

J. Sargeant Reynolds Community College

Course Content Summary

1. **Course Prefix and Number:** ACC 231 **Credits:** 3
2. **Course Title:** Cost Accounting I
3. **Course Description:** Studies cost accounting methods and reporting as applied to job order, process, and standard cost accounting systems. Includes cost control, capital budgeting, and pricing decisions. Prerequisite: ACC 212 or equivalent. Lecture 3 hours per week. Offered in fall.
4. **General Course Purpose:** An introductory course in manufacturing accounting designed for two year accounting majors and non-curricular students
5. **Prerequisites / Corequisites:** ACC 212 or equivalent
6. **Course Objectives:**
Upon successful completion of the course, the student will be able to:
 - a. set up and maintain a double-entry set of books for job order and process costing systems.
 - b. classify costs as fixed, variable, or semi-fixed (step) or semi-variable (mixed) and compute the breakeven point for a product.
 - c. compute material, labor, and overhead variances and make the corresponding journal entries.
 - d. prepare a master budget including sales, production, material purchases, labor, & manufacturing overhead budgets.
 - e. use capital budgeting analysis including net present value, internal rate of return, and payback period to evaluate long term equipment purchases.
7. **Major Topics to be Included:**
 - a. Cost Behavior and Terminology
 - b. Job Order and Process Costing Systems
 - c. Computing Manufacturing Overhead Rates and Flexible Budgets
 - d. Computing Variances for Material, Labor, and Overhead
 - e. Constructing a Master Budget for a Manufacturing Firm
 - f. Computing the Breakeven Point and Preparing a Cost-Volume-Profit Analysis
 - g. Evaluating Fixed Asset Acquisitions with Capital Budgeting Analysis
8. **Effective Date of Course Content Summary:** October 1, 2008