

## Module: Cost Accounting

- ▶ Department: Finance
- ▶ Status: Common
- ▶ Credits: 10
- ▶ Level 4 – Year 2
- ▶ Pre-requisites: Accounting Fundamentals

run by ESCOEX International Business School  
Business & Finance, Business & Marketing

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### Overall Aims and Purpose

The basic objectives of this module are to analyse the classification of costs according to their nature, and their effects on the products or services and the different system of costs in such a way that students are able to discuss their application, utility, limitations and informative value in the decision making process.

### Learning Outcomes

Upon successful completion of this module, the student will be able to:

1. Understand the internal economic workings of the company via the analysis of the functions and activities that comprise the chain of value.
2. Draw upon their previously acquired knowledge in order to analyse the process of accumulation and the calculation of costs for the calculation of results and the evaluation of stocks.
3. Better understand objective of calculating the cost for the valuation of products in industrial enterprises.

### Indicative Content

#### CHAPTER 01 INTRODUCTION

01.01 Financial Accounting and cost accounting.

01.02 Objectives cost accounting.

01.03 Concept of cost and type of business.

01.04 Classification of costs.

#### CHAPTER 02 KEY CONCEPTS

02.01 Opportunity costs

02.02 Contribution margin

02.02 Breakeven

#### Chapter 03 CONVENTIONAL COST SYSTEM

03.01. Structure of a cost system

03.02 Assignment and cost sharing.

03.03 Bases deal.

03.04 Number of clusters of costs.

#### CHAPTER 04 SYSTEM COSTS ACTIVITY-BASED ABC

04.01 Delimitation of activities.

04.02 Structure of ABC cost systems.

04.03 Determining the cost of activities.

04.04 of the cost of the activities to the objectives of cost.

#### CHAPTER 05 DECISIONS OF PRODUCT

05.01 Product and manufacturing capacity.

05.02 Product at low manufacturing capacity.

05.03 Product Decisions high manufacturing capacity.

#### CHAPTER 06 PRICING DECISIONS

06.01. Introduction

06.02 Full costs, variable costs and pricing decisions.

06.03 Prices based on the full cost.

#### CHAPTER 07 INVESTMENT DECISIONS

07.01. Introduction

07.02 Profile of an investment project.

07.03 The selection criteria for investments.

#### CHAPTER 08 THE BUDGET PROCESS OF THE COMPANY

08.01 The concept of budget.

08.02 Definition of budget

08.03 Objectives of the budget

08.04 Features of the budget

08.05 Budget period.

08.06 Advantages and limitations of the budget.

08.07 The master budget

08.08 The operating budget

08.09 Financial Statements.

#### Assessment Methods

Two exams worth 50% each.

#### Teaching and Learning Strategy

Methodology consists of theoretical classes supported by PowerPoint presentations; practical cases, company visits to see cost systems in situ.

#### Key Skills Taught

D1: Communication and presentation skills including audio, oral and written, using a range of methods

D2: Numeracy, computing & information technology skills; this requires familiarity with a range of business data, research sources and appropriate methodologies

D4: Problem solving skills including identifying, formulating and solving business problems; the ability to create, evaluate and assess a range of options, together with the capacity to apply ideas and knowledge to a range of situations

D6: The ability to plan and manage learning in terms of time, behaviour, motivation, self-starting, individual initiative and enterprise

#### Indicative Reading

##### Essential Reading:

- Gómez Bravo, O (2005), *Contabilidad de Costos*, Mc Graw-Hill, Bogotá
- Rosanas i Martí, J (2001), *Contabilidad de costes para la toma de decisiones*, Ed. Desclée Brouwer, Bilbao
- VVAA (2011), *Contabilidad para dirección*, Ed. Eunsa, Pamplona

**Journals:** Expansión, Dinero, Contabilidad y Finanzas (Harvard Deusto), El Economista.

**Webpages:** [www.aeca.es](http://www.aeca.es), [www.intercostos.org](http://www.intercostos.org), [www.iese.edu](http://www.iese.edu)