



**Department of Finance and Banking**

**College of Administration and Economics**

**Salahaddin University -Erbil**

**Subject: Cost Accounting**

**Course Book – (Year 3) First Trimester**

**Academic Year: 2022/2023**

**Lecturer's name Dr. KAWA W. Muhamad Ali**

**Master Science in Accounting and Finance/Erasmus  
University-Rotterdam -The Netherlands**

**PhD. in Accounting/Financial Accounting -  
Salahaddin University-Erbil in corporation with  
Erasmus university-Rotterdam**

# Course Book

<b>1. Course name</b>	Cost Accounting
<b>2. Lecturer in charge</b>	Kawa Wali
<b>3. Department/ College</b>	Finance and Banking/ Administration and Economics
<b>4. Contact</b>	e-mail: kawa.wali@su.edu.krd
<b>5. Time (in hours) per week</b>	Theory: 3
<b>6. Office hours</b>	Monday 10:00-10:30, Tuesday 11:30-12:30
<b>7. Course code</b>	FB12
<b>8. Teacher's academic profile</b>	Kawa Wali, is the lecturer of managerial and financial accounting, he has been achieved master degree in Accounting and Finance in 2007 at the Erasmus University-Rotterdam in Holland. Ph.D. degree in Accounting/Financial Accounting at the Salahaddin University - Erbil – College Administration & Economics -Kurdistan Region - Iraq, in cooperation with the Erasmus University- Rotterdam in the Netherlands. He started working at Salahaddin University in 2010. He published several articles in accounting and finance in International Journals with impact factor. He lives in Erbil, DC.
<b>9. Keywords</b>	<b>Managerial Accounting, Decision making, analytical approach</b>

Cost accounting is concerned with the use of accounting data by managers to plan and control (evaluate) personnel and operations of the firm. The focus is on planning, decision-making, and control by the organization and accounting systems that managers have to assist them in their decisions about resource allocation, performance evaluation, etc. In addition to students majoring in accounting, the course is designed for those who plan careers in management at all levels and in all functions and who will need to motivate other employees and evaluate both managers and business units in the organization. As such, it is also particularly useful for those interested in general management, operations, and management consulting careers. The course emphasis is on cost information – how it is computed and how it is used in decision-making.

**11. Course objective:**

The aim of the course is to equip students with skills and knowledge to:

- Identify and calculate different types of costs (direct, indirect, variable, and fixed costs).
- Distinguish between job-costing, process-costing, and joint-costing systems.
- Determine the product cost by means of full- costing and direct-costing methods.
- Determine the product cost by means of historical (actual) and standard cost systems.

The students should not only be able to produce accounting information, but also understand how managers are likely to use and react to the information. Understand key figures and ratios of the critical success factors for an organization to appoint. The student understands how the staff can contribute to the operating performance using.

### **12. Student's obligation**

Class attendance is expected, however, there are no specific attendance requirements. Attendance will be taken for the lecturer's records. Students are expected to come to class prepared. Thus, students will be called on throughout the course to answer questions from the homework assignments. Frequently unprepared students may be penalized.

### **13. Forms of teaching**

The literature is in the first lectures explained. The sheets are available

- The assignments are explained in the 4th lecture
- Attendance is compulsory
- The assignment is independently or in pairs made up.
- The other lectures, the students work on the assignment. Instructor is available to answer questions.
  - Guidance by the teacher by e-mail.
  - The study load is 45 hours.
  - College's 25 hours
  - Literature 10 hours
  - Assignment 10 hours

For course related information including announcements and PowerPoint slides of the lectures. Students are also encouraged to actively participate and to discuss course related and general investments related issues.

Prior to class you should read the relevant material in the textbook, the PowerPoint slides, and any additional assigned readings. You are expected to attend class regularly and to come to class on time. You are encouraged to ask questions and to be an active participant in class.

After the lecture, you should review your lecture notes and work on the assignments.

### **14. Assessment scheme**

The grading will be dividing by following forms:

1. 30 % midterm exam.
2. 10% Activities include (Quizzes + Homework + other activities)
3. 60% for final exam.
4. The student will be required to write a report about relevant topics which meet the current needs of market and the market requirements!

### **15. Student learning outcome:**

After the student complete the course of managerial accounting, the student it will be enable to:

. Not only be able to produce accounting information, but also understand how managers are likely to use and react to the information.

- . Understand key figures and ratios of the critical success factors for an organization to appoint.
- . Understands how the staff can contribute to the operating performance using

**16. Course Reading List and References:**

- Charles T. Horngren, Srikant M. Datar, George Foster, Cost Accounting, A Managerial Emphasis Eleven edition, 2017
- M. van Wallenburg, *Management Accounting*, Methods of revenues and cost calculation, 4<sup>th</sup> ed 2016
- Ronald W. Hilton, *Study Guide for Managerial Accounting 4th* (3<sup>rd</sup> Printing 2015)
- Ronald W. Hilton, *Managerial Accounting* (7<sup>th</sup> ed. 2016)
- John J. Wild, *Managerial Accounting*, 2017 3d Edition

**17. The Topics:**

**Lecturer's name:**  
Dr.KAWA WALI

- An approach to cost accounting, cost accounting concept, goals, applications, relationship with financial accounting, the specific costs.
- Cost classification, natural, functional, in base of relationship with unit produced, in base of relationship with production volume.
- Cost counters, cost units, production units, explanation the attachment between the prime cost and cost centers & units.
- Cost elements, materials, materials control, materials purchase document circle, pricing material, computer materials cost.

Week 1, 2, 3,4

- Fixed cost
- Variable cost
- Mixed cost
- Cost behaviour Types
- Cost Purposes
- Methods analyzing the behavior of costs **high-low method** Supplement Examples and Exercises

Week 5, 6,7, 8,9

Midterm examination

Week 10

- Compute unit cost under both absorption and variable costing.
- Prepare and analyze an income statement using absorption costing and using variable costing.
- Convert income under variable costing to the absorption cost basis.
- Preparing the statement cost of goods manufactured and cost of goods sold
- Describe the steps in determining inventory quantities
- Explain how to report Inventory and Cost of Goods Sold.
- Compute costs using inventory costing methods: FIFO- LIFO- Average cost.

Week 11, 12, 13,14,15

Final examination

Week 16

**Lecturer Remarks:** At the conclusion of every chapter a brief examination of approximately 5 multiple-choice, fill-in-the -blank and short essay questions will be given. Other notice is that the lectures it can be changed during the study year, depend on the circumstances

**19. Examinations:**

Salahaddin University  
College of Admin. and Economics  
Department of Finance and Banking  
Level: Fourth Year



Subject: Cost Accounting  
Date: 9 / 6 / 2019  
Time: 3hrs  
Lecturer: Dr. Kawa Wali

Final Examination-First Trial  
2018-2019

Q1: What is cost accounting used for?

(10 Marks)

**Answer:**

Q2: What are the differences between Financial Accounting and Cost Accounting?  
(10 Marks)

**Answer:**

Q3: The following information is available for electricity costs for the first six months of the year.  
(20 Marks)

<u>Month</u>	<u>Production Volume</u>	<u>Electricity Cost</u>
January	4,200	\$48,000
February	1,500	24,000
March	1,100	16,000
April	2,900	32,000
May	5,100	52,000
June	2,200	32,000

**Required:**

Compute the fixed and variable components of electricity costs using the high-low method. What is the cost formula for electricity costs?

**Answer:**

**Q4:** Assuming the Perpetual Inventory System for Royal company as follows: (20 Marks)

<b>HOUSTON ELECTRONICS</b>					
Astro Condensers					
<u>Date</u>	<u>Explanation</u>	<u>Units</u>	<u>Unit Cost</u>	<u>Total Cost</u>	<u>Balance in Units</u>
1/1	Beginning inventory	100	\$10	\$ 1,000	100
4/15	Purchases	200	11	2,200	300
8/24	Purchases	300	12	3,600	600
9/10	Sale	550			50
11/27	Purchases	400	13	5,200	450
				<u>\$12,000</u>	

**Required:** Compute the Cost of Goods Sold and Ending Inventory under FIFO

**Answer:**

GOOD LUCK