

Cost Management: *Accounting and Control*

Course Description

Cost Management: Accounting and Control covers the managerial use of accounting, financial, and operating data for planning, control, and decision making. Emphasis is placed on how to manage costs strategically in order to be globally competitive. The course is designed for managers and entrepreneurs who seek continuous improvement (CI) strategies. Topics include analysis of costs; job order and process costing; break-even and contribution analysis; activity-based costing (ABC); balanced scorecard, cost allocation; responsibility accounting; budget for profit planning; short-term decisions; capital budgeting; quality costs and total quality management (TQM); inventory management and just in time (JIT).

Completion Deadline & Exam: This course, including the examination, must be completed within one year of the date of purchase. In addition, unless otherwise indicated, no correct or incorrect feedback for any exam question will be provided.

Course Level: Overview. This program is appropriate for professionals at all organizational levels.

CPE Credits: 13 (CPA)

Category: Accounting

Prerequisite: Basic Accounting

Advanced Preparation: None

Course Learning Objectives

Chapter 1: Introduction to Cost Management

After studying the material in this chapter, you will be able to

1. Recognize the nature and scope of cost accounting and cost management.
2. Distinguish between cost accounting and its related fields such as managerial accounting and financial accounting.
3. Identify the three broad purposes for which the manager needs cost information, and roles of treasury function.
4. Identify some new developments that took place in the cost accounting and cost management with total quality management and business process engineering.

Chapter 2: Cost Classifications, Terminology, and Profit Concepts

After studying the material in this chapter, you will be able to

1. Identify examples of each of the basic cost elements involved in the manufacture of the product.
2. Distinguish between variable costs and fixed costs and explain the difference in their behavior.
3. Recognize the difference between direct and indirect costs.
4. Recognize the usefulness of the contribution approach to income determination and differences between it and the traditional income statement.

Chapter 3: Cost Accounting Systems – Job Order Costing

After studying the material in this chapter, you will be able to

1. Recognize classifications for manufacturing costs.
2. Identify types of companies that will benefit from process costing and what is involved in process costing.

Chapter 4: Activity-Based Costing

After studying the material in this chapter, you will be able to

1. Recognize the problems associated with traditional overhead costing methods.
2. Associate different cost drivers with different cost pools.
3. Recognize activities in the value chain of business function in activity-based management (ABM).

Chapter 5: Cost Volume Profit Analysis

After studying the material in this chapter, you will be able to

1. Recognize how the cost-volume-profit analysis is used by management.
2. Determine how to calculate the sales necessary to break even or to achieve a target income.
3. Compute weighted-average contribution margins.
4. Recognize the concept of a margin of safety.

Chapter 6: Analysis of Cost Behavior

After studying the material in this chapter, you will be able to

1. Recognize examples of variable costs, fixed costs, and mixed costs.
2. Identify methods for estimating the cost-volume formula.

Chapter 7: Budgeting for Profit Planning

After studying the material in this chapter, you will be able to

1. Identify the major steps in budget preparation.
2. Determine appropriate budget levels.

Chapter 8: Responsibility Accounting, Standard Costs, and Variances

After studying the material in this chapter, you will be able to

1. Calculate different variances related to manufacturing costs.
2. Recognize responsibility accounting and the managerial significance of these variances.
3. Identify the value of the analysis provided by performance reporting.
4. Recognize the two-way, three-way, and four-way variance analysis for factory overhead.

Chapter 9: Control of Profit Centers

After studying the material in this chapter, you will be able to

1. Recognize how to calculate different variances associated with single and multi-product firms.

Chapter 10: Performance Measurement, Balanced Scorecard, and Transfer Pricing

After studying the material in this chapter, you will be able to

1. Understand how to compute return on investment (ROI) and how changes in sales, expenses, and assets affect the investment center's performance.
2. Identify how the residual income (RI) differs from ROI in measuring divisional performance.
3. Identify how companies use the Corporate Balanced Scorecard to evaluate performance.
4. Recognize the considerations required to determine appropriate transfer prices.

Chapter 11: Non-routine Decisions and Life-Cycle and Target Costing

After studying the material in this chapter, you will be able to

1. Identify the costs that are relevant for a particular decision.
2. Recognize attributes in the theory of constraints.
3. Identify characteristics of the target costing process for a new product.

Chapter 12: Capital Budgeting

After studying the material in this chapter, you will be able to

1. Identify the impact of the time value of money on capital budgeting decisions.
2. Recognize a number of capital budgeting techniques.

Chapter 13: Capital Budgeting and Income Taxes

After studying the material in this chapter, you will be able to

1. Recognize how income tax factors affect investment decisions.
2. Identify the different types of depreciation methods.
3. Recognize the effect of Modified Accelerated Cost Recovery System (MACRS) on capital budgeting decisions.

Chapter 14: Process Costing, Cost Allocation, and Joint Product Costing

After studying the material in this chapter, you will be able to

1. Recognize how to choose the right system for cost accumulations.
2. Distinguish between the weighted-average and first-in, first-out (FIFO) process costing methods.
3. Recognize different methods of allocating service department costs to production department work.

Chapter 15: Total Quality Management and Quality Costs

After studying the material in this chapter, you will be able to

1. Identify how total quality management (TQM) in a manufacturing environment is best exemplified.
2. Recognize how TQM can work well in a team environment and how quality can be used as a strategic weapon.

Chapter 16: Inventory Management and Just-in-Time

After studying the material in this chapter, you will be able to

1. Recognize the carrying costs and ordering costs associated with inventory management.
2. Identify the objectives of the basic economic order quantity (EOQ) model.