

THE UNIVERSITY OF ILLINOIS AT CHICAGO
College of Business Administration
Department of Accounting

Accounting 326 – Cost Accounting
Fall 2007

Instructor:

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Office Hours: Monday, Wednesday, and Friday 2:00 – 3:00 pm.

Prerequisite:

For other majors: a grade of C or higher in both Accounting 110 and 111. For accounting majors: an average of B or higher in Accounting 110 and 111, or a passing grade in the departmental Accounting Qualifying Exam.

Course Objectives:

The main objective of this course is for each student to gain an understanding of the role of managerial accounting in supporting managers in making resource allocation decisions. Additionally, the course will examine in depth the production, analysis and interpretation of managerial accounting information. It will be broadly divided into the following three sections:

- ? Accounting for Planning and Control including Performance Evaluation.
- ? Accounting for Cost Management and identification of actual product costs.
- ? Accounting for non-routine managerial decision making.

Catalog Description:

Design of cost accounting systems; alternative cost methods; costing for decision making; budgeting and performance evaluation.

Required Text:

Cost Accounting: A Managerial Emphasis, 12th edition, By Horngren, Datar, and Foster, Prentice-Hall, 2006, accompanied by a Student Solution Manual (with answers to even-numbers exercises and problems at the end of each chapter.

Optional Text:

Student Guide to accompany the above text.

Teaching Method:

I consider learning to be a joint endeavor. It is my job to facilitate learning. It is your job to read the assigned materials and work the assigned exercises and problems before they are discussed in class. This calls for a lot of effort on your part. However, it is the only way you can successfully learn the course material and realistically develop the set of skills needed to become an accountant.

The classes are lecture, discussion, and problem solving oriented. You are encouraged to ask questions and provide comments as considered appropriate. Every student will be called on in class to discuss assigned material and problems. Some problems may be solved in small groups during class, with one or more groups presenting their answers.

Grading:

Course final grades will be determined based upon the following criteria:

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|-------------|-------------|--------------------|
| First Exam | 20% | 100 points. |
| Second Exam | 20% | 100 |
| Third Exam | 20% | 100 |
| Fourth Exam | 20% | 100 |
| Quizzes | 10% | 50 |
| Assignments | <u>10%</u> | <u>50</u> |
| Total | <u>100%</u> | <u>500</u> points. |

Final grades will be based on a straight 90, 80, 70, 60, scale for an A, B, C, D, etc. The scale may be lowered if deemed necessary.

Incomplete:

Incompletes will be granted only in documented cases of undue hardship or clearly extraordinary circumstances, and according to university policies.

Quizzes:

Six quizzes will be administered throughout the semester, with the lowest quiz grade being dropped. Each quiz is worth ten points. There will be no make-up quizzes.

Homework:

Reading assignments include "Problems for Self Study". Skip appendices unless specified. Homework exercises and problems should each be answered separately to ease collection. Homework will randomly be collected on the stated due dates for grading. Late homework or e-mail homework will not be accepted. Written homework solutions will be available on blackboard shortly after the due date.

Exams:

Exams will consist of multiple choice questions and problem solving. They are to be taken as scheduled in the course calendar. There will be **no make-up exams**.

Attendance:

Regular class attendance is essential and expected. There is a direct correlation between attendance and success in the course. If you miss a class session due to sickness or emergency, it is your responsibility to obtain the class notes from a classmate. You are responsible for everything covered in all class sessions.

Academic Integrity:

In all courses, you are expected to conduct yourselves in a manner that is consistent with the university standards of academic honesty. Any student who cheats on an assignment or exam will receive a grade of "F" for the course and may also be dismissed from the university.

General:

Every effort will be made to adhere to the information and schedule set forth in this syllabus. Any changes, which are necessitated as the semester progresses, will be announced on a timely basis. Regular attendance will insure that you are aware of any modification made.

**Accounting 326
COURSE CALENDAR**

| # | Date | Day | Activity and Assignment (Skip Appendices Unless Specified) |
|---|--------------|------------|---|
| 1 | Aug 27 | Mon | Class: Course Introduction, policies and resources (www.prenhall.com/horngren) (Blackboard) |
| 2 | Aug 29 | Wed | Class: Ch 1: The Accountant's Role in the Organization. |
| 3 | Aug 31 | Fri | <u>Homework Due:</u> 1 – 20, 1 – 23 Class: Ch 2: An Introduction to Cost Terms and Purposes. |
| | Sep 3 | Mon | Labor Day holiday. (No class) |
| 4 | Sep 5 | Wed | <u>Homework Due:</u> 2 – 20, 2 – 24 2 – 28 Class: Ch 2: Continued. |
| 5 | Sep 7 | Fri | <u>Homework Due:</u> 2 – 31, 2 – 39 Class: Ch 4: Job Costing. (Last day to add or drop a class). |
| 6 | Sep 10 | Mon | <u>Homework Due:</u> 4 – 17, 4 – 20 Class: Ch 4: Continued. |
| 7 | Sep 12 | Wed | <u>Homework Due:</u> 4 – 26, 4 – 35 Class: Ch 5: Activity-Based Costing and Activity-Based Management. |
| 8 | Sep 14 | Fri | <u>Homework Due:</u> 5 – 28, 5 – 29 Class: Ch 5: Continued. |
| 9 | Sep 17 | Mon | <u>Homework Due:</u> 5 – 30, 5 – 31 Class: Ch 5: Continued. |

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| 10 | Sep 19 | Wed | Homework Due: 5 – 37 Class: Ch 3: Cost-Volume-Profit Analysis. |
| 11 | Sep 21 | Fri | Homework Due: 3 – 23, 3 – 26 Class: Ch 3: Continued. |
| 12 | Sep 24 | Mon | Homework Due: 3 – 36, 3 – 44 Exam 1 (Chapters 1 – 5) |
| 13 | Sep 26 | Wed | Class: Ch 6: Master Budget and Responsibility Accounting, including the appendix on the Cash Budget. |
| 14 | Sep 28 | Fri | Homework Due: 6 – 30, 6 – 34 Class: Ch 6: Continued. |
| 15 | Oct 1 | Mon | Homework Due: 6 – 29, 6 – 37 Class: Ch 7: Flexible Budgets, Direct-Cost Variances, and Management Control. |
| 16 | Oct 3 | Wed | Homework Due: 7 – 22, 7 – 32 Class: Ch 7: Continued. |
| 17 | Oct 5 | Fri | Homework Due: 7 – 33, 7 – 43 Class: Ch 8: Flexible Budgets, Overhead Cost Variances, and Management Control. (Last day to withdraw from a class with college permission). |
| 18 | Oct 8 | Mon | Homework Due: 8 – 18, 8 – 19 Class: Ch 8: Continued. |
| 19 | Oct 10 | Wed | Homework Due: 8 – 23, 8 – 33 Class: Ch 9: Inventory Costing and Capacity Analysis. |
| 20 | Oct 12 | Fri | Homework Due: 9 – 18, 9 – 26 Class: Ch 9: Continued. |
| 21 | Oct 15 | Mon | Homework Due: 9 – 30, 9 – 37 Class: Ch 10: Determining How Cost Behave, including the appendix on Regression Analysis. |
| 22 | Oct 17 | Wed | Homework Due: 10 – 21, Class: Ch 10: Continued. |
| 23 | Oct 19 | Fri | Homework Due: 10 – 23, 10 – 32 Class: Ch 10: Continued. |
| 24 | Oct 22 | Mon | Homework Due: 10 -33 Exam 2 (Chapters 6 – 10) |
| 25 | Oct 24 | Wed | Class: Ch 11: Decision Making and Relevant Information, including appendix on Linear Programming. |
| 26 | Oct 26 | Fri | Homework Due: 11 – 22, 11 – 25 Class: Ch 11: Continued. |
| 27 | Oct 29 | Mon | Homework Due: 11 – 31, 11 – 35, 11 – 37 Class: Ch 12: Pricing Decisions and Cost Management. |
| 28 | Oct 31 | Wed | Homework Due: 12 – 17 Class: Ch 12: Continued. |

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| 29 | Nov 2 | Fri | Homework Due: 12 – 23 Class: Ch 12: Continued. |
| 30 | Nov 4 | Mon | Homework Due: 12 – 33 Class: Ch 13: Strategy, Balanced Scorecard, and Strategic Profitability Analysis, including the appendix on Productivity Measurement. |
| 31 | Nov 7 | Wed | Homework Due: 13 – 26, 13 – 27 Class: Ch 13: Continued. |
| 32 | Nov 9 | Fri | Homework Due: 13 – 29, 13 – 33 Class: Ch 14: Sales-Variance Analysis. (p.508-514) |
| 33 | Nov 12 | Mon | Homework Due: 14 – 24, 14 – 34 Class: Ch 15: Allocation of Support Department Costs, Common Costs, and Revenues. |
| 34 | Nov 14 | Wed | Homework Due: 15 – 16, 15 – 19 Class: Ch 15: Continued. |
| 35 | Nov 16 | Fri | Homework Due: 15 – 20, 15 – 32 Exam 3 (Chapters 11 – 15) |
| 36 | Nov 19 | Mon | Class: Ch 21: Capital Budgeting and Cost Analysis, including the appendix on Inflation. |
| 37 | Nov 21 | Wed | Homework Due: 21 – 17 21 – 21 Class: Ch 21: Continued. |
| | Nov 23 | Fri | Thanksgiving holiday. (No Class) |
| 38 | Nov 26 | Mon | Homework Due: 21 – 27, 21 – 32 Class: Ch 22: Management Control Systems, Transfer Pricing, and Multinational Considerations. |
| 39 | Nov 28 | Wed | Homework Due: 22 – 18 Class: Ch 22: Continued. |
| 40 | Nov 30 | Fri | Homework Due: 22 – 23 Class: Ch22: Continued. |
| 41 | Dec 3 | Mon | Homework Due: 22 – 28, 22 – 29 Class: Ch 23: Performance Measurement, Compensation, and Multinational Considerations. |
| 42 | Dec 5 | Wed | Homework Due: 23 – 20, 23 – 21, 23 – 23 Class: Ch 23: Continued. |
| 43 | Dec 7 | Fri | Homework Due: 23 – 25, 23 – 32 Class: Ch 23: Continued. |
| | ????? | | Forth Exam: Chapters 21 – 23 Date, time, and place to be announced |

Best Wishes