

Al al-Bayt University

**Faculty of Finance and Business
Administration**

Accounting Department

Module Handbook

2015-2016

ADVANCED COST ACCOUNTING

Dr. Mohammad Alhadab

1 Module descriptor

Advanced Cost Accounting

Module Leader Mohammad Alhadab

Credits 3 hours

Semester in which taught 1 & 2

Programmes of study:

Compulsory MA in Accounting

Optional All other programmes

Pre-requisite qualifications A pass at the undergraduate level of the following modules:
Cost Accounting I, Cost Accounting II, Managerial Accounting,

Learning objectives

On completion of this module, students will be able to:

- Describe how cost accounting supports management accounting and financial accounting.
- Define and illustrate a cost object.
- Understand the assumptions underlying cost-volume-profit (CVP) analysis.
- Describe the building-block concepts of costing systems.
- Explain undercosting and overcosting of products and services.
- Distinguish a static budget from a flexible budget.
- Explain in what ways the planning of variable overhead costs and fixed overhead costs are similar and in what ways they differ.
- Identify what distinguishes variable costing from absorption costing.
- Explain the two assumptions frequently used in cost-behavior estimation
- Discuss the three major influences on pricing.

Syllabus covered

- An introduction to cost terms and purposes
- Job costing
- Activity based costing and activity based management
- Flexible budgets, overhead and direct cost variances, and management control
- Inventory costing and capacity analysis
- Cost allocation, customer profitability analysis, and sales-variances analysis.
- Cost allocation: joint product and byproduct.
- Inventory management: Just-in-time and simplified costing method.
- Spoilage, rework, and scrape
- Balanced scorecard: quality and time.

Form of Teaching

Lectures: 3 hour lecture a week

Monitoring of progress

The methods of formative feedback used on the module include:

- Class questions supported with model answers and success criteria

Form of Assessment

First exam 30% -2 hour exam

Research paper and presentation 30%

Final exam 40% - 2 hours exam.

Contact Details:

Module Lecturer: **Dr. Mohammad Alhadab**

Tel: **026297000**

Room:

E-mail: M.Alhadab@aabu.ac.uk

Academic support hour: **Sunday-Wednesday 10.00-11.00**

Profile:

If you have questions about the material covered in specific lectures please contact Dr. Alhadab. Outside academic support hours, if you need to contact the Lecturers to make an appointment then please contact them by e-mail.

If you are anxious about the module, please contact the Module Leader sooner rather than later in order to sort out any difficulties.

2 Module delivery structure

Relationship of delivery methods to objectives.

The lectures are intended to provide you with essential information, to help you structure that information and to be a source of explanation. The classes are a vehicle for you to build on the knowledge gained in the lectures, to develop a methodology for applying your knowledge to problems and to refine your analytical and oral communication skills.

Lectures

There will be 1 lecture over 16 weeks during the semester. Weeks and topics are set out in the timetable below. Lectures will take place from 2.00 until 5.00 on Wednesday throughout Semester 1. The venue will be the [Faculty of Finance and Business Administration](#).

Week by week overview of lectures:

Week	Topics	Reading
1-2	An introduction to cost terms and purposes	
3-4	Job costing	
5-6	Activity based costing and activity based management	
7-9	Flexible budgets, overhead and direct cost variances, and management control	
10-11	Inventory costing and capacity analysis	
12-14	Cost allocation, customer profitability analysis, and sales-variances analysis	
15	Cost allocation: joint product and byproduct.	
16	Inventory management: Just-in-time and simplified costing method.	
16	Spoilage, rework, and scrape Balanced scorecard: quality and time.	

Attendance at lectures is compulsory. Failure to meet the attendance may result in being excluded from the module. Even if that does not occur, failing to meet the work requirements is likely to reduce your chances of obtaining a good result.

3 Reading list and Resources

Reading List

Essential reading:

Cost Accounting A Managerial Emphasis, Horngren, Datar, Rajan

Fifteenth Edition