

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

ACTG 326 - Cost Accounting
Spring 2008 - Academic Year 2007-08

C Professor SOMNATH DAS
Office: 2313 University Hall
F (312)-996-4482 **J** <mailto:sdas@uic.edu>

Class Lectures: **Section 1: Tuesday & Thursday:** 9:30 AM -10:45 AM in Room **SH220**
Section 2: Tuesday & Thursday: 11:00 AM -12:15 PM in Room **SH220**

Office Hours: Tuesday: 2:30-3:30 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:

Quizzes	15%
Exam I	25%
Exam II	25%
Exam III	<u>35%</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.

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, ONE chapter is 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 read the assigned readings and cases.

CLASS SCHEDULE & ASSIGNMENTS
(Tentative and Subject to Change)

Session 1 Jan 15 Assignment	Topic: Introduction to Cost Concepts Read: Chapters 1 & 2. Review of Accounting 111 Material; 2-22, 2-26, 2-28, 2-31.
Session 2 Jan 17 Assignment	Topic: Cost Behavior Read: Chapter 3. 3-26, 3-28, 3-31.
Session 3 Jan 22 Assignment	Topic: Cost Behavior--- continued Read: Chapter 3 3-35, 3-37, 3-49.
Session 4 Jan 24 Assignment	Topic: Cost Estimation Read: Chapter 10 (only up to p. 344). 10-27, 10-31, 10-32.
Session 5 Jan 29 Assignment	Topic: Actual & Normal Costing Read: Chapter 4 (exclude pp. 110-118). 4-16, 4-19, 4-20, 4-21, 4-23, 4-28
Session 6 Jan 31 Assignment	Topic: Activity Based Management Read: Chapter 5 5-24, 5-27, 5-37.
Session 7 Feb 5 Assignment	Topic: Activity Based Management Read: Chapter 5 Case: ABC Ajax Company
Session 8 Feb 7 Assignment	Topic: Standard Cost Systems I Read: Chapter 6 Problems in Lecture Notes
Session 9 Feb 12 Assignment	Topic: Standard Cost Systems I Read: Chapter 7, pp. 221-227. Case: Victoria Corporation
Session 10 Feb 14	MIDTERM I (5:00- 8:00 PM- No Class during regular hours) Chapters 1-6, 7 (up to pp. 227), & 10
Session 11 Feb 19 Assignment	Topic: Standard Cost Systems II Read: Chapters 7 & 8 7-20, 7-22, 7-24, 7-32, 7-38.

Session 12 Feb 21 Assignment	Topic: Standard Cost Systems II Read: Chapters 7 & 8 8-18, 8-19, 8-23, 8-26, 8-29;
Session 13 Feb 26 Assignment	Topic: Standard Cost Systems II Read: Chapters 7 & 8 Case: Mountain View Hospital
Session 14 Feb 28 Assignment	Topic: Inventory Costing Systems Read: Chapter 9. 9-18, 9-20, 9-22, 9-30, 9-32, 9-42.
Session 15 Mar 4 Assignment	Topic: Decision Making & Use of Relevant Information Read: Chapter 11 11-23, 11-28, 11-29, 11-30.
Session 16 Mar 6 Assignment	Topic: Decision Making & Use of Relevant Information Read: Chapter 11 11-32, 11-33.
Session 17 Mar 11 Assignment	Topic: Decision Making & Use of Relevant Information Read: Chapter 11 Case: Ace Moped Company
Session 18 March 13 Assignment	Topic: Pricing Read: Chapter 12 12-16, 12-17, 12-23.
Session 19 March 18 Assignment	Topic: Pricing.... continued Read: Chapter 12 12-24, 12-27.
Session 20 March 20	MIDTERM II (5:00- 8:00 PM- No Class during regular hours) Chapters 7-9, 11-12.
March 25 & 27	***SPRING BREAK HOLIDAY - NO CLASS***
Session 21 Apr 1 Assignment	Topic: Cost Allocation I Read: Chapter 15 15-16, 15-21, 15-22.
Session 22 Apr 3 Assignment	Topic: Cost Allocation I Read: Chapter 15 15-30, 15-32

Session 23
Apr 8
Assignment
Topic: Cost Allocation I
Read: Chapter 15
Case: Nina Hogan Transportation Company

Session 24
Apr 10
Assignment
Topic: Cost Allocation II
Read: Chapter 16
16-21, 16-23.

Session 25
April 15
Assignment
Topic: Capital Budgeting
Read: Chapter 21.
21-28, 21-36.

Session 26
April 17
Assignment
Topic: Capital Budgeting
Read: Chapter 21.
Case: Talking Heads Corporation.

Session 27
April 22
Assignment
Topic: Transfer Pricing.
Read: Chapter 22
22-19, 22-23, 22-32, 22-33.

Session 28
April 24
Assignment
Topic: Transfer Pricing-- continued.
Read: Chapter 22
Case: Redwood Forest Paper Corporation

Session 29
April 29
Assignment
Topic: Divisional Performance Measurement
Read: Chapter 23.
23-23, 23-30.

Session 30
May 1
Course Review

May 6
EXAM III (University Exam Week)
Chapters 15-16, 21-23.
Time & Place: TBA

NOTES:

1. All references are to the main textbook Horngren, Datar & Foster.
2. All assigned cases are downloadable from the Course Blackboard site.
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.