

UIC
The University of Illinois at Chicago
College of Business Administration
Department Of Accounting

ACTG 326 - Cost Accounting
Summer 2007 - Academic Year 2006-07

C Professor SOMNATH DAS
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Class Lectures: **Monday & Wednesday:** 1:30-4:00 in Room **LC B1**
Office Hours: Tuesday: 1:30-2:30 PM; and by appointment.
Prerequisites: A grade of C (B for Accounting majors) or higher in *both* Accounting 110 & 111, OR a passing grade in the Departmental Accounting Qualifying examination for accounting majors.
Credit: 3 credit hours

Catalog Course Description: Design of cost accounting systems, alternate costing methods, costing for decision making, budgeting and performance evaluation.

Course Objectives: This course emphasizes the use of accounting data for management decision making, planning and control. The focus is on the internal use of and generation of cost data by management as opposed to external reporting. The course will be broadly divided into the following three sections:

1. Accounting for Planning & Control including performance evaluation
2. Accounting for Management of Costs and identification of actual product costs.
3. Accounting for non-routine managerial decision making with particular emphasis on pricing decisions.

Course Materials:

Required Text: Horngren, Datar & Foster, Cost Accounting: A Managerial Emphasis, Twelfth Edition, 2006. Prentice Hall.
ISBN#0-13-084371-7

Recommended: Study Guide and Student Solutions Manual Accompanying Horngren, Datar, & Foster, 2006. Prentice Hall.

Course Website: UIC Blackboard: All materials pertaining to the course can be found at the above WEB site, including lecture notes and cases.

Course Requirements and Grading:

Exam I	45%
Exam II	<u>55%</u>
TOTAL	<u>100%</u>

Make up exams will be given in exceptional circumstances only before the scheduled examination date and time, and only upon Instructor approval based upon appropriate documentary evidence.

The final exam (which has a weight of 55% of the overall course grade) will *approximately* have 65% of the questions based upon material covered since the Midterms and the remaining 35% based on the cumulative material covered before the Midterms.

A grade of Incomplete (IN) will be assigned only under the conditions set forth in the university catalog. Please refer to the "General Course Policy" Statement of the Department of Accounting for additional information.

Note: For satisfactory progress in the accounting major, students must receive a grade of C or better in Accounting 326. This course may be repeated only once.

Course Policy and Procedures

This course is designed to develop students' analytical ability as well as verbal and written communication skills through lectures and discussions.

- There is a considerable amount of material covered in this course, and it is essential that you stay current with the readings and assignments. On average, two chapters are covered each week. It is crucial not to fall behind.
- Students are expected to attend all lectures and are encouraged to participate in class discussions.
- Prior to each class, students are responsible for having completed the readings, problems, and cases before they are covered in class.

CLASS SCHEDULE & ASSIGNMENTS
(Tentative and Subject to Change)

Session 1 May 30 Assignment	Topic: Introduction to Cost Concepts & Cost Behavior Read: Chapters 1 & 2. 2-28.
Session 2 June 4 Assignment	Topic: Cost Behavior & Cost Estimation Read: Chapters 3 & 10. 3-37, 3-39, 10-24, 10-31, 10-33, 10-35.
Session 3 June 6 Assignment	Topic: Actual and Normal Costing Read: Chapter 4. 4-18, 4-20, 4-28, 4-34.
Session 4 June 11 Assignment	Topic: Activity Based Costing Read: Chapter 5. 5-24, 5-25, 5-35, 5-38; Case: ABC Ajax Company.
Session 5 June 13 Assignment	Topic: Standard Costing Systems I Read: Chapters 6 & 7; 7-20, 7-21, 7-29, 7-32, 7-39; Case: Victoria Corporation
Session 6 June 18 Assignment	Topic: Standard Costing Systems II Read: Chapter 8 8-19, 8-23, 8-29, 8-39.
Session 7 June 20 Assignment	Topic: Standard Costing Systems II - continued Read: Chapter 8 Case: Mountainview Hospital
Session 8 June 25	EXAM I Chapters 1-8, & 10
Session 9 June 27 Assignment	Topic: Inventory Costing Systems Read: Chapter 9. 9-18, 9-20, 9-33.
Session 10 July 2 Assignment	Topic: Decision Making & Use of Relevant Information Read: Chapter 11 11-21, 11-22, 11-32, 11-35
July 4	NO CLASS – 4th of July HOLIDAY

Session 11 July 9 Assignment	Topic: Cost Allocation Read: Chapter 15 15-27, 15-30, 15-32; Case: Nina Hogan Company
Session 12 July 11 Assignment	Topic: Capital Budgeting Read: Chapter 21. 21-25, 21-30, 21-32; Case: Talking Heads Corporation.
Session 13 July 16 Assignment	Topic: Transfer Pricing. Read: Chapter 22 22-18, 22-20, 22-34.
Session 14 July 18 Assignment	Topic: Divisional Performance Measurement Read: Chapter 23. 23-21, 23-23, 23-31, 23-33, 23-34.
July 19	EXAM II (University Exam Week) Chapters 9, 11, 15, 21-23.

NOTES:

1. All references are to the main textbook Horngren, Datar & Foster.
2. In most cases I will do my best to go over all of the assigned problems during class. In any case you are responsible for attempting them on your own. Whenever necessary do not hesitate to see the Instructor either during office hours or by appointment, to clarify any concepts/ solutions.