

ITEM		
1. Title of subject	Cost and Management Accounting	
2. Subject code	DBA 202	
3. Status of subject	Compulsory	
4. Stage	Diploma	
5. Credit Hours	Four (4)	
6. Pre-requisite	None	
7. Assessment	30% Coursework Test 1 (15%) and Test 2 (15%) 70% Examination	
8. Semester	Semester 4, Year 2	
9. Objective of subject	<p>Upon completion of the unit, students will be able to:</p> <p>(a) Select appropriate methods and techniques, which an organization can use to calculate costs under different situations.</p> <p>(b) Construct budgets for both planning and control purposes, including cash flow forecasts.</p> <p>(c) Describe all aspects of working capital management and explain how information technology can assist when preparing information for management.</p> <p>(d) Describe Capital Investment Appraisal and Financial Mathematics.</p>	
10. Synopsis of subject	<ul style="list-style-type: none"> • Provide a thorough understanding of costing principles and techniques and their application to differing types of organization, • Analyse, criticize and evaluate information for cost ascertainment, planning, control and decision-making. 	
11. Details of Subject	Contents	Hours

Week 1 & 2	<p>Topic: 1. CONTROL SYSTEMS REQUIRED FOR MATERIALS, LABOUR AND OVERHEADS</p> <ul style="list-style-type: none"> • Nature of costs, classification of costs and cost behaviour, • Problems allocation/apportionment of overheads, pricing of materials, calculation of overhead absorption rates. <p>Learning Outcomes: After completing this unit, students should be able to:</p> <ul style="list-style-type: none"> • Describe the nature of costs, classification of costs and cost behaviour, • Describe the accounting for materials, labour and overheads. <p>Activity: - lectures / tutorials / discussions</p> <p>Further reading for this lesson: 1) Lucey, Chapter 1 to 9 2) Drury, Chapter 1 to 4</p>	8
Week 3	<p>Topic: 2. ANALYSIS OF DATA ACCORDING TO VARIOUS COST CLASSIFICATIONS AND THE EFFECT OF VOLUME ON COSTS</p> <ul style="list-style-type: none"> • Cost-Volume-Profit Analysis (Break-even Analysis) Assumptions • A mathematical approach to Cost-Volume-Profit Analysis • Margin of safety • Constructing the break-even chart and profit/volume chart. <p>Learning Outcomes: After completing this unit, students should be able to:</p> <ul style="list-style-type: none"> • Describe the major assumptions behind C-V-P analysis that must be stated, • Calculate contribution per unit, total contribution and required sales for a given profit, • Solve simple break-even calculations using the mathematical and graphical approach. <p>Activity: - lectures / tutorials / discussions</p> <p>Further reading for this lesson: 1) Lucey, Chapter 21 2) Drury, Part 2 Chapter 5</p>	4
Week 4 & 5	<p>Topic: 3. DIFFERENCE OF COST SYSTEMS BY ACTIVITY</p> <ul style="list-style-type: none"> • Difference between job costing and process costing, • Characteristics of process costing, equivalent units, methods of pricing, • Normal and abnormal waste, joint and by products, • Methods of apportionment of joint costs. 	8

	<p>Learning Outcomes: After completing this unit, students should be able to:</p> <ul style="list-style-type: none"> • Describe the flow of costs in job and process costing system, • Solve the calculation of normal and abnormal losses, accounting for the sale of scrap and abnormal gain, • Describe the concept of equivalent units and cost elements, • Adopt the methods of apportioning joint costs to joint products, accounting for by-products, scrap and waste. <p>Activity: - lectures / tutorials / discussions / Assignment</p> <p>Further reading for this lesson: 1) Lucey, Chapter 15 & 16 2) Drury, Part 2 Chapter 6 & 7</p>	
Week 6	<p>Topic: 4. USE OF COSTS FOR SHORT-TERM DECISION MAKING</p> <ul style="list-style-type: none"> • Marginal costing, key factors, opportunity costs, sunk costs, differential costs, qualitative aspects. <p>Learning Outcomes: After completing this unit, students should be able to:</p> <ul style="list-style-type: none"> • Describe the use of costs for short-term decision making, • Describe the meaning and application of key factors, opportunity costs, sunk costs and differential costs. <p>Activity: - lectures / tutorials / discussions</p> <p>Further reading for this lesson: 1) Lucey, Chapter 20 2) Drury, Part 3 Chapter 10 3) Glautier, M. W. E., & Underdown, B. (1987). <i>Cost Accounting</i>. London: FT Prentice Hall. Chapter 13.</p>	4
Week 7 & 8	<p>Topic: 5. ABSORPTION AND MARGINAL COSTING</p> <ul style="list-style-type: none"> • Fixed, securifixed and variable overheads, • Valuation of closing stock under absorption and marginal costing, • Presentation of Income Statement under Absorption and Marginal Costing, • Some arguments in support of marginal costing and absorption costing, • Absorption costing and marginal costing: a comparison of their impact on profit. <p>Learning Outcomes: After completing this unit, students should be able to:</p> <ul style="list-style-type: none"> • Calculate closing stock under absorption and marginal costing method, • Construct Income Statement under Absorption and Marginal Costing, • Describe the impact on profit by using both methods. 	8

	<p>Activity: - lectures / tutorials / discussions / TEST 1</p>	
	<p>Further reading for this lesson: 1) Lucey, Chapter 19 2) Drury, Part 2 Chapter 8</p>	
Week 9 & 10	<p>Topic: 6. BUDGETARY CONTROL</p> <ul style="list-style-type: none"> • Budgeting Process • Functional Budget • Cash Budget • Master Budget • Flexible Budget 	8
	<p>Learning Outcomes: After completing this unit, students should be able to:</p> <ul style="list-style-type: none"> • Describe the importance of budget and budget process, • Construct the respective budgets accordingly. 	
	<p>Activity: - lectures / tutorials / discussions</p>	
	<p>Further reading for this lesson: 1) Lucey, Chapter 23 2) Drury, Part 4 Chapter 13 3) Glautier, M. W. E., & Underdown, B. (1987). <i>Cost Accounting</i>. London: FT Prentice Hall. Chapter 14.</p>	
Week 11 & 12	<p>Topic: 7. STANDARD COSTING</p> <ul style="list-style-type: none"> • Nature and Purpose • Setting Standards • Types of Standards • Standards Hours • Material Variances • Labour Variances • Variable Overhead Variances • Fixed Overhead Variances • Sales Variances 	8
	<p>Learning Outcomes: After completing this unit, students should be able to:</p> <ul style="list-style-type: none"> • Describe the nature and purpose of standard costing, cost variances and sales variances as well. 	
	<p>Activity: - lectures / tutorials / discussions</p>	
	<p>Further reading for this lesson: 1) Lucey, Chapter 24, 25 & 26 2) Drury, Part 4 Chapter 15</p>	

Week 13 & 14	8. INVESTMENT APPRAISAL – CAPITAL BUDGETING <ul style="list-style-type: none"> • Theory – uses, advantages and disadvantages. • Compounding and Discounting • Discounted pay-back method • Internal rate of return method • Net present value • Accounting rate of return (ARR) • Advantages and disadvantages of ARR • Comparison 	8				
	Learning Outcomes: After completing this unit, students should be able to: <ul style="list-style-type: none"> • Describe the uses, advantages and disadvantages of investment appraisal, • Make use of all the methods shown above. 					
	Activity: - lectures / tutorials / discussions / TEST 2					
	Further reading for this lesson: 1) Drury, C. (1998). <i>Cost Accounting Revision Guide</i> . Heinemann Professional Publishing. Chapter 10. 2) Lucey, Chapter 22 3) Drury, Part 3 Chapter 12					
	Total	56				
12. Text	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%; padding: 5px;">Compulsory</td> <td style="padding: 5px;">Lucey, T. (1996). <i>Costing</i> (5th ed.). London: Letts Educational.</td> </tr> <tr> <td style="padding: 5px;">Reference</td> <td style="padding: 5px;"> Drury, C. (1994). <i>Costing: An Introduction</i> (3rd ed.). London: Chapman & Hall. Horngren, C. T., & Foster, G. (1996). <i>Cost Accounting: A Managerial Emphasis</i> (8th ed.). New Jersey: Prentice Hall. Jagolinzer, P. (2000). <i>Cost Accounting: An Introduction to Cost Management Systems</i>. Australia: South-Western College Publication. Neish, W. J., & Banks, A. (1996). <i>Management Accounting: Principles and Application</i>. NY: McGraw Hill. Williamson, D. (1996). <i>Costing and Management Accounting</i>. London: Prentice Hall. </td> </tr> </table>	Compulsory	Lucey, T. (1996). <i>Costing</i> (5 th ed.). London: Letts Educational.	Reference	Drury, C. (1994). <i>Costing: An Introduction</i> (3 rd ed.). London: Chapman & Hall. Horngren, C. T., & Foster, G. (1996). <i>Cost Accounting: A Managerial Emphasis</i> (8 th ed.). New Jersey: Prentice Hall. Jagolinzer, P. (2000). <i>Cost Accounting: An Introduction to Cost Management Systems</i> . Australia: South-Western College Publication. Neish, W. J., & Banks, A. (1996). <i>Management Accounting: Principles and Application</i> . NY: McGraw Hill. Williamson, D. (1996). <i>Costing and Management Accounting</i> . London: Prentice Hall.	
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