



**UCAM**  
UNIVERSIDAD  
CATÓLICA DE MURCIA

# Teaching Guide 2018/2019

## Cost Accounting

Bachelor in Business Administration

Face-to-face tuition

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## Cost Accounting

Module: **Accounting**.

Field: **Management Accounting**

Character: **Mandatory**

ECTS: **4,5 ECTS**

Time period: **Third year, 5th semester**

Teacher: **M<sup>a</sup> José Ayala Marín**

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Student's attention timetable: **Monday 10:00 am-11:00 am**

Module coordinator teacher: **M<sup>a</sup> Isabel Ros Clemente**

## Brief Description

Business organization requires permanent information for decision making, and Cost Accounting is one of the main information systems for the company. To this end, the different theories for cost treatment will be studied, adapted to different production processes and the need for control over the same by means of the drafting and development of budgets and calculation and analysis of deviations from reality.

Finally, the course on Cost Accounting deals with the knowledge and tools necessary for decision making by means of planning, evaluation and cost control in the business..

## Previous requisites

In order to maximize the learning results of this subject, the student should have enough knowledge of algebra and calculus in order to be able to solve second degree equations or superior.

For this subject, students must have sound knowledge of financial accounting; hence they must have passed and acquired competences assigned to the first course subject "Financial Accounting".

## Objectives

1. Provide the student the knowledge and tools related to Management Accounting in order to adopt corporation decisions.
2. Elaborate information related to a corporation by Management Accounting.
3. Perform management reports for decision making.

## Competences and learning results

### Cross-curricular competences

- (T1) Ability of analysis and synthesis
- (T2) Organization and planning ability
- (T6) Information management ability
- (T7) Problem solving
- (T9) Perform team work.
- (T14) Critical reasoning
- (T16) Autonomous learning
- (T24) Capacity of reflection
- (UCAM2) Consider Christian humanism principles as essential values in the development of the professional practice.
- (UCAM5) Be able to use basic CIT tools.
- (UCAM6) Acquire team work ability, to work with same or different field professionals.

### Specific Competences

- (E2) Know and apply Cost Accounting basic concepts.
- (E19) (E19) Ability to apply knowledge to the practice.
- (E31) Gestión de una compañía (herramientas y conceptos): Planificación y control.
- (E43) Analizar el problema de una empresa diseñar una solución.
- (E53) Derivar de los datos, información relevante imposible de reconocer por no profesionales.
- (E54) Usar habitualmente la tecnología de la información y las comunicaciones en todo su desarrollo profesional.
- (E56) Aplicar al análisis de los problemas criterios profesionales basados en el manejo de instrumentos técnicos.
- (E57) Communicate fluently in the work environment and work in a team.

### Learning results

- Understand and know how to use basic knowledge of Cost Accounting in each situation.
- Have and understand Cost Accounting supported by books of this field in some aspects that involve avant-garde knowledge of this field of study.
- Have a good command of the different management systems.
- Diagnose the corporation situation and results.

- Diagnose the corporation cash flows in the period.
- Diagnose the situation of cost determination.
- Choose the most suitable management system according to the corporation economic activity.
- Understand and apply Cost Accounting knowledge to the practice through the elaboration and defense of well-structured arguments.
- Establish inner tools necessary in a corporation.
- Detect possible inner control mistakes and provide the consequences.
- Detect deviations in the budget established by the corporation.
- Provide solutions to the problems that may arise.
- Issue sentences about Cost Accounting problems, by gathering information impossible to recognize by non-specialists.
- Look for accountancy information for the solution of case studies.
- Know and use the most suitable accounting tools in each situation.
- Solve problems by using professional techniques and criteria.
- Solve case studies in work teams.
- Use a logical structure and write correctly.
- Provide effective information, ideas, problems and solutions within Management Accounting.
- Use correct terminology in reports and tasks.
- Understand, reason and synthesize within Management Accounting contents
- Manage and organize the accounting information acquired during the learning period.
- Organize and know how to use accounting information from different contexts.
- Acquire the abilities necessary to solve Accounting Management problems.
- Acquire and implement collaboration strategies and abilities to favour teamwork in problem solving and decision making situations within Management Accounting.
- Issue sentences and take a critical stage, facing the different situations, when applying Cost Accounting.
- Manage the student's learning process in a pro-active way, in order to apply correctly techniques and Accounting Management rules.
- Recognize and value the contributions of Christianity to a complete view of personal education, necessary to apply Accounting Management.
- Know and use the resources provided by information and communication technologies for Accounting Management.
- Collaborate with other professionals through their contributions, from other fields of knowledge, to Accounting Management.

## Methodology

Methodology	Hours	Hours of work Face-to-face	Hours of work Non Face-to-face
Lectures	29,25	45 hours (40%)	
Practice teaching	3,6		
Assessment	3,15		
Tutorials	9		
Personal study	30,38	67,5 hours (60%)	
Tasks	20,25		
Practical teaching preparation	10,13		
Bibliographic search	6,75		
<b>TOTAL</b>	<b>112</b>	<b>45</b>	<b>67,5</b>

## Syllabus

Unit 1: Accounting Management framework and contents

- 1.1. Concept, targets and content of accounting management.
- 1.2. Accounting Management rules in Spain.
- 1.3. Cost accounting as main branch of accounting management.
- 1.4. Cost.
- 1.5. Case studies.

Unit 2: Internal costs and reports.

- 2.1. Use and users of accounting information.
- 2.2. The cost of materials
- 2.3. Internal reports
- 2.4. Cost accountancy systems. Choice.
- 2.5. Cost objects and distribution.
- 2.6. The analytical or statistical report
- 2.7. Margin and result criteria.
- 2.8. Margin and result framework.
- 2.9. Staff cost.
- 2.10. Indirect cost.
- 2.11. Case study.

Unit 3: Cost Accountancy by sections.

- 3.1. Concept and characteristics.
- 3.2. Section classification.
- 3.3. Work unit.
- 3.4. Section system.

### 3.5. Case study

#### Unit 4: Sub-activity costs and rational allocation.

- 4.1. Activity and capacity
- 4.2. Capacity measurement.
- 4.3. Capacity cost.
- 4.4. Rational allocation.
- 4.5. Activity rate.
- 4.6. Case study

#### Unit 5: Direct-cost

- 5.1. Full-costing
- 5.2. Simple direct costing.
- 5.3. Developed direct costing
- 5.4. Direct costing and section accounting.
- 5.5. Standard costs and direct costing.
- 5.6. Profitability threshold.
- 5.7. Comparison between full costing and direct costing.
- 5.8. Case study.

#### Unit 6: Corporation budgetary system. Cost Standard.

- 6.1. Concept and characteristics.
- 6.2. Standard cost patterns.
- 6.3. Standard types.
- 6.4. Deviation analysis and calculus.
- 6.5. Case study.

#### Unit 7: Process accounting.

- 7.1. Department accounting.
- 7.2. Equivalent production.
- 7.3. Loss units.
- 7.4. Average cost method.
- 7.5. FIFO method.
- 7.6. Case study.

#### Unit 8: Cost Accumulation System by work orders.

- 8.1. Accounting by orders.
- 8.2. Production order types and design.
- 8.3. Allocation and cost taxing to manufacturing orders.
- 8.4. Orders industrial cost.
- 8.5. Case study.

#### Unit 9: Cost and management system based in activities.

- 9.1. General considerations.
- 9.2. Cost analysis process.
- 9.3. Determination of activities total cost.
- 9.4. Activity units.

- 9.5. Measurement of cost allocated to cost targets.
- 9.6. Product cost.
- 9.7. Case study.

## Connection with other subjects of the study plan

There is an evident relationship with all the subjects of the “Accountancy” module, mainly with “Financial Accounting”, “Financial Statement Analysis and Accounting state Analysis” and “Auditing”.

It has also got an important relationship with subjects of Trade Law, mathematics, financial mathematics and corporation economics.

## Assessment system

- **Written exams [80% of final grade]**
- **Student´s involvement in training activities [20% of final grade]**

In order to pass it is necessary to achieve a weighted average superior or equal to 5. At the same time, it is necessary to obtain a minimum of 5 in each component of evaluation that counts for at least a 20% of the final grade.

Not achieving a minimum of 5 in any of those components of evaluation that count for at least a 20% of the final grade implies the failure of the subject, being necessary to retake those components in the following examination call in the same academic course. Those grades corresponding to components where the student has obtained at least a 5 (February/June examination call) will be kept for the following official examination call in the same academic course.

In any case, if the student does not obtain passing grades for all the evaluation components in the official examination call from September, none of the passing grades will be kept for following academic courses.

According to art.5 of RD 1125/2003, students will be graded according to the numeric scale from 0-10 with a decimal. A qualitative grade can be added:

Fail (SS) 0-4,9

Pass (AP) 5,0-6,9

Good (NT) 7,0-8,9

Distinction (SB) 9,0-10

The “Honors” mention can be awarded to students with a degree of 9,0 or higher. Honors cannot be awarded to more than 5% of class students each academic year. For classes with less than 20 students a mention will be awarded.



## Bibliography and reference sources

### Basic bibliography

- Drury, C. (2007) Management and Cost Accounting. Thomson
- Garrison, Noreen and Brewer (2015): Managerial Accounting. McGraw Hill.
- Walther, L.M., Skousen, C., J. (2009): Managerial and Costs accounting.

### Complementary bibliography

- Ribaya Mallada, F.J., (1999): Costs. Ediciones Encuentro.
- Bragg, S.M. (2009): Costs Accounting Fundamentals. Accounting Tools.
- Hansen, D.R, Mowen, M.M. (2006): Cost Management. Accounting and control. Thomson.
- Horngren, CH.T., Datar, S. M., Rajan, M. (2012): Cost Accounting. A managerial emphasis. Pearson.
- Wild, J.J., Shaw, K.W. (2010): Managerial Accounting. McGraw Hill.

## Web pages

- <http://www.einforma.com> Company Reports
- <http://www.icac.meh.es> Spanish Organization of Business Management and accounting.
- <http://www.aeca.es/pub/refc/refc.html> Instituto de Contabilidad y Auditoría de Cuentas
- <http://www.tecnicacontable.com> Technical accounting magazine.
- <http://www.rc-sar.es/> Accounting Magazine
- <http://www.iberinform.es> Financial Information
- <http://www.registradores.org> Registrar Chartered Institute
- <http://www.cef.es> Financial studies center

## Study recommendations

We recommend daily study of explained concepts, with special interest in case study solving before solving them in class. It is also important resolve any doubts and questions that may lead to difficulties in the teaching process. Personal or scheduled tutorials are a good tool together with the use of the virtual campus and email. It is advisable a periodical review of the contents.

## Didactic material

It will be necessary to have a PC with all the necessary programs installed (text editor, spreadsheet, presentation tools, etc.) We also recommend students to use memory devices (USB, CDs or DVDs) to make easier the interchange of information in presentations such as Power Point, exercises, case study, etc., during the face-to-face classes. We also recommend the use of calculator and access to the Internet.

It is necessary to bring to class all theory and practice documentation loaded by the teacher in the virtual campus, calculator and chart of accounts.

## Tutorials

Tutorials have the aim of consolidating knowledge and abilities taught in the classes of the subject, at the same time will help to solve problems and doubts asked by the students. There will be an assessment and follow up of the different tasks in order to contribute to the understanding of the subject methodology and systems of assessment.

Besides, the university has a Personal Mentoring Service through which all undergraduate students is assigned to a personal mentor that will accompany him/her during the complete university period.