

**DEPARTMENT OF ACCOUNTING  
COLLEGE OF BUSINESS ADMINISTRATION- AL KHARJ,  
AL-KHARJ UNIVERSITY**

**Course Code & Title: Acct -406, Advanced Cost Accounting**

**Year : 4 Semester : VIII**

**Contact Hours : 3/0/1 L/ T/P**

**Credits : 3**

**Pre-requisites for this course: Cost Accounting, ACCT-232**

**Rationale:**

**This course extends the discussion made in Cost Accounting. Specifically it covers Flexible Budgets Variances, Inventory Costing and Capacity Analysis, Inventory Management, Just in Time, Pricing Decisions and Cost Management and finally Strategic Profitability Analysis.**

**Learning Outcomes:**

- 1. Acquiring the knowledge for developing flexible budgets variances**
- 2. Knowledge Inventory Costing and Capacity Analysis**
- 3. Knowledge about Inventory Management**
- 4. Awareness about the Pricing Decisions and Cost Management**
- 5. Application of Strategic Profitability Analysis**

**Course Outline:**

- 1. Flexible Budgets:** Introduction, Flexible Budget Variance, Sales Volume Variance, Price Variance and efficiency variance for Direct Cost Inputs.
- 2. Inventory Costing and Capacity Analysis:** Inventory Costing for Manufacturing Companies and Denominator-level Capacity Concepts and Fixed Cost Capacity Analysis.
- 3. Inventory Management:** Inventory Management in Retail Organisations Estimating Inventory Related Relevant Costs and Their Effects and Just in Time Purchasing
- 4. Pricing Decisions and Cost Management:** Major Influences on Pricing Decisions, Target Costing for Target Pricing
- 5. Strategic Profitability Analysis:** Introduction to Strategy, Strategic Analysis of Operating Income

**Required Text:**

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

**Suggested Readings:**

- 1. Fischer / Frank (1995): Cost Accounting- Theory and Applications, South Western publishing Company.**