 out of 10 on each of the partial exams. In the case of not complying with this condition, the final grade of the subject will be calculated as the lower value between 3.4 and the weighted average of the two partial exams and the grade for the exercises.

The grade for the exercises is conditional on continued participation in this activity; in case of delivering less than 75% of the assigned work, the deliveries made will not be considered and the grade for the exercises will be a zero. If an exercise is assigned to be solved in class, it will only be collected during that particular class session; therefore, such 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.

For those students who have not participated in one of the partial exams, or who have not passed the minimum grade of 4, required for averaging, there will be a recovery of the pending tests. In these cases, only the pending exams can be recovered, and the grades obtained for the exercises and the other exam will be kept.

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's 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](#)

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).

Assessment Activities

Title	Weighting	Hours	ECTS	Learning Outcomes
Exercises	20%	0	0	1, 4, 2, 3, 5, 6, 7
Partial exam 1	40%	2	0.08	1, 4, 2, 3, 5, 6, 7
Partial exam 2	40%	2	0.08	1, 4, 2, 3, 5, 6, 7

Bibliography

Bibliografía básica en negreta

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Bhimani A, Horngren CT, Datar SM and Rajan M. Management and Cost Accounting. Pearson. Most recent edition. - Ebook available

Drury C. Management and Cost Accounting. Thomson Learning. Most recent edition.

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

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

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

Rosanas JM. Contabilidad de costes para la toma de decisiones. Desclée de Brouwer Editorial. Most recent edition.

Software

MS Office, SAP