

(Practical)	
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Course Book

Course Description	This course consists of a discussion of cost accounting concepts and objectives, an in-depth study of cost accounting systems and accumulation procedures and a search into the elements of material, labour and factory overhead costs.			
Course objectives	<p>Studying cost accounting is one of the best investment students can make. Why? Because success in any organization- from the smallest corner to the largest multinational corporation – requires the use of cost accounting concepts and practices. Cost accounting provides key data to managers for planning and controlling, as well as costing products, services and customers and how cost accounting help managers make better decision, making teams instead just data providers. By focusing on the basic and advance concepts, analyses, uses and procedures, we recognize cost accounting as managerial tool for business strategies and implementation.</p> <p>We also prepare students for the rewards and challenges facing them in the professional cost accounting word both today and tomorrow.</p>			
Student's obligation	<p>There are some responsibilities for students that have to do:</p> <ul style="list-style-type: none"> -Students must attend at all lectures. -Students must attend in semesters and final exams. -Students have to participate in practice lectures. 			
Required Learning Materials	<p>Students at the end of the semester should know the following subjects:</p> <p>What is: Direct materials, direct labor, and manufacturing factory overhead, product costs, cost of goods manufactured statement accounting entries regarding manufacturing companies etc.....</p>			
Evaluation	Task	Weight (Marks)	Due Week	Relevant Learning Outcome
	Paper Review			
	Assigments Homework	%10	2 nd week, 6 th week and 8 th week	The ability of solving exercises and examples and discussing.

	Class Activity	%2	During weeks	Participating and giving opinion.
	Report	%8	5 th week	Explanations and clarifying about a specific topic in detail.
	Seminar	%8	10 th week	The ability of presenting a topic which related to the module.
	Project			
	Quiz	%8	6 th week ,8 th week	The ability of answering questions.
	Lab.			
	Midterm Exam	%24		The ability of answering questions.
	Final Exam	%40		The ability of answering questions.
Total	%100			
Specific learning outcome:	<p>During the studding of: cost concepts, cost behavior, and cost accounting techniques to manufacturing, merchandising, and service businesses, student will learn:</p> <ol style="list-style-type: none"> 1- How to determine costs of products and services more accurately. 2- Use the knowledge of product and service costs to set selling prices, to bid on contracts. 3- Analyze the relative profitability of various products and services. 4- Use techniques to measure the performance of managers and subunits within an organization. 5- Design an accounting system to fit the production and distribution system of an organization. 6- Use the accounting system as a tool to motivate managers towards the organization's goals. 			
Course References:	<p>Cost Accounting a Managerial Emphasis , Charles T. Horngren , Srikant M. Datar & Madhav V.Rajan , ,Fifteenth Edition .2015.</p> <p>- Cost Accounting , Traditions and innovations , Barfield, Raiborn & Kinney .</p>			

		<p>- Principles of Cost Accounting , Edward J . VanDerbeck , Fifteenth Edition .2010 .</p> <p>- Fundamentals of Cost Accounting , Wiliam N. Lanen , Shannon W.Anderson & Michael W.Maher ,Third Edition 2011 .</p>
Course topics (Theory)	Week	Learning Outcome
An Introduction to Cost Terms and Purposes	1 st week	<ol style="list-style-type: none"> 1. Define and illustrate a cost object 2. Distinguish between direct costs and indirect costs 3. Explain variable costs and fixed costs 4. Interpret unit costs cautiously 5. Distinguish the financial accounting concepts of inventoriable costs and period costs 6. Illustrate the flow of inventoriable and period costs in financial accounting 7. Explain why product costs are computed in different ways for different purposes 8. Describe a framework for cost accounting and cost management
Cost–Volume–Profit Analysis	3 rd week	<ol style="list-style-type: none"> 1. Explain the features of cost–volume– profit (CVP) analysis 2. Determine the breakeven point and output level needed to achieve a target operating income 3. Understand how income taxes affect CVP analysis 4. Explain how managers use CVP analysis to make decisions 5. Explain how sensitivity analysis helps managers cope with uncertainty 6. Use CVP analysis to plan variable and fixed costs 7. Apply CVP analysis to a company producing multiple products 8. Apply CVP analysis in service and not-for-profit organizations 9. Distinguish contribution margin from gross margin
Job Costing	5 th week	<ol style="list-style-type: none"> 1. Describe the building-block concepts of costing systems 2. Distinguish job costing from process costing 3. Describe the approaches to evaluating and implementing job-costing systems

		<p>4. Outline the seven-step approach to normal costing</p> <p>5. Distinguish actual costing from normal costing</p> <p>6. Track the flow of costs in a job-costing system</p> <p>7. Adjust for under- or over allocated manufacturing overhead costs at the end of the fiscal year using alternative methods</p> <p>8. Understand variations of normal costing</p>
Activity-Based Costing and Activity-Based Management	7 th week	<p>1. Explain how broad averaging undercosts and overcosts products or services</p> <p>2. Present three guidelines for refining a costing system</p> <p>3. Distinguish between simple and activity-based costing systems</p> <p>4. Describe a four-part cost hierarchy</p> <p>5. Cost products or services using activity-based costing</p> <p>6. Evaluate the benefits and costs of implementing activity-based costing systems</p> <p>7. Explain how managers use activity-based costing systems in activity-based management</p>
Midterm Exam	9 th week	
Master Budget and Responsibility Accounting	10 th week	<p>1. Describe the master budget and explain its benefits</p> <p>2. Describe the advantages and challenges of implementing budgets</p> <p>3. Prepare the operating budget and its supporting schedules</p> <p>4. Use computer-based financial planning models for sensitivity analysis</p> <p>5. Describe responsibility centers and responsibility accounting</p> <p>6. Recognize the human aspects of budgeting</p> <p>7. Appreciate the special challenges of</p>
Flexible Budgets, Direct-Cost Variances, and Management Control	12 th week	<p>1. Understand static budgets and static-budget variances</p> <p>2. Examine the concept of a flexible budget and learn how to develop one</p> <p>3. Calculate flexible-budget variances and sales-volume variances</p> <p>4. Explain why standard costs are often used in variance analysis</p> <p>5. Compute price variances and efficiency</p>

		variances for direct-cost categories 6. Understand how managers use variances 7. Describe benchmarking and explain its role in cost management
Final Exam	14 week	
Final Exam	15 week	
Practical Topics	Week	Learning Outcome
Examples, assignment and exercises.	2 nd week	Explanations and clarifying all topics in detail with solving exercises and examples.
Examples, assignment and exercises.	4 th week	Explanations and clarifying all topics in detail with solving exercises and examples.
Examples, assignment and exercises.	6 th week	Explanations and clarifying all topics in detail with solving exercises and examples.
Examples, assignment and exercises.	8 th week	Explanations and clarifying all topics in detail with solving exercises and examples.
Examples, assignment and exercises.	11 th week	Explanations and clarifying all topics in detail with solving exercises and examples.
Examples, assignment and exercises.	13 week	

Questions Example Design

Example:

Q1/ What is a cost object?

Q2/ Distinguish between direct and indirect costs. Explain with an example.

Q3/ Cost of goods purchased, cost of goods sold, and income statement. The following data are for Huang Wong Ping Retail Outlet Stores. The account balances (in thousands) are for 2021.

Marketing and advertising costs	\$ 54,300
Merchandise inventory, January 1, 2021	115,800
Shipping of merchandise to customers	5,700
Depreciation on store fixtures	10,420
Purchases	654,000
General and administrative costs	74,800
Merchandise inventory, December 31, 2021	124,200
Merchandise freight-in	25,000
Purchase returns and allowances	32,400
Purchase discounts	22,600
Revenues	798,000

1. Compute (a) the cost of goods purchased and (b) the cost of goods sold.

2. Prepare the income statement for 2021.

Q4/ Explain the concept of cost–volume–profit (CVP) analysis.

Q5/ CVP analysis, income taxes. (CMA, adapted) J.T. Brooks and Company, a manufacturer of quality handmade walnut bowls, has had a steady growth in sales for the past 5 years. However, increased competition has led Mr. Brooks, the president, to believe that an aggressive marketing campaign will be necessary next year to maintain the company's present growth. To prepare for next year's marketing

campaign, the company's controller has prepared and presented Mr. Brooks with the following data for the current year, 2020:

Variable cost (per bowl)
Direct materials \$ 3.00
Direct manufacturing labor 8.00
Variable overhead (manufacturing, marketing, distribution, and customer service) 7.50
Total variable cost per bowl \$ 18.50

Fixed costs

Manufacturing \$ 20,000
Marketing, distribution, and customer service 194,500
Total fixed costs \$214,500
Selling price \$ 35.00
Expected sales, 22,000 units \$770,000
Income tax rate 40%

1. What is the projected net income for 2020?
2. What is the breakeven point in units for 2020?
3. Mr. Brooks has set the revenue target for 2021 at a level of \$875,000 (or 25,000 bowls). He believes an additional marketing cost of \$16,500 for advertising in 2021, with all other costs remaining constant, will be necessary to attain the revenue target. What is the net income for 2021 if the additional \$16,500 is spent and the revenue target is met?
4. What is the breakeven point in revenues for 2021 if the additional \$16,500 is spent for advertising?
5. If the additional \$16,500 is spent, what are the required 2021 revenues for 2021 net income to equal 2020 net income?
6. At a sales level of 25,000 units, what maximum amount can be spent on advertising if a 2021 net income of \$108,450 is desired?

Extra notes:

Sometime, the number of the weeks which has been arranged, it can be affected by the holiday and events.

External Evaluator

The course book reviewed by:

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