

Liverpool John Moores University

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Title: COST ACCOUNTING
Status: Definitive
Code: **5513CP** (103555)
Version Start Date: 01-08-2013

Owning School/Faculty: Arts, Professional and Social Studies
Teaching School/Faculty: Dublin Business School

Team	Leader
Alistair Beere	Y

Academic Level: FHEQ5
Credit Value: 24.00
Total Delivered Hours: 77.00
Total Learning Hours: 240
Private Study: 163

Delivery Options

Course typically offered: Standard Year Long

Component	Contact Hours
Lecture	50.000
Tutorial	25.000

Grading Basis: 40 %

Assessment Details

Category	Short Description	Description	Weighting (%)	Exam Duration
Essay	AS1	Group Assignment	20.0	
Exam	AS2	Examination	70.0	2.00
Test	AS3	Class Test	10.0	

Aims

To introduce to learners the principles of cost and management accounting to support planning, control and decision making.

To develop in learners the ability to prepare and analyse financial and management information

To develop in learners the knowledge and skills necessary in the budgetary process. To provide learners with an understanding of standard setting and variance analysis as a control mechanism.

To provide learners with the knowledge necessary to generate and interpret relevant data appropriate to particular circumstances.

Learning Outcomes

After completing the module the student should be able to:

- 1 Discuss the nature, source and purpose of cost and management accounting data and information.
- 2 Demonstrate the application of cost accounting techniques in the calculation and analysis of product/service cost.
- 3 Apply cost classification and behaviour concepts to planning, budgeting and standard setting.
- 4 Calculate and interpret basic variances for control purposes.
- 5 Interpret relevant financial and non-financial data to facilitate commercial decision-making.

Learning Outcomes of Assessments

The assessment item list is assessed via the learning outcomes listed:

GROUP ASSIGNMENT	1	2	3	5	
EXAM	1	2	3	4	5
CLASS TEST	2				

Outline Syllabus

- 1. Nature, scope and purpose of cost management information. Financial accounting compared to management accounting; cost classification and cost behaviour.*
- 2. Accounting for inventory and labour Alternative valuation methods for inventory movements; inventory cost, EOQ and inventory management. Remuneration methods and bonus schemes.*
- 3. Accounting for overheads Allocation and apportionment of overheads, reapportionment of service cost centres, overhead absorption rate, under/over absorption.*
- 4. Cost accounting techniques. Absorption and marginal costing. Specific order costing (job, batch, process).*
- 5. Developments in cost accounting techniques Activity based costing (ABC). Service costing.*
- 6. Budgeting Nature and purpose of budgets; behavioural aspects of budgets.*
- 7. Budget preparation and control Functional (operational) budgets; cash budgets. Fixed and flexible budgets.*
- 8. Standard costing systems Principles of standard costing; types of standards; standard setting and behavioural considerations.*

9. *Standard costing and variance analysis Variance calculation, analysis and interpretation. Operating statements to reconcile budgeted and actual profit.*
 10. *Decision-making techniques Break-even analysis (single product). Limiting factor analysis; relevant costing applications and make or buy decisions.*

Learning Activities

Lectures and tutorials.

References

Course Material	Book
Author	Drury, C
Publishing Year	2011
Title	Cost and Management Accounting
Subtitle	An Introduction
Edition	7th
Publisher	Cengage Learning
ISBN	

Course Material	Book
Author	Lucey, T
Publishing Year	2009
Title	Costing
Subtitle	
Edition	7th
Publisher	Cengage Learning
ISBN	

Course Material	Book
Author	Sheppard, G.
Publishing Year	2011
Title	Management Accounting
Subtitle	A Practical Approach
Edition	1st
Publisher	Gill & Macmillan
ISBN	

Notes

This module introduces learners to cost and management accounting and provides the knowledge and understanding to apply the basic principles, concepts and techniques of management accounting in commercial situations.