ACCT 7310: Advanced Cost Accounting
Spring 2015, Wednesday, 7:10–10:10 p.m., Room 265, Fogelman Classroom Bldg.
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Office Hours: Wednesday 4:00–5:30 and 6:00–7:00 p.m. or by appointment. I will be glad to see you if I’m in the office.

Course Description/Objectives
Catalog Description: Budgets, determination of standards, variances and their functions, cost reports, profit projecting, direct costing, gross profit and breakeven analysis, cost-profit volume analysis, capital expenditure control, comparative cost analysis. PREREQUISITE: ACCT 3310 or ACCT 7110.

Course Objectives: This course highly technical, and is designed to expand upon the principles of cost accounting learned in a basic course such as ACCT 3310. I have found that students can benefit from a review that takes a deeper look at the “basics,” we will first spend some time on such a review. Then we will explore more complex decision analyses, which will often stress the importance of thinking beyond the numbers. We will focus on topics such as the following: understanding cost behavior, activity-based costing, variance analysis (including sales variances), inventory management, pricing decisions, behavioral aspects of budgeting, the balanced scorecard, transfer pricing, and performance measurement. Collectively, this analysis should provide a broad basis for understanding the comprehensive role of cost and managerial accounting.

Note: The details of the class will depend somewhat upon the size of the class. The current limit is 30, but 12 are enrolled as of December 27, 2014. If the class ultimately is small, I can assign and grade more problems on exams, but a large class will require more multiple-choice questions. I’ll keep you posted.

Required Text


- I do not require or recommend the “My Accounting Lab” license, as my students have not found it useful.
- This 14th edition is available cheap, used, from Amazon.com, etc.
- Do not buy any other edition.

This textbook is the “gold standard” cost accounting book, first published 50 years ago, and most other cost accounting books are patterned after it.
Other readings will be from articles in professional journals, as well as cases from the Institute of Management Accountants and other free sources. Articles that I post on my website at www.profbailey.com will be security-protected; you are entitled to all of them, but I don’t want to violate copyright law by allowing the general public access. The password to all of the pdf files posted on my website is swordfish trombones.

Class Grading
The course grade will be computed as follows:
Quizzes (four during the term) 40% (online or take-home)
Two Cases 30%
Final Exam 30% (in class) 100%

Grading for the course will be on the traditional scale of 90–100 = A range, 80–89 = B range, etc. Within each letter grade category, I will assign + or - to those in the top or bottom three points (for example, 98–100 = A+, 90–92 = A-).

Attendance Policy: Regular attendance is critical to the successful completion of the course. No more than two unexcused absences are allowed.

Student Disability Services
If you have special needs related to the course, I will gladly work with you to facilitate your success. Student Disability Services is located in 110 Wilder Tower, phone 678-2880.

Code of Conduct
Obviously, the University regulations for expected conduct apply. Please visit this page and review these important ethical guidelines: http://www.memphis.edu/fcbe/integrity.

For the quizzes, cases, and final exam, I will ask you to sign statements that the work is your own.

Stay in touch. I look forward to working with you this semester.
### Preliminary Schedule—ACCT 7310—Spring 2015

(This initial outline will evolve substantially.*)

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<tr>
<th>Date</th>
<th>Assignments to Prepare before Class (except first day)</th>
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| 1/28 | • Read Ch. 3 (CVP Analysis) with extended coverage of uncertainty. Work Pr. 25, 32, 38, 39, 40, and 44.  
      • Read Ch. 5, Activity-Based Costing |
| 2/4  | Ch. 5, Activity-Based Costing/Management: Problems 32, 35, and 36.  
      Prepare to discuss the following in groups:  
      • ABC case study [Forest Hill Paper Co](#)  
      • Cases in ethics (Textbook Pr. 1-29, 2-41)  
      Review Ch. 7 on Standard Costing ("Flexible Budgets, Direct-Cost Variances, and Management Control"). We will promptly move on to the material in the Appendix (pp. 248-249) and related material in Ch. 14 on Sales Mix and Sales Quantity variances. |
| 2/11 | QUIZ 1 due; Ch. 7 & 14 Standard Costing and variance Analysis: Problems on variance analysis 7-24, 26, 34, and 39; 14-23. |
| 2/18 | Ch. 9, Comparing Inventory Costing Methods; Problems 9-16, 17, 25, 26, 32, and 33. |
| 2/25 | Ch. 10, Determining How Costs Behave. Emphasis on proper use of regression analysis and on use of learning-curves to forecast costs |
| 3/4  | Ch. 10 Problems 10-18, 20, 25 (also answer using regression instead of hi/lo), 27, 29 , 30, 32 (compute the regression yourself in Excel), 36, 40, and 41.; Read Ch. 15: Allocation of Support Department Costs, Common Costs, and Revenues |
| (3/11) | Spring Break week |
| 3/18 | QUIZ 2 due; Ch. 15 continued |
| 3/25 | **Case 1 Due**  
      Ch. 15 continued: Problems from Ch. 15: 28, 33 & 35.  
      Read this cost-allocation case and be prepared for group discussion: Compliance with Title IX at Kingston State University |
| 4/1  | • Study Ch. 17: Process Costing, including Appendix.  
      • Be prepared to discuss the Kingston State case. |
| 4/8  | Problems, Ch. 17, Process Costing: 17-30 through 17-34 and 17-41. |
| 4/15 | QUIZ 3 due  
      Ch. 20: Inventory Management, Just-in-Time, and Simplified Costing Methods |
| 4/22 | Problems from Ch. 20; 16, 18, 20, 22, 27, 28, 32, 36. Pr. 20-36 will be the basis for a group discussion and deliberation. |
| 4/29 | QUIZ 4 due. Review material. |
| 5/6  | Final Exam (comprehensive) Note: We will start at the usual 7:10 time. |

*This preliminary schedule is based on the Spring 2014 class content. I covered some of this material in ACCT7320, in Fall 2014, and I will not cover it in the current course. We have plenty of other material to draw upon!*