

**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. Offered fall semester only. 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:** Spring, 2018