

**J. Sargeant Reynolds Community College
Course Content Summary**

Course Prefix and Number: ACC 231

Credits: 3

Course Title: Cost Accounting I

Course Description: Studies cost accounting methods and reporting as applied to job order, process, and standard cost accounting systems. Includes cost control, responsibility accounting, capital budgeting, and pricing decisions. Prerequisite: ACC 212 with a grade of “C” or higher. Lecture 3 hours per week.

General Course Purpose: An intermediate course in manufacturing accounting designed for two-year accounting majors and non-curricular students

Prerequisites and Co-requisites:

Prerequisite: ACC 212 with a grade of “C” or higher

Course Objectives:

Upon completing the course, the student will be able to

- a. Classify costs as product and period in addition to fixed, variable, mixed, or step;
- b. Perform cost-volume-profit analysis;
- c. Distinguish between relevant and non-relevant costs;
- d. Calculate product costs using job costing and process costing;
- e. Assign service department and joint costs;
- f. Understand traditional and activity-based-costing method to assign overhead costs;
- g. Demonstrate responsibility accounting and pricing; and
- h. Use capital budgeting analysis, including net present value, internal rate of return, accounting rate of return, and payback period to evaluate long-term equipment purchases.

Major Topics to Be Included:

- a. Cost behavior and terminology
- b. Job order and process costing systems (weighted average and FIFO)
- c. Break-even, target profit, margin of safety, and contribution margin and operating leverage
- d. Residual income and return on investment
- e. Estimate fixed and variable costs using high-low method, scatter graph, and regression analysis
- f. Special order, outsourcing, and segment elimination decisions

Effective Date of Course Content Summary: May 10, 2017