Southern Illinois - Carbondale  
Accounting 331  
Cost Accounting  
Syllabus  
Spring 2015

Faculty: Royce D. Burnett, PhD, CPA, CMA, CGMA

Office Location: Rehn Hall 224A

Office Hours

Contact Data: TR 8:00 AM – 9:30 AM 618-453-1490 broyce@cba.siu.edu

Class Information: TR 9:35 AM – 10:50 AM

Class Location: Rehn Hall Room 18

Textbook and Other Class Materials:

- Supplemental materials will be provided in class or will be available on the class website

Course Instructor:
Welcome to Cost Accounting 331. I know about you and encourage that you learn a little bit about me. As a bit of background about my thoughts on teaching and classroom interaction, please review Page 6 of this syllabus.

Course Description and Learning Objectives:
This course focuses on the use of accounting information in reporting managerial performance and making business decisions. The course covers the preparation and use of Cost and Managerial accounting information in business planning, budgeting, break-even analysis and pricing. Some of the topics covered include the interpretation and managerial implications of material, labor, and overhead for job order; process and standard cost systems; cost-volume-profit relationships; direct costing; budgeting; complex process production flows; and spoilage and scrap. The key objectives for the course are to ensure that a student will:

- Be able to expand on current knowledge about Accounting II Managerial (Acct 230)
- Be able to associate large amounts of data and understand how it can be categorized for decision making
- Be able to understand cost concepts and classifications
- Be able to use cost accounting information for income determination, product costing, and process control
- Be able to understand and apply cost accumulation and allocation systems with particular emphasis on job order, process, and standard costing
- Become familiar with recent costing innovations and how they compare to and improve traditional costing systems
- Understand the cost volume profit relationships and how decision making is affected by them
- Be able to effectively answer cost/managerial questions on the CPA/CMA examinations
- Introduce you to the research side of accounting

To achieve these objectives, we will have to work as a team. To do so, the course is designed as follows. First, together we will strive to create a positive and creative environment for learning. That means that I will try to present material in a concise, valued added manner. Second, an appropriate mix of technical and real world examples will be provided. Third, relevant reading and problem assignments will be presented and discussed in class. To help you, I have developed customized handouts or “packets” that cover the class material on a chapter by chapter format. These handouts will either be available on Desire to Learn or will be provided in class. It is important that you understand that the handouts are not a substitute for reading the chapters. Instead, think of them as a guide for study and a supplement to the textbook. Changes, if required, to these and other supplemental materials may be made during class. Therefore, it is important that you attend class on a regular basis.
Class Content, Homework Assignments and Class Participation:
The main focus during the semester is to create an open and positive learning environment that benefits all students. I want you to realize that Accounting is a pretty good subject area and that there is value in Cost/Managerial concepts. The work schedule for this course can be found on Page 5 of this syllabus. Any changes to this schedule will be announced in class.

The workload of the class is designed to challenge but not overwhelm students. As such, the approach to the class is not to assign homework but instead, to provide problems that we can review and solve together as a team. It is my intent to discuss problems that mirror those at the end of each chapter. In doing so, I am providing additional material that allows you to be successful. The problems presented in class should be taken seriously because:

1) They provide representative examples of what I consider the more critical materials in the chapter and
2) They can act as a guide for what you might expect to encounter on an exam

In addition, you may wish to sharpen your knowledge using the end of chapter problems. To help you, the solutions to all of the problems for all chapters covered in class will be available on Desire to Learn. Finally, you are always welcomed and even encouraged to come to see me for additional explanations of any problem in the chapter.

Exams, Quizzes and Grade Distribution:
Exams will be administered to provide evidence of your understanding of the chapter contents. As denoted in the table below, there will be three non-comprehensive exams (TWO regular and ONE final) given during the term. All exams will be in a multiple choice format. Now to the administration of exams. Specifically, unless there are extremely exceptional conditions (illness, major family circumstances, etc.), no make-up exams will be given during the term. If, however, an exceptional condition does emerge that causes you to miss an exam, you must contact me PRIOR to the exam date or you will receive ZERO points on the exam. Note, informing me AFTER an exam has been administered is not acceptable. Also, do not rely on a phone message as notification. Specifically, you must contact me in person prior to missing an exam.

In addition to the exams, two non-comprehensive quizzes will also be administered. These quizzes will be given prior to each of the two regular exams in order to introduce the student to exam formats and to provide constructive feedback prior to the exams. The rigor of these quizzes will match that of the exams – please be prepared. All of the rules related to missing an exam (see above) also apply to missing a quiz.

The Weighted Class Activity and Letter Grade Point Distribution Tables for the class are as follows:

**Weighted Class Activity Table**

<table>
<thead>
<tr>
<th>Description</th>
<th>Points</th>
<th>Frequency</th>
<th>Total Points</th>
<th>% of Course Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exam 1</td>
<td>100</td>
<td>1</td>
<td>100</td>
<td>28.6%</td>
</tr>
<tr>
<td>Exam 2</td>
<td>100</td>
<td>1</td>
<td>100</td>
<td>28.6%</td>
</tr>
<tr>
<td>Final</td>
<td>100</td>
<td>1</td>
<td>100</td>
<td>28.6%</td>
</tr>
<tr>
<td>Quizzes</td>
<td>25</td>
<td>2</td>
<td>50</td>
<td>14.2%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>350</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

**Letter Grade Percentage Point Distribution Table**

<table>
<thead>
<tr>
<th>Letter Grade</th>
<th>Percent Range</th>
<th>Letter Grade</th>
<th>Percent Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>90</td>
<td>C</td>
<td>70</td>
</tr>
<tr>
<td>B</td>
<td>80</td>
<td>D</td>
<td>60</td>
</tr>
</tbody>
</table>

Failing Grade (F): Below 60

**Extra Credit and Grade Computation:**
Students often ask if there is anything they can do to improve their grades. I view this as a valid request because students often have a bad day that just so happens to coincide with a quiz or test time. Also, students may not have understood a lecture and might need reinforcement prior to a quiz or exam. In order to provide students with this additional insight, as well as to keep them focused on the material, I will allow each student to EARN extra credit points via extra credit exercises. Specifically, as the presentation of chapter material nears completion, I will administer an in-class extra-credit exercise. Each exercise will consist of a SINGLE multiple choice
question that will be worth one (1) point **IF ANSWERED CORRECTLY.** The subject matter of the exercise will come from the last chapter discussed. The timing of all exercises will be announced ahead of time – they are not designed to be “pop” quizzes. Throughout the semester, twelve (12) exercises will be administered. Thus, a total of 12 extra credit points are possible. However, please note that because these are extra credit points, students will not be allowed to MAKE THEM UP. Specifically, if you miss the class when an exercise is administered, you forfeit your chance to earn the extra point associated with that exercise. Finally, because these are extra credit points, they will help but not hurt you. This means that the 12 points will be added to your cumulative points but will not affect the base that will be used to compute letter grades. Specifically, the maximum points you could EARN in the class will total to 362 (350 base plus 12 extra points) but the base USED to assign grades will remain at 350. For instance, the minimum amount of points needed to earn a letter grade of “A” would be computed as follows:

\[
\text{Letter Grade Base} \times \frac{\text{Percent}}{100} = 350 \times 0.90 = 315
\]

Restated, the [base* ratio percent] product will be compared to the points you have earned to assign a letter grade for the class. For example, say you are the best student ever to come to SIU Carbondale and you earned all possible points. Your total points of 362 would be compared to the base (350) times the percents (i.e., 90, 80, 70 or 60) to determine your letter grade assignment.

**Research Component:**
Recently, the Illinois Board of Examiners implemented a mandate relative to the criteria required to sit of the Uniform CPA exam. Specifically, in order to sit for the Uniform CPA exam in the state of Illinois, student must show evidence of proficiency in research at the undergraduate level. Accounting 331 is a course that has been chosen to assist students to adhere to this requirement. As such, students in the course will be required to perform an independent research project. This project will be discussed in a more in-depth basis in class.

**General Information:**
*Calculators:* Calculators are permitted during the quizzes and exams. Also, note it is a good idea to bring them to all class sessions as you may be called upon to address a question. Sharing calculators is prohibited during exams and quizzes.

*Attendance:* You can learn the course content adequately only if you attend class. Examinations will cover material covered in class as well as material in the textbook. If you miss class for any reason, it is your responsibility to obtain the material covered. Do not expect the instructor to repeat lectures that you missed. If you plan to miss more than three class sessions, you should not take the course this semester.

*Class Etiquette:* Classes are viewed as business meetings. Everyone attending is expected to conduct themselves in a professional manner. This means everyone should be prepared PRIOR to class by: (1) completing the assigned work (the reading and the problems; (2) bringing appropriate materials to class (textbook, notebook, pen/pencil, calculator); (3) being at class on time and be prepared to stay the entire class. Leaving class and returning is not an acceptable way to conduct business meetings. You will not be allowed to come and go during the class. These actions are disruptive to fellow students. It is required that all students be respectful to all in the class. Side conversations during the lecture/discussion will NOT be tolerated. If you have questions, please raise your hand and ask the instructor. If you must leave class early for some reason, please inform the instructor prior to class. Individuals who do not find class a productive use of their time should not come to class.

*Incomplete Grade:* An INC may be assigned only in the instance where a student with a body of passing work is faced with issues beyond his/her control such that they are prevented from completing all class assignments. Once awarded, an INC must be changed to a completed grade within a time period designated by the instructor not to exceed one year from the close of the term in which the course was taken. Note that the use of an INC is very, very rare and reserved for only very special circumstances.

*Returned Assignments:* Work (e.g., papers, projects, quizzes, etc.) returned to you should be kept until you receive your final grade. You may need it in case of any record-keeping errors. In other words, in situations involving a disputed grade, the burden of proof is on the student.

*Academic Dishonesty:* Students caught cheating on a extra credit exercise, quiz or examination will automatically receive an “F” for the course, and the matter will be transferred to the Director of the School of Accountancy for disciplinary action.

*Disability Support:* Any student with a documented disability condition (e.g. physical, learning, psychiatric, vision, hearing, etc.) who needs to arrange reasonable accommodations should contact me as soon as possible at the beginning of the semester. Students with special needs should also contact Disability Support Services on campus. Their phone number is (618) 453-5738 and their website is www.siu.edu/~dss/.
Emergency Procedures: Southern Illinois University Carbondale is committed to providing a safe and healthy environment for study and work. Because some health and safety circumstances are beyond our control, we ask that you become familiar with the SIUC Emergency Response Plan and Building Emergency Response Team (BERT) program. Emergency response information is available on posters in buildings on campus, available on the BERT’s website at www.bert.siu.edu, Department of Public Safety’s website www.dps.siu.edu (disaster drop down) and in the Emergency Response Guidelines pamphlet. Know how to respond to each type of emergency.

Instructors will provide guidance and direction to students in the classroom in the event of an emergency affecting your location. **It is important that you follow these instructions and stay with your instructor during an evacuation or sheltering emergency.** BERT will provide assistance to your instructor in evacuating the building or sheltering within the facility.

**Important Dates:**
Below is a listing of some of the important dates for the semester:

- **✓ Class Starts**
  - Tuesday, January 20, 2015
- **✓ Spring Break**
- **✓ Final Schedule**
  - Thursday, May 14, 2015  8:00 am – 10:00 am

Now, let’s enjoy the semester!!!!!!
<table>
<thead>
<tr>
<th>Topic</th>
<th>Readings</th>
<th>Information Packets (IP) By Chapter (C)</th>
<th>Projected Time Allocated</th>
</tr>
</thead>
<tbody>
<tr>
<td>An Introduction to Cost Terms and Purposes</td>
<td>Chapter 1 and 2</td>
<td>IP-C1/2-1, IP-C1/2-2, IP-C1/2-3 and IP-C1/2-3a</td>
<td>2 days</td>
</tr>
<tr>
<td>Cost-Volume Profit Analysis</td>
<td>Chapter 3</td>
<td>IP-C3-1, IP-C3-2</td>
<td>2 days</td>
</tr>
<tr>
<td>Job Costing</td>
<td>Chapter 4</td>
<td>IP-C4-1, IP-C4-2, Legend</td>
<td>3 days</td>
</tr>
<tr>
<td>Process Costing</td>
<td>Chapter 17</td>
<td>IP-C17-1, IP-C17-2, Problem 17-3X-Data, Problem 17-17-30, Problem 17-17-32, Problem 17-Class Data, Problem 17-Class -1, Problem 17-Class -2, IP-C17-AP-1-Data, IP-C17-AP-1, IP-C17-SP-1-Data, IP-C17-SP-1</td>
<td>3 days</td>
</tr>
<tr>
<td>Quiz and Review</td>
<td></td>
<td></td>
<td>1 day</td>
</tr>
<tr>
<td>Exam One</td>
<td></td>
<td></td>
<td>1 day</td>
</tr>
<tr>
<td>Flexible Budgets, Variances, and Management Control: Part I: Material and Labor</td>
<td>Chapter 7</td>
<td>IP-C7-1, IP-C7-2</td>
<td>3 days</td>
</tr>
<tr>
<td>Flexible Budgets, Variances, and Management Control: Part II: Overhead</td>
<td>Chapter 8</td>
<td>IP-C8-1, IP-C8-2, IP-C8-3, Additional</td>
<td>3 days</td>
</tr>
<tr>
<td>Inventory Costing and Capacity Analysis: Variable and Absorption Costing</td>
<td>Chapter 9</td>
<td>IP-C9-1, IP-C9-2</td>
<td>2 days</td>
</tr>
<tr>
<td>Quiz and Review</td>
<td></td>
<td></td>
<td>1 day</td>
</tr>
<tr>
<td>Exam Two</td>
<td></td>
<td></td>
<td>1 day</td>
</tr>
<tr>
<td>Activity Based Costing and Activity Based Management</td>
<td>Chapter 5</td>
<td>IP-C5-1, ABC Example</td>
<td>1 days</td>
</tr>
<tr>
<td>Step Down (Sequential) Method Reciprocal Method</td>
<td></td>
<td></td>
<td>2 days</td>
</tr>
<tr>
<td>Spoilage, Rework, and Scrap</td>
<td>Chapter 18</td>
<td>IP-C18-1, IP-C18-2, IP-C18-3</td>
<td>2 days</td>
</tr>
<tr>
<td>Capital Budgeting and Cost Analysis: NPV IRR Payback ARR</td>
<td>Chapter 21</td>
<td>IP-C21-1</td>
<td>1 day</td>
</tr>
<tr>
<td>Final Exam</td>
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</tbody>
</table>
Classroom Interaction

The following presents a simple model for classroom success. The model assumes both the professor and the student bear some responsibility. For instance, the professor needs to ensure that lectures are clear, timely feedback on performance is provided, that the workload is balanced and that students are fairly evaluated. The professor is required to constantly monitor his/her actions against knowledge management: the flow of information throughout the classroom. Students have a responsibility in this process as well. Specifically, while they interact with the professor, much of what they get out of class is dependent upon the effort they expend. Thus, the role of the professor in the life of a student is as a catalyst for self directed learning. When both parties fulfill their roles, success is inevitable.