

DBS SCHOOL OF BUSINESS

LJMU DEGREE PROGRAMMES

MODULE PROFORMA

Module Title: Cost Accounting

Level: 2

Assessment: Continuous Assessment: 30%

Examination: 70%

Prerequisites: Accounting;

Credits:12

Objectives

- To provide students with a working knowledge and understanding of cost accounting principles, concepts and techniques.
- To develop in the student an appreciation of the nature, function, format and value of internal reporting.

Learning Outcomes:

On completion of this module students will have acquired the skills to:

- Understand the importance of cost and management accounting in the modern business environment.
- Apply the principles of cost allocation and apportionment in both absorption and marginal costing environments.
- Accumulate and allocate costs to units of production in job, batch and process costing systems, for the purpose of stock valuation and profit measurement.
- Compare traditional costing techniques and contrast with more modern techniques.
- Identify the relevant costs in basic decision-making.
- Develop the use of budgets for planning and compute basic variances for control purposes.

Syllabus:

Introduction to Cost Accounting

- Nature and scope of Cost Accounting. Financial Accounting v Cost Accounting in a modern business environment.

Cost Accumulation

- Cost classification. Cost collection and allocation: Materials; Stock control (JIT; EOQ); Labour and Overheads. Absorption costing and Activity-based costing techniques. Marginal and absorption costing profit statements.

Cost Collection Methods

- Job costing. Batch costing. Contract costing. Process costing (including Joint products and By- products).

Information for Decision Making

- Cost Volume Profit analysis. Variable / Fixed / Semi Variable and Stepped costs.
- Decision-making scenarios. Financial and non-financial information.

Information for Planning and Control

- Introduction to budgeting. Stages in the budgeting process. Functional and master budgets. Fixed and flexible budgets. Behavioural aspects.

Standard Costing and Variance Analysis

- Types of standard. Calculating standard cost. Use of standard cost information. Calculation of basic variances. Reconciliation reports. Interpretation of variances.
- Interrelationships between variances.

