

COURSE PLAN

**BACHELOR OF SCIENCE IN BUSINESS ADMINISTRATION
(BSBA)**

SEMESTER EIGHT

ADVANCED COST ACCOUNTING

COURSE CODE – ACCT-406

PREPARED BY

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COURSE PLAN

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| Programme | BSBA in Accounting |
| Course Code | ACCT- |
| Course Title | ADVANCED COST ACCOUNTING |
| Year | Fourth Year |
| Semester | Eighth Semester |
| Learning Objectives | <ol style="list-style-type: none">1. Acquiring the knowledge for developing flexible budgets variances2. Knowledge Inventory Costing and Capacity Analysis3. Knowledge about Inventory Management4. Awareness about the Pricing Decisions and Cost Management5. Application of Strategic Profitability Analysis |

References: Cost Accounting: A Managerial Emphasis, by Horngren, Datar, Foster, Rajan and Ittner, Thirteenth Edition, Pearson International Edition.

| Session | Concept / Topic to Teach | Session Objectives | Resources | Remarks |
|----------------|-----------------------------------------------|--------------------------------------------------|-------------------------------------|----------------|
| 1 | Introduce myself background, experience, etc. | - To introduce the teacher & subject introduced; | Course Outline /Syllabus PPT – 1 | |

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| | Set ground rules – students to be advised to feel free to ask any question if they do not understand a word/phrase; students be asked to come on time; students to be informed that there will be mid-term & end of term final exam. To introduce the course | Students to be made aware why to study and what is the course about. | | |
| 2 | Flexible Budgets: Introduction | To familiarize the students with basics of Flexible Budget | Ref: pg. 254 | |
| 3 | Flexible Budget Variance, | To explain about Flexible budget variance | Ref: pg. 254 | |
| 4 | Flexible Budget Variance | To explain about Flexible budget variance | Ref: pg. 254 | |
| 5 | Flexible Budget Variance | To explain about Flexible budget variance with practical illustration | Ref: pg. 254,256 | |
| 6 | Sales Volume Variance | To familiarize the students the basics of Sales Volume Variance | Ref:pg.255 | |
| 7 | Sales Volume Variance | To explain the sales volume variance with practical illustration | Ref:pg.255 | |
| 8 | Sales Volume Variance | To explain the sales volume variance with practical illustration | Ref:pg.255 | |
| 9 | Price Variance and efficiency variance for Direct Cost Inputs. | To familiarize the students the basics of price variance and efficiency variances for Direct Cost Inputs | Ref: pg. 257-259 | |
| 10 | Obtaining Budgeted Input Prices and Budgeted Input Quantities | To explain the students what are the main sources for obtaining budgeted input prices | Ref: 257-259 | |

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| | | and budgeted input quantities. | | |
| 11 | Price Variance and efficiency variance for Direct Cost Inputs. | To explain the students what are the main sources for obtaining budgeted input prices and budgeted input quantities. | Ref: 257-262 | |
| 12 | Concept Check: Flexile Budget | Quiz-1 | | |
| 13 | Inventory Costing and Capacity Analysis: Inventory Costing for Manufacturing Companies | To familiarize the students about variable costing and absorption costing | Ref: pg. 325 | |
| 14 | Comparing Income Statement for one year | Compute income under absorption costing | Ref: pg. 327 | |
| 15 | Effect of Sales and Production on Operating Income under Variable Costing | To explain the effect of sales and production on operating income | Ref: pg. 332 | |
| 16 | Performance Measures and Absorption Costing | Explain the comparative income effects of variable costing and absorption costing | Ref: pg.332 | |
| 17 | Proposals for Revising Performance Evaluation | Explain the various steps taken by the top management to reduce the undesirable effects of absorption costing | Ref:pg.334&335 | |
| 18 | Throughput Costing | To explain the throughput costing with practical knowledge | Ref:pg.335 | |
| 19 | Inventory Costing for Manufacturing Companies | To explain the comparison of alternative inventory-costing methods | Ref:pg.335 | |
| 20 | Denominator-level Capacity Concepts and Fixed Cost Capacity Analysis. | To familiarize the students about denominator-level capacity | Ref: pg. 339 | |
| 21 | Normal Capacity Utilization and Master Budget Capacity Utilization and effect on budgeted fixed manufacturing cost rate | To explain the students these three terms with practical illustration | Ref: pg. 340-341 | |

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| 22 | Choosing a Capacity Level: Product Costing and Capacity Management and Performance Evaluation | To explain the effect of a capacity level has on product costing management pricing decisions | Ref: pg. 341,344 | |
| 23 | Difficulties in Forecasting Chosen Denominator-Level Concept and capacity costs and denominator level issues. | To explain additional factors that affect the planning and control of capacity costs | Ref: pg. 347, 348 | |
| 24 | Concept Check: Inventory Costing and Capacity Analysis | Quiz-2 | | |
| 25 | MID SEMESTER EXAMINATION -I | | SESSION (1-24) | |
| 26 | Inventory Management: Inventory Management in Retail Organisations, | To explain the various categories of costs associated with goods for sale | Ref: pg. 725 | |
| 27 | Economic Order Quantity Decision Model | To familiarize the students with balance ordering costs with carrying costs using the EOQ decision model | Ref: pg. 726-728 | |
| 28 | Economic Order Quantity Decision Model | To familiarize the students with balance ordering costs with carrying costs using the EOQ decision model | Ref: pg. 726-728 | |
| 29 | When to order assuming certainty and safety stock | To explain with graph and practical illustration about when to order and safety stock level | Ref: 728 -730 | |
| 30 | Estimating Inventory Related Relevant Costs and their effects: Considerations in obtaining estimates of relevant costs | To explain the concepts of relevant incremental cost of carrying inventory | Ref: pg.731 | |
| 30 | Cost of a Prediction Error and conflict between the EOQ decision model and Managers' Performance Evaluation | To identify and reduce conflicts that can arise between the EOQ decision model used for performance evaluation | Ref: pg. 732-733 | |

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| 31 | Just in time purchasing and EOQ model parameters | To give an idea about the concept of just in time purchasing and reasons for decreasing the cost of placing a purchase order | Ref: 732-733 | |
| 32 | Relevant Costs of JIT Purchasing and suppliers evaluation and relevant costs of Quality and Timely Deliveries | To explain about the concept of relevant cost of JIT purchasing and suppliers' evaluation. | Ref: pg. 733-734 | |
| 33 | JIT Purchasing, Planning and Control, and supply chain analysis | To explain the use of a supply chain approach to inventory management | Ref: pg. 735-736 | |
| 34 | Inventory Management and JIT Production | To explain the term Inventory Management and JIT Production | Ref: 737 | |
| 35 | Financial Benefits of JIT and Relevant Costs and Performance Measure and Control in JIT Production | To explain what the benefits of JIT and performance is measured | Ref: pg.737-740 | |
| 36 | Concept Check: Inventory Management | Quiz-3 | | |
| 37 | Pricing Decisions and Cost Management: Major influences on Pricing Decisions | To explain customers, competitors and costs which has influence on pricing decisions | Ref: pg. 455 | |
| 38 | Timing Horizon of Pricing Decisions | To explain the difference short run from long run pricing decisions | Ref:pg.456 | |
| 39 | Costing and Pricing for the Short Run | To explain relevant costs for short run pricing decisions and also explain strategic and other factors in short run pricing | Ref: pg. 456,457 | |
| 40 | Costing and Pricing for the Long Run | To explain how product costs are calculated for long run pricing decisions and alternative long run pricing | Ref: pg. 457-460 | |

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| | | approaches | | |
| 41 | Target Costing for Target Pricing | To explain the concept of Target Costing and understanding customers' perceived value | Ref:pg.460-461 | |
| 42 | Implementing Target Pricing and Target Costing | To discuss the various steps in developing target prices and target costs | Ref:pr.461-462 | |
| 43 | Value Engineering, cost incurrence and locked in costs | To apply the concepts of cost incurrence when resources are consumed and locked in costs when resources are committed to be incurred in the future | Ref: pg. 462 – 464 | |
| 44 | Value chain Analysis and Cross Functional Teams | To explain five key aspects for the target pricing target costing | Ref: pg.464-465 | |
| 45 | Cost-Based Pricing | To explain cost plus target rate of return on investment | Ref: pg.467 | |
| 46 | Alternative Cost Plus Method | To explain the advantage of alternative cost plus method | Ref: pg.468 | |
| 47 | Life Cycle Product Budgeting and Costing | To use life cycle budgeting and costing when making pricing decisions | Ref: pg. 469-473 | |

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| 48 | Concept Check: Pricing Decisions and Cost Management | Quiz-4 | | |
| 49 | MID SEMESTER EXAMINATION - II | | SESSION 26-48 | |
| 50 | Strategic Profitability Analysis: Introduction to Strategy | To explain the concept of Strategy | Ref: pg. 489 | |
| 51 | Evaluating the Success of Strategy and Implementation | To discuss the concept of evaluating the success of strategy and implementation | Ref: pg. 499 | |
| 52 | Strategic Analysis of Operating Analysis | To analyse changes in operating income to evaluate strategy | Ref: pg. 500-501 | |
| 53 | Growth Component of Change in Operating Income | To discuss the growth component of change in operating income | Ref: Pg. 502 | |
| 54 | Price Recovery Component and Productivity component of Change in Operating Income | To explain both the concepts with illustration | Ref: pg. 503 – 507 | |
| 55 | Concept Check: Strategic Profitability Analysis | Quiz-5 | | |
| 56 | Course Review | | | |
| | END SEMESTER EXAMINATION | | SESSION (1-55) | |

