Southeast Missouri State University

Department of Accounting

Course No: AC631

Title of Course: Advanced Cost Analysis

Revision: Fall 2010

I. Catalog Description and Credit Hours of Course:

Study and application of strategic cost/managerial accounting concepts and procedures. (3)

II. Prerequisites: AC331 or its equivalent with a minimum grade of ‘C,’ BA 660, or consent of instructor.

III. Purposes or Objectives:

A. Donald L. Harrison College of Business Assurance of Learning Goals

For the Bachelor of Science in Business Administration degree program:
1. Proficiency in written and oral communication (BSBA1).
2. Demonstrated effective use of technology (BSBA2).
3. Demonstrated awareness and understanding of other cultures (BSBA3).
4. Demonstrated knowledge of the fundamentals of business disciplines (BSBA4).
5. Demonstrated critical thinking skills involving business and ethics (BSBA5).

For the Masters of Business Administration degree program:
1. Proficiency in oral/written communication (MBA1)
2. Advanced knowledge of business principles and concepts (MBA2)
3. The application of critical reasoning to business problems and ethical dilemmas (MBA3)
4. The development of upper level management and leadership, with reference to a diverse and global environment (MBA4)
5. Executive level mastery of technology (MBA5)

B. University Studies objectives:
1. Demonstrate the ability to locate and gather information (US1).
2. Demonstrate capabilities for critical thinking, reasoning, and analyzing (US2).
3. Demonstrate effective communication skills (US3).
4. Demonstrate an understanding of human experiences and the ability to relate them to the present (US4).
5. Demonstrate an understanding of various cultures and their interrelationships (US5).
6. Demonstrate the ability to integrate the breadth and diversity of knowledge and experience (US6).
7. Demonstrate the ability to make informed, intelligent value decisions (US7).
8. Demonstrate the ability to make informed, sensitive aesthetic responses (US8).
9. Demonstrate the ability to function responsibly in one’s nature, social, and political environments (US9).
C. Course:
Upon completion of this course a student should be able to:
1. understand and discuss current cost management strategies and their roles in decisions for cost allocation, capital budgeting, performance evaluation, and risk management (BSBA1, BSBA2, BSBA4, BSBA5, US1, US2, US3, US7, US9, MBA1, MBA2,)
2. perform, understand, and apply advanced computer decision aides such as linear programming or simulation techniques to management accounting decisions BSBA2, BSBA4, BSBA5, US7, US2, MBA2, MBA5).
3. apply acquired professional skills in managing data, extracting information, and communicating it to others (BSBA1, BSBA2, BSBA5, US1, US2, US3, US9, MBA1, MBA2)
4. identify, explain, and use relevant information in decision making (BSBA1, BSBA4, BSBA5, US1, US2, US3, MBA 1, MBA2, MBA3).

IV. Expectations of Students:
A. demonstrate an understanding of the concepts & processes involved in strategic cost management
B. seek out and demonstrate practical application of strategic cost management techniques & processes
C. complete a graduate level research project/paper if seeking graduate credit
D. attend all class meetings
E. prepare all class assignments in advance
H. commit at least two hours of time spent outside class for each hour in class

V. Course Content or Outline:
A. Cost Management & Strategy, Including Ethical Considerations 3 hrs
B. Implementing Strategy: The Balanced Scorecard & Value Chain Analysis 3 hrs
C. Cost Terminology, Estimation & Expanded Cost Volume Profit Analysis 3 hrs
D. Variable & Absorption Costing, Including Statement Formats 3 hrs
E. Activity-Based Costing, Budgeting, & Management, Including Benchmarking & Kaizen Costing 6 hrs
F. Decision Making & Modeling, Including Capital Budgeting, the Theory of Constraints, & Linear Programming 9 hrs
G. Total Quality Management & Inventory Control, Including JIT, Backflush Costing, & Theory of Constraints 3 hrs
H. Product Life Cycle Costing; Product/Service Pricing 3 hrs
I. Productivity Measurement, Including Output/Input Ratios & Yield Variances 3 hrs
J. Strategic Performance Evaluation, Including Responsibility Centers & Incentive Plans 3 hrs
K. Transfer Pricing, Including International Issues 3 hrs
L. Exams 3 hrs
45 hrs

VI. Textbook(s) and/or Other Required Materials or Equipment:

VII. Basis for Student Evaluation:

(Note: The weight of evaluation criteria may vary at the discretion of the instructor and will be indicated at the beginning of each class.)

The evaluation of students will be based on:

A. Performance on all projects
B. Performance on examination(s)
C. Performance level on assignments
D. Completion of a research project/paper (graduate student requirement).