

Cost Management Systems

Code: 104608
ECTS Credits: 6

| Degree | Type | Year | Semester |
|---|------|------|----------|
| 2501232 Business and Information Technology | OB | 3 | 1 |

Contact

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Use of Languages

Principal working language: catalan (cat)
Some groups entirely in English: No
Some groups entirely in Catalan: Yes
Some groups entirely in Spanish: No

Teachers

Eduardo Alejandro Rivera Vicencio

Prerequisites

Prerequisites are not required to take this subject, but it is recommended to have completed the subject Basic Accounting.

Objectives and Contextualisation

Context:

This subject is contextualized within the Accounting subject together with the subject Basic Accounting, which is taught in the second semester of the first year of the Degree in Business and Technology.

Goals:

- Understanding the relationship between the Basic Accounting (external) and Cost Accounting (internal).
- Understand the concept of cost and the relationship between cost and expense, as well as the classification of costs.
- Knowing how to use process-costing systems in different types of industry.
- Understand the concept and applications of the standard cost as a basic tool for Planning and Budgeting Process.
- Learn the relevant information for decision making.
- Understand the concept of quality in its different areas (product, company and environment). Know how to calculate the costs of product quality or service.

Competences

- Analysing, diagnosing, supporting and taking decisions in terms of organisational structure and business management.
- Appropriately drawing up technical reports according to the customer's demands.

- Demonstrating a comprehension of the ethical values of the professional practice, especially in relation to the processing of information.
- Demonstrating a comprehension of the principles, structure, organisation and inner workings of companies and organisations.
- Demonstrating a sensibility towards social and environmental issues.
- Demonstrating the ability to plan in accordance to the objectives and available resources.
- Developing self-learning strategies.
- Students must be capable of analysing, summarising, organising, planning and solving problems and making decisions.
- Working in teams, sharing knowledge and communicating it to the rest of the team and the organisation.

Learning Outcomes

1. Analysing and determining the accounting structure of the costs of goods and services.
2. Appropriately drawing up technical reports according to the customer's demands.
3. Defining and discussing the privacy of financial-tax information.
4. Demonstrating a sensibility towards social and environmental issues.
5. Demonstrating the ability to plan in accordance to the objectives and available resources.
6. Developing self-learning strategies.
7. Producing accounting reports about the quality and environmental costs for the company managers.
8. Producing technical accounting reports for the company managers, to help them take decisions related to management.
9. Students must be capable of analysing, summarising, organising, planning and solving problems and making decisions.
10. Working in teams, sharing knowledge and communicating it to the rest of the team and the organisation.

Content

Topic 1. Concept and Classification of Costs

1. Differences between External Accounting (Financial) and internal accounting (Cost/Management).
2. Cost concept.
3. Classification of costs.
4. Costs for Nature.
 1. The cost of materials.
 2. The cost of labor.
 3. Other costs.

Topic 2. Cost Allocation Systems

1. Direct Cost.
2. Full Cost Industrial.
3. Rational Allocation.
4. Total Full Cost.

Topic 3. Cost Pool Homogeneity

1. The process of allocating costs. Organic system versus Inorganic System.
2. Operating Departments and Support Departments.
3. Statistics Costs Settlement

Topic 4. Costing systems

1. Job-costing system.
 1. Allocation of costs to orders.
 2. Assessment of current orders.
 3. The result calculation of the orders.
3. Process-costing system.

1. Table of distribution and Table Matrix
2. Process costing with both some opening and some closing work-in-progress stock.
3. The unit cost structure.

Topic 5. The Standard Cost and Budget Control

1. Cost Standard. Concept and Calculation.
2. The Budgeting Process.
3. Managing the Budgeting Process.
 1. Flexible Budget.
 2. Analysis of variances.

Topic 6. Control systems and transfer pricing

1. The decentralization.
2. Transfer pricing.

Topic 7. Costs and Business Management

1. Costs of Quality. Concept and Classification.
2. Decision Making.
 1. Relevant costs.
 2. Accepting or rejecting one-off special decision.
4. The case of cost management in technology projects.

Methodology

The teaching methodology will be based on a combination of the following four types of activities:

- Guided activity: theoretical and practical classes based on theoretical debates, group project development and case studies.
- Supervised activity: consists of the assistance to tutorials and the realization of the work-group project with guided follow-up.
- Individual self-study activity: it will include the student's personal study and the resolution and analysis of practical cases.
- Autonomous group activity: Project development.

Activities

| Title | Hours | ECTS | Learning Outcomes |
|--|-------|------|-------------------|
| Type: Directed | | | |
| Laboratory practice | 10 | 0.4 | 8, 9, 10 |
| Practical sessions and problem solving | 7 | 0.28 | 1, 5, 4, 7 |
| Theoretical sessions, case studies and work team | 29.5 | 1.18 | 1, 7, 8 |
| Type: Supervised | | | |
| The monitoring and supervision of the exercises and case studies | 5 | 0.2 | 1, 7, 8 |
| Tutorials of case studies and work group | 10 | 0.4 | 1, 5, 4, 8 |
| Type: Autonomous | | | |
| Study and research for information | 40.5 | 1.62 | 1, 5, 4, 7, 8 |

Assessment

Evaluation

1. Project Group (50% of the total).
 1. 10% Deliveries on time (at least 80%).
 2. 30% of the project. Will be assessed based on a rubric
 1. 10% First prototype (Note Group). 20% Final version (note group)
 2. 10% Individual evaluation (weighted average about the score of colleagues). It is not computable if do not done this activity.
3. Compulsory basic partial test (Test 1), items 1 to 4 (20% of the total). The grade is computable if you get a score higher than 4 out of 10.
4. Laboratory practice (10% of the total). The grade is computable if you get a rating higher than four out of 10.
5. Final Test, 5 to 7 subjects (20% of the mark). The grade is computable if you get a score higher than 4 out of 10.

To pass the course the student should get her an aggregate grade not less than 5 out of 10. The minimum grade required to make the partial test computable is 4 out of 10.

Calendar of evaluation activities

The dates of the evaluation activities (midterm exams, exercises, assignments ...) will be announced well in advance during the semester.

The date of the final exam is scheduled in the assessment calendar of the Faculty.

"The dates of evaluation activities cannot be modified, unless there is an exceptional and duly justified reason why an evaluation activity cannot be carried out. In this case, the degree coordinator will contact both the teaching staff and the affected student, and a new date will be scheduled within the same academic period to make up for the missed evaluation activity." **Section 1 of Article 115. Calendar of evaluation activities (Academic Regulations UAB)**. Students of the Faculty of Economics and Business, who in accordance with the previous paragraph need to change an evaluation activity date must process the request by filling out an Application for exams' reschedule at https://eformularis.uab.cat/group/deganat_feie/application-for-exams-reschedule

Grade revision process

After all grading activities have ended students will be informed of the date and way in which the course grades will be published. Students will be also be informed of the procedure, place, date and time of grade revision following University regulations.

Retake Process

"To be eligible to participate in the retake process, it is required for students to have been previously been evaluated for at least two thirds of the total evaluation activities of the subject." Section 3 of Article 112 ter. The recovery (UAB Academic Regulations). Additionally, it is required that the student to have achieved an average grade of the subject between 3.5 and 4.9.

The date of the retake exam is posted in the calendar of evaluation activities of the Faculty. Students taking this exam and passing will get a grade of 5 for the subject. For the students that do not pass the retake, the grade will remain unchanged, and hence, will fail the course.

Irregularities in evaluation activities

Despite other disciplinary measures deemed appropriate, and in accordance with current academic regulations, "whenever a student makes any irregularity that could lead to a significant variation in the grade of an evaluation activity, it will be graded with a 0, regardless of the disciplinary process that can be instructed. In case of occurrence of various irregularities in the evaluation of the same subject, the final grade of this subject will be 0". **Section 10 of Article 116. Results of the evaluation. (UAB Academic Regulations).**

Assessment Activities

| Title | Weighting | Hours | ECTS | Learning Outcomes |
|-----------------------|-----------|-------|------|---------------------|
| Basic knowledge tests | 40% | 3 | 0.12 | 1, 3, 5, 4, 6, 7, 8 |
| Laboratory practice | 10% | 0 | 0 | 1, 7, 8 |
| Project Group | 50% | 0 | 0 | 1, 7, 8, 2, 9, 10 |

Bibliography

Amat, O. & Soldevila, P. (2010). Accounting and Management Costs. Profit Editorial. Accid Barcelona.

Horngrén, C.T.; Foster, G., Datar, S. (2014). Cost Accounting: A Managerial Approach. Prentice Hall International. (Original English Edition: Horngrén C.T., G Foster, S. Datar Cost Accounting, a Managerial Emphasis. Pearson Education)

Kaplan, R. S.; Norton, D.P.; Robert, S.K. & David, P.N. (2002). *Cuadro de Mando Integral (the Balanced Scorecard)*. Gestión 2000.

Mallo, C. ; Mallo, M.A.; MA Jimenez; Mallo, & J. Merlo, J. (2000). Accounting Costs. Pyramid.

Ripoll Feliu, V. & Álvarez López, J. (1994). Introducción a la contabilidad de gestión. Cálculo de costes. s. n/Madrid.

UAB: Material delivered on Aula Moodle.