

Syllabus: Cost and Management Accounting (I)

Course Code: 000337-04-1
Wednesday (5,6,7: 14:10 ~ 15:00)
資訊大樓: 140201

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The course provides an introduction to *Cost & Management Accounting*, a field of business which develops the financial and non-financial information necessary to effectively manage the firm or organization. This course is an invitation to study how accounting information is used in the management of an organization. The central feature of this is *using* the accounting, as opposed to *doing* the accounting, i.e., our study of accounting adopts a managerial perspective.

Cost & Management Accounting is a field in transition, moving from a procedural focus on *stewardship* accounting to a *strategic* focus on the use of accounting to facilitate the business success of the enterprise – for both manufacturing and service firms. Furthermore, the concepts of cost accounting are increasingly applied to government and not-for-profit organizations, to help them succeed in their service missions, to be responsible to the citizens and funding agencies.

A principal motivation for the change in cost accounting is the changes in business processes and organizations in response to increased competition, both global and domestic. These changes include a renewed focus on the customer, aggressive cost reduction, outsourcing, downsizing and reengineering, total quality management, advanced manufacturing technologies, and increased use of information technologies, among others. The management accountant is no longer a reporter and analyzer of financial facts only, but a business partner – developing the financial and non-financial information the organization needs to be successful. As such, the management accountant plays a *strategic role* in the business, developing and presenting the information that is critical for the firm's success.

The course builds on the foundation of strategic management fundamentals, cost analysis, product costing, budgeting, and responsibility accounting. The course develops the advanced tools which include life cycle costing, target costing, the theory of constraints, and activity based costing. These new cost management tools are increasingly important as firms face greater global competition. The tools are used to help make the firm more competitive.

The course goals are to develop an understanding of the application of strategic cost management principles for business and not-for-profit organizations, and to provide an opportunity to develop skills in applying these principles through exercises, discussion and cases. The management accountant's role is to provide timely and accurate information to assist management in achieving the firm's goals. This is an integrative role, which requires the management accountant to understand the firm's strategy, and to understand how both financial and non-financial information is developed across all the management functions. Specifically, there are five specific goals, each of which is covered in sequence in the five parts of the course:

- ◆ Understand the fundamentals of management accounting, including the strategic focus, and other basic cost terms and concepts.
- ◆ Determine product costs

- ◆ Use costs and other critical success factors in management planning and decision making
- ◆ Use costs and other critical success factors in operational control
- ◆ Use costs and other critical success factors in management control

Course Requirements and Grading:

1. **Exams (80%).** There are two mid term exams (25 % each) and a final exam (30%). The exams will include both problems and cases that will be similar to the homework assignments. The best preparation for the exams will be your careful work on the homework assignments, in addition to class participation and the readings. The problems will be graded for understanding and accuracy, while the cases will be graded for understanding, clarity, and organization.

2. **Homework Assignments (20%).** There are several assignments by our teaching assistant in each week. These assignments are to be posted in the web (<http://elearn.cc.nccu.edu.tw/>). Our teaching assistant will give you the detailed instructions about the assignment.

3. **Participation in In-Class (5%).** It includes attendance and participation, either by offering a solution to an exercise or case, or asking questions on the class material. In-class participation will be scored between zero and five points, five being the maximum awarded for excellent attendance and participation.

Course Materials:

Hornngren, C. T., S. M. Datar, and G. Foster. 2005. Cost Accounting: A Managerial Emphasis. 12th edition.

Course Schedule:

| | Date | Ch. | Content |
|-----------|--------------|-----|--|
| 01 | 09/13 | 1 | The Accountant's Role in the Organization |
| 02 | 09/20 | 2 | An Introduction to Cost Terms and Purposes (I) |
| 03 | 09/27 | 2 | An Introduction to Cost Terms and Purposes (II) |
| 04 | 10/04 | 3 | Cost-Volume-Profit Analysis |
| 05 | 10/11 | 4 | Job Costing |
| 06 | 10/18 | 5 | Activity-Based Costing and Activity-Based Management (I) |
| 07 | 10/25 | 5 | Activity-Based Costing and Activity-Based Management (II) |
| 08 | 11/01 | | Mid-term (I): chapter 1 ~ 5 |
| 09 | 11/08 | 6 | Master Budget and Responsibility Accounting (I) |
| 10 | 11/15 | 6 | Master Budget and Responsibility Accounting (II) |
| 11 | 11/22 | 7 | Flexible Budgets, Direct-Cost Variances, and Management Control (I) |
| 12 | 11/29 | 8 | Flexible Budgets, Overhead Cost Variances, and Management Control (II) |
| 13 | 12/06 | | Mid-term (II): chapter 4 ~ 8 |
| 14 | 12/13 | 9 | Inventory Costing and Capacity Analysis |
| 15 | 12/20 | 10 | Determining How Costs Behave (I) |
| 16 | 12/27 | 10 | Determining How Costs Behave (II) |
| 17 | 01/03 | 11 | Decision Making and Relevance Information (I) |
| 18 | 01/10 | 11 | Decision Making and Relevance Information (II) |
| 18 | 01/17 | | Final exam: chapter 7~11 |