



*Kuwait University  
College of Business Administration  
Accounting Department*

## Course Syllabus

### ACCT 416: Cost & Managerial Accounting Spring 2018

Dr. Abdullah Alawadhi

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**Class hours:** Monday and Wednesday

**From:** 2:00pm to 3:15 pm (51)

**Room:** 107

**Office Hours:** Monday and Wednesday 12:30pm to 2:00pm or by appointment

## Course Description

*This course is an extension to Introduction to Cost and Managerial Accounting (Acc. 214). The course is designed to provide in more depth and detail the important aspects of cost and managerial accounting. It introduces the cost concepts, techniques and analytical procedures necessary for the determination of cost and its uses in planning, control, and decision making. The main topics include: Job and process costing, activity based costing, standard cost and variance analysis, cost allocation, joint cost allocation, capital budgeting, decentralization and performance evaluation, and Relevant cost and benefits in decision making.*

### **CBA Vision:**

*To be the leading provider of quality business education in the region.*

### **CBA Mission:**

*As part of Kuwait University, the leading national institution of higher education, the College of Business Administration is committed to providing quality business education, engaging in research and community services to contribute to the socio-economic development of the country.*

## **Course Objectives**

This course aims to achieve the following learning objectives through proper and balanced selection of relevant text material, exercises, and problems. These objectives are:

1. Contrast cost and financial accounting, explain the different cost concepts, and the code of conduct for management accountant
2. Demonstrate the manufacturing cost and the underlying accounts and preparing cost of goods manufactured and cost of goods sold schedules.
3. Identify the characteristics of the Job order and, the process costing systems and, outline the accounting process to accumulate the cost of materials, labor , and manufacturing overhead in job order costing systems.
4. Outline the accounting process for over – under applied overhead cost in job order costing.
5. Prepare process cost report and accounting for transferred-in cost.
6. Explain the difference between the traditional costing system and the activity based costing system (ABC), outlines the product or service using ABC, and compares the results of the ABC with the traditional cost system.
7. Distinguish between flexible budget and static budgets, and prepare flexible budget to analyze direct material, direct labor and manufacturing overhead variances.
8. Outline the capital investment decision, and the methods to determine the cash flows of the projects
9. Evaluate and select the capital investment by using payback period, accounting rate of return, net present value, and internal rate of return.
10. Allocation of joint cost between joint and by-products, and the relevance of joint cost allocation to decision making.
11. Understanding of segment reporting and its role in responsibility accounting and performance evaluation.
12. Prepare analysis of various, decisions, properly identify the relevant costs and benefits.

## **Class Materials**

- Textbook:** *R.W. Hilton 10th Global Edition. Managerial Accounting, McGraw-hill, Irwin*
- PowerPoint Slides:** Slides can be found on my website: [www.aalawadhi.com](http://www.aalawadhi.com)
- Mcgraw-Hill Connect:** [https://connect.mheducation.com/class/a-alawadhi-acc\\_416](https://connect.mheducation.com/class/a-alawadhi-acc_416)

## Course Requirements and Policies

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Grade	Course Requirement
10	Assignments
15	Quizzes
45	3 QTERM Exams (15 each)
30	Final Exam
<b>100*</b>	<b>Total</b>

Range	Grade
$\geq 95$	<b>A+</b>
90-94	<b>A-</b>
87-89	<b>B+</b>
83-86	<b>B</b>
80-82	<b>B-</b>
77-79	<b>C+</b>
73-76	<b>C</b>
70-72	<b>C-</b>
65-69	<b>D+</b>
60-64	<b>D</b>
$\leq 59$	<b>F</b>

\*Grades will be posted on my website: [www.aalawadhi.com](http://www.aalawadhi.com)

*You are responsible for knowing these policies  
"I didn't know" is not an excuse*

- **Respect.** Respect is number one priority. Show respect and you will be treated with respect. Do not chit chat in class, do not use cell phone in class, come prepared and show you did some effort.
- **Cheating.** All of the following acts will be considered as cheating:
  - Presenting work that you copied from someone else as yours
  - Talking to others during exams or quizzes
  - Looking over someone else's exam during the exam or quizzes
  - Using your mobile phone during exams or quizzes (regardless of what are you using it for)
  - Communicating with anyone else during any quiz or exam
    - **Punishment for cheating is as follows (from the university guidelines)**
      - Students will be given an F for ALL of their classes for that semester
      - Students can also be denied class registration for the next semester
- **Class Time.** Be on time for the lecture, I will not lock the door or not allow you to enter if you arrive late, but I will take note and this might affect your final curve
- **Make-up Exams.** Make-up Exams will be given for missed exams **only** with a University approved excused absence.
- **Professor – Students Communication.** For ease of communication between us, I will post announcements in twitter and myU related to my classes.
  - Twitter: @mas2rs
  - myU: mas2rs
- **Disability.** Any student who has a need for accommodation based on the impact of a disability should contact me privately to discuss the specific situation NO later than the first week. You should contact the Dean of Students Affairs Office for proper documentation to maintain an individualized service plan of accommodations.

## Tentative Class Outline

<b>Week</b>	<b>Chapter</b>	<b>Title / Topics</b>	<b>Page #</b>
Week 1	1	The Changing Role of Managerial Accounting In a Dynamic Business Environment	Pg. 4 to 23
Week 2	2	Basic Cost Management Concepts <ul style="list-style-type: none"> <li>• What do we mean by a cost?</li> <li>• Cost on financial statements.</li> <li>• Manufacturing cost flows.</li> <li>• Basic cost management concepts</li> </ul>	Pg. 36 to 55
Week 2	3	Product Costing and Cost Accumulation <ul style="list-style-type: none"> <li>• Product and service costing.</li> <li>• Flow of costs in manufacturing firms.</li> <li>• Types of product-costing systems.</li> <li>• Accumulating costs in a Job-Order Costing.</li> <li>• Illustration of Job-Order Costing.</li> </ul>	Pg. 80 to 97
<b>QTERM 1 CHAPTERS 1 – 2 – 3</b>			
Week 4	5	Activity-Based Costing and Management <ul style="list-style-type: none"> <li>• Traditional Volume-Based product costing</li> <li>• The Activity-Based Costing (ABC) system</li> </ul>	Pg. 166 to 178
	4	Process Costing and Hybrid Product-Costing Systems <ul style="list-style-type: none"> <li>• Comparison of Job-order and Process costing</li> <li>• Equivalent Units: A key Concept.</li> <li>• Illustration of Process Costing.</li> </ul>	Pg. 134 to 144
<b>QTERM 2 CHAPTERS 4 – 5</b>			
Week 5	10	Standard Costing and Analysis of Direct Costs	ALL
Week 8&9	11	Flexible Budgeting and Analysis of Overhead Costs <ul style="list-style-type: none"> <li>• Overhead budgets.</li> <li>• Flexible overhead budget illustrated.</li> <li>• Overhead Application in a standard-costing system.</li> <li>• Choice of Activity measures.</li> <li>• Cost management using overhead cost variances.</li> </ul>	Pg. 454 to 467
<b>QTERM 3 CHAPTERS 10 – 11</b>			
Week 11&12	13	Investment Centers and Transfer Pricing <ul style="list-style-type: none"> <li>• Delegation of decision making.</li> </ul>	Pg. 544 to 552
Week 13&14	14	Decision Making: Relevant Costs and Benefits <ul style="list-style-type: none"> <li>• Relevant information.</li> <li>• Identifying relevant costs and benefits.</li> <li>• Special decisions in manufacturing firms (Joint Product Costs).</li> </ul>	Pg. 591 to 605
Week 13&14	16	Capital Expenditure Decisions	ALL
<b>FINAL EXAM (QTERM 4) 15/05/2019 12:00-14:00</b>			