



## **COURSE SYLLABUS**

Course: **ACCT 4673 - PRODUCT, PROJECT & SERVICE COSTING**

Prerequisite: ACCT 2013 and ACCT 3723 with grades of C or better

### **Course Description:**

Cost systems with emphasis on information generation for cost management of products, projects, and services. This is a sequenced course (ACCT 3613) designed to cover the more challenging chapters in your management accounting experience.

### **Value of the Course:**

This course provides skills and knowledge in several broad areas that are desired by corporate employers, including cost systems, allocations, and control. It helps you understand that internal reporting involves actively and continually redesigning an organization's management information system to meet changing managerial needs.

### **Course Objectives:**

Since cost accounting is internal and potentially unique to each organization, there are limited rules to govern cost accounting systems [https://www.imanet.org/publications\\_statements.asp](https://www.imanet.org/publications_statements.asp). Various, constantly evolving principles and procedures exist which must be selectively applied. You must be able to apply these principles and procedures, as appropriate, to diverse, often unstructured problem scenarios. You cannot memorize your way through this course and reasonably hope to attain a grade higher than a C. Rather, you must develop your analytic and conceptual thinking skills so as to find a solution that satisfies management's needs.

This course has the following specific learning objectives. After completing this course, you should be able to:

- Understand the theory and concepts underlying cost management systems.
- Describe common cost accounting tools and models.
- Apply common cost accounting tools and models.
- Use the computer to model costing problems.
- Extract relevant accounting issues from a business problem.
- Search for and identify relevant information.
- Be proficient in the use of EXCEL
- Enhance your interpersonal skills.
- Develop analytical thinking skills.
- Develop problem solving skills.

**Text and Other Required Material:**

*Cost Accounting: A Managerial Emphasis*, by Horngren, Datar and Rajan, fourteenth edition, 2012, Prentice Hall.

Materials from other textbooks, websites, handouts, and problem sets will be provided on Blackboard.

The student will need a calculator that can perform time value functions. The calculator cannot store text or other materials. If you are not sure about your calculator, check with the instructor prior to the first exam.

**Learning Philosophy:**

Student success is most effective when you take responsibility for your own learning. What you end up getting out of this course is based upon your commitment to mastering the material. *I am committed to helping you learn by assisting you in your personal learning process.* This involves providing motivation, guidance, as well as opportunities for learning. You will learn by mastering assigned materials, working homework problems, setting high expectations, and emphasizing the relevance of the course material by explicitly linking it to real-world problems and decisions. There will be numerous references to real world problems that will facilitate your understanding of the principles that drive cost accounting and your ability to respond to a changing environment.

My role is to provide guidance by furnishing the appropriate knowledge and tools, modeling desired behavior, and giving constructive and timely feedback. I am also prepared and willing to provide student counseling related to your challenges in the course (i.e., how to study for exams, what you have done wrong and how to correctly approach cost accounting problems ). In order to accomplish these objectives, it is important for you to achieve an effective level of interaction and participation and it is critical that you *come to class prepared*. On the average, you should allow two hours of preparation time for each hour of class time.

**Blackboard:**

The course is supported by the Blackboard course delivery system. I will use Blackboard to communicate with you, to provide you with course materials, including course syllabus, handouts, PowerPoint slides, and assignments. Every student will receive a Blackboard login and password with which you can access this course. You should check the *Announcements* section every day, since any important communications outside of class will be posted on Blackboard.

The Blackboard URL is <http://courses.waltoncollege.uark.edu/>.

**Attendance Policy:**

Attendance at all class meetings is expected. Moreover, you are responsible for helping me teach you, which is difficult to do when you are absent. Remember that the course goes on, whether or not you are present, and that you'll have to catch up on your own. Historically, there is much

support for the hypothesis that material which has been presented in class is more likely to appear (in similar but not identical form) on exams. While attendance is not mandatory, there will be twelve daily quizzes during the semester. There will be no excused absences for any reason, but you will receive credit for the highest ten scores.

You are responsible for all of the material covered in class as well as the assigned readings in the text. Some material in the text will not be covered in class but may certainly be present on the tests. Read the textbook and appropriate outside reading requirements before coming to class.

### **Academic Integrity:**

Ethics and values are very important in accounting and the professional environment in which you will be working. Ethics and values are also important in education. I will assume, unless there is evidence to the contrary, that you are an ethical student. Please refer to the University Course catalog for information on academic integrity standards of the University of Arkansas. If there is an academic integrity violation, University recommended sanctions for academic integrity violations will be imposed. All academic integrity violations will be reported to Judicial Affairs. Your assignments may be screened using a new college plagiarism checking service called TurnItIn. This service allows for written and Excel assignments to be screened electronically against a database that includes articles published in newspapers and magazines, websites, other students' papers in the database, paper mills, and other sources.

Application of the Academic Honesty Policy, as stated at <http://provost.uark.edu/> will be fully adhered to in this course. Academic dishonesty involves any act, which may subvert or compromise academic integrity or the integrity of the University's 'Academic Integrity Policy'. **If you have any questions regarding individual requirements or group work requirements, please ask.**

### **Special Requirements and Grading:**

#### **Computer Assignments:**

Computer skills, including spreadsheet skills, are critical requirements for a successful career in accounting. Consequently, there are assignments in this course, such as cases or spreadsheets that involve the use of Excel. They will include both a computational and an interpretative component. A separate document will be provided that will address the assignments in greater detail.

#### **Course Readings:**

It is assumed that you will have read the chapters covered in class before the chapters are covered. Classes tend to be less effective if the instructor is the only one who has read the material. The quizzes will include the reading assignment for the current class period, as well as the material covered in the previous class.

**Class Discussion:**

This is an interactive class. Much of your learning will occur during class discussions and exercises.

**Examinations:**

Four exams, including a comprehensive final, will be given on the dates indicated in the topical outline. As stated earlier, since it is the policy of the Department of Accounting that all accounting courses have comprehensive finals, a comprehensive final exam will be given. Exams may contain problems, multiple-choice questions, or essay questions focusing on the reasons behind specific accounting concepts and procedures. The readings from the chapters are fair game for any multiple-choice or discussion questions.

**Quizzes:**

As discussed earlier, there will be twelve daily quizzes during the semester. There will be no excused absences for any reason, including university events, but you will receive credit for the highest ten scores. The quizzes will last for ten minutes, and they will start five minutes after the start of class.

**Homework:**

In the past, I have not graded the homework in this course. However, after much wailing and moaning by your previous peers, I have decided to collect it and grade it. It will be collected at the beginning of the class on the due date. You will provide a paper copy, and I will return it after it is graded. The due dates are listed in the schedule. Similar to the *Quiz* policy above, some percentage to be later determined will dropped at the end of the semester.

**Make-up Exam Policy:**

It is to your advantage to take all exams at the scheduled times. If a student misses an exam, the percentage earned on the final exam will replace the missing grade. For these students, additional material representing the previously untested material might be included in the final.

**Final exam Policy. No final exams will be given early:**

Every semester, there are students who buy their airline tickets early in the semester, with the assumption that this will allow them to change their exam schedule. However, in my approximately three years at the U of A I have observed several cases such as weddings, airline reservations, and vacations where the college has not allowed an early exam. If you already know that this will be a problem, I would suggest changing to a class with a different exam schedule. While I empathize with your situation, this decision is out of my hands.

If you have multiple final exams on the same day, the university's policy for students with multiple finals will be followed, as described below. Basically, this policy allows a student with three or more finals on the day of our exam to petition to move an exam to a different day. The university has posted the final exam schedule for this semester, and I would recommend that you verify immediately when your exams are scheduled. A potential problem with the ability to move an exam is that there is a deadline before which you must apply for the waiver. If you miss the deadline the university will not let you move an exam. **For this semester, the deadline is November 16<sup>th</sup>.**

All students must take the final exam as scheduled unless an *incomplete* contract has previously been approved, according to university regulations. While job conflicts or the fact that a student needs additional time in a course do occur, and they can be catastrophic, the university will not accept these as justifiable reasons to approve an incomplete.

**Grading Questions:**

Questions concerning the grading of a particular exam/quiz question must be resolved within a reasonable time period (within two weeks) after the exam/quiz is returned. After that period, all grades are final. Finally, neatness and legibility of exams are considerations in grading.

**GRADING**

Examinations One and Two (225 points each)	450 points
Examination Three	150 points
Comprehensive final exam	150 points
Computer cases	50 points
Quizzes	100 points
Homework	<u>100 points</u>
Total available course points	<u>1,000 points</u>

The material covered on the exams will be similar to the concepts addressed in the homework. Some of the homework problems will be worked in class, along with others, and the solutions will also be posted on Blackboard after the chapter has been covered in class and the homework has been graded and returned.

Final letter grades will be determined on a standard percentage scale where: A is 90% or above, B is 80% or above but below 90%, C is 70% or above but below 80%, D is 60% or above but below 70%, and F is below 60%.

Below are the descriptions of Grades within the 2011-2012 University Catalog of Studies (Undergraduate).

*The grade of "A" is given for outstanding achievement to a relatively small number of excellent scholars. The grade of "B" represents good achievement. The grade of "C" is given for average achievement, and the grade of "D" for poor but passing work. The grade of "F" denotes failure and is given for unsatisfactory work.*

### **Inclement Weather:**

Experience has taught us that during periods of inclement weather, phone or Internet access is poor at best and unavailable in many cases. As a result, an inclement weather policy that requires you to call my office phone or access the class website has proven to be problematic. This is especially true at the onset of a snowstorm. Consequently, the inclement weather policy for this class is the following:

### **Special Accommodations:**

Students are responsible for requesting accommodations from the Center for Students with Disabilities (CSD), *according to their procedures and policies*. It is the policy of the Walton College of Business that students must also request accommodations from their instructor. To verify the eligibility of the student, students are expected to show their CSD identification card to the instructor when they *first* request accommodation. The student is to provide a written request for *each test* accommodation to their instructor (an e-mail will suffice provided you have received a reply from the instructor). Both *the requests to the CSD and to the instructor* are to be made at least ten school days before the test date.

### **Changes to Syllabus:**

A syllabus is a tool to help you plan your time. Every effort is made to make the syllabus as complete as possible, but there may be occasions when changes are required. The instructor will announce any deviations from this syllabus in class.

### **Classroom Conduct:**

In the past, I have received complaints from your fellow students about the following issues. They said that they were distracting, and that I should have addressed the conduct, because they found it annoying. I agreed, but I thought that I was the only one who was bothered. Subsequently, I discussed the problem with other faculty, and the venerable Dr. Robert Stapp in Economics suggested his policy as a potential solution. It is expressed below, and it will be our policy.

This is an electronics free classroom! (including computers, tablets, and Cell Phones)  
Turn these off and put them away BEFORE the class starts  
They are never to be seen nor heard

**\*\*Recording devices are allowed\*\***

This is also a distraction free classroom!

Respect your fellow students and professor

Be on time and be ready

Pay attention in class

Do not even think about doing homework for another class in here

If you need to leave the class early, then advise me of this prior to the class

## Anticipated Schedule:

<i>Day</i>	<i>Date</i>	<i>Topic</i>	<b>Reading Assignment</b>
1	T 8/21	<ul style="list-style-type: none"> <li>▪ Introduction to course</li> <li>▪ Course Requirements</li> <li>▪ Time value of money and depreciation</li> </ul>	<b>Review Chapters 1 and 2.</b>
2	Th 8/23	<ul style="list-style-type: none"> <li>▪ Review of Chapter 1 and 2 concepts</li> <li>▪ Cost of goods sold and cost of goods manufactured statements</li> </ul>	
3	T 8/28	<b>Cost accumulation for job-shop and batch production operations</b> <ul style="list-style-type: none"> <li>▪ Job (order) costing model and process costing</li> <li>▪ Actual, and normal costing</li> </ul>	<b>Take-home exam due. Read Chapter 4</b> <b>Homework:</b> 17, 18, 19, 20, 21, 22, 23, 27, 28, 29, and 30
4	Th 8/30	<ul style="list-style-type: none"> <li>▪ Transactions</li> <li>▪ Over and under allocation of indirect costs (overhead)</li> </ul>	<b>Continue Chapter 4.</b>
5	T 9/4	<b>Activity-based costing systems</b> <ul style="list-style-type: none"> <li>▪ Limitations of traditional (simple) costing</li> <li>▪ Refining a costing system</li> <li>▪ Activity-based costing systems</li> <li>▪ Cost hierarchies</li> </ul>	<b>Chapter 4 HW Due. Read Chapter 5.</b> <b>Homework:</b> 16, 17, 18, 19, 20, 21, 22, and 23.
6	Th 9/6	<ul style="list-style-type: none"> <li>▪ ABC model- Assigning costs to products</li> </ul>	<b>Continue Chapter 5.</b>
7	T 9/11	<b>Process costing systems</b> <ul style="list-style-type: none"> <li>▪ Basic process costing model</li> <li>▪ Beginning and ending Work in Process</li> <li>▪ Weighted-average method</li> </ul>	<b>Chapter 5 HW Due. Read Chapter 17. Homework:</b> 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 27, and 28
8	Th 9/13	<ul style="list-style-type: none"> <li>▪ FIFO method</li> </ul>	<b>Continue Chapter 17.</b>
9	T 9/18	<ul style="list-style-type: none"> <li>▪ Complete first segment</li> </ul>	
10	Th 9/20	<ul style="list-style-type: none"> <li>▪ Complete first segment</li> </ul>	
11	T 9/25	<b>Exam 1 (Chapters 2, 4, 5, 17, and depreciation and time value)</b>	<b>Chapter 17 HW Due.</b>
12	Th 9/27	<b>Inventory costing and capacity analysis</b> <ul style="list-style-type: none"> <li>▪ Variable and absorption costing</li> <li>▪ Variable and absorption costing operating income and income statements</li> </ul>	<b>Read Chapter 9. Homework:</b> 16, 17, 18, 19, 20, and 22
13	T 10/2	<ul style="list-style-type: none"> <li>▪ Performance measurement</li> </ul>	<b>Continue Chapter 9</b>
14	Th 10/4	<b>Cost allocation, customer-profitability analysis, and sales-variance analysis</b> <ul style="list-style-type: none"> <li>▪ Cost allocation criteria</li> <li>▪ Allocating corporate costs</li> <li>▪ Customer-profitability analysis</li> </ul>	<b>Chapter 9 HW Due. Read Chapter 14. Homework:</b> 16, 17, 18, 19, 20, 21, and 23
15	T 10/9	<ul style="list-style-type: none"> <li>▪ Customer-level costs</li> <li>▪ Customer-profitability profiles</li> <li>▪ Sales variances</li> </ul>	<b>Continue Chapter 14.</b>
16	Th 10/11	<b>Cost allocation: joint products and byproducts</b> <ul style="list-style-type: none"> <li>▪ Joint costs</li> <li>▪ Approaches for allocating joint costs</li> </ul>	<b>Chapter 14 HW Due. Read Chapter 16. Homework:</b> 16, 17, 18, 19, 20, 21, 22, 24, and 25.
17	Th 10/18	<ul style="list-style-type: none"> <li>▪ Byproducts</li> </ul>	<b>Continue Chapter 16.</b>

18	T 10/23	<b>Spoilage, rework, and scrap</b> <ul style="list-style-type: none"> <li>▪ Two types of spoilage</li> <li>▪ Spoilage in process costing using weighted-average and FIFO</li> </ul>	<b>Chapter 16 HW Due. Read Chapter 18.</b> <b>Homework:</b> 17, 18, 19, 20, and 21.
19	Th 10/25	<b>Allocation of support-service costs</b> <ul style="list-style-type: none"> <li>▪ Single-rate and dual-rate methods</li> <li>▪ Budgeted versus actual costs</li> <li>▪ Allocating costs of multiple support departments using the direct, step-down, and reciprocal methods</li> </ul>	<b>Read Chapter 15. Homework:</b> 16, 17, 18, 19, and 20.
20	T 10/30	Complete second segment	
21	Th 11/1	<ul style="list-style-type: none"> <li>▪ <b>Exam 2 (Chapters 9, 14, 15, 16, and 18)</b></li> </ul>	<b>Chapter 18 and Chapter 15 HW Due.</b>
22	T 11/6	<b>Flexible budgets, direct-cost variances, and management control</b> <ul style="list-style-type: none"> <li>▪ Static and flexible budgets</li> <li>▪ Sales-volume, price, and efficiency variances</li> </ul>	<b>Read Chapter 7.</b> <b>Homework:</b> 16, 17, 18, 20, 21, 22, and 23.
23	Th 11/8	<ul style="list-style-type: none"> <li>▪ Management uses of variances</li> </ul>	<b>Continue Chapter 7.</b>
24	T 11/13	<b>Flexible budgets, overhead cost variances, and management control</b> <ul style="list-style-type: none"> <li>▪ Variable and fixed overhead cost variances</li> </ul>	<b>Chapter 7 HW Due.</b> <b>Read Chapter 8 Homework:</b> 16, 17, 18, 19, and 22.
25	Th 11/15	<b>Flexible budgets, overhead cost variances, and management control/Inventory management and just-in-time method</b> <ul style="list-style-type: none"> <li>▪ Economic-order-quantity decision model (EOQ)</li> <li>▪ Just-in-time (JIT) purchasing</li> </ul>	<b>Continue Chapter 8 and Read Chapter 20 (Pages 703-716).</b> <b>Homework:</b> 16, 17, 18 19, and 22.
26	T 11/20	<b>Capital budgeting and cost analysis</b> <ul style="list-style-type: none"> <li>▪ Stages of capital budgeting</li> <li>▪ Discounted cash flow (DCF) principles</li> <li>▪ Net present value (NPR)</li> </ul>	<b>Chapter 8 HW Due. Chapter 20 HW Due. Read Chapter 21.</b> <b>Homework:</b> 17, 18, 19, 20, 21, 22, 23, 24, 25, and 26.
27	T 11/27	<ul style="list-style-type: none"> <li>• Internal rate of return (IRR)</li> </ul>	<b>Continue Chapter 21.</b>
28	Th 11/29	<ul style="list-style-type: none"> <li>▪ Categories of cash flows</li> </ul>	<b>Continue Chapter 21.</b>
29	T 12/4	<b>Exam 3 (Chapters 7, 8, 20, and 21)</b>	<b>Chapter 21 HW Due.</b>
30	Th 12/6	<ul style="list-style-type: none"> <li>▪ Wrap-up and review for final</li> </ul>	
	Th 12/13	<b>COMPREHENSIVE FINAL EXAMINATION</b>	<b>1:00 P.M. – 3:00 P.M.</b>