



LANDMARK UNIVERSITY, OMU-ARAN
COURSE COMPACT

COLLEGE: COLLEGE OF BUSINESS AND SOCIAL SCIENCES

DEPARTMENT: ACCOUNTING AND FINANCE
PROGRAMME: ACCOUNTING
COURSE COMPACT FOR: ALPHA SEMESTER

COURSE

COURSE CODE: ACC 212
COURSE TITLE: COST ACCOUNTING I
CREDIT UNIT: 3 UNITS
COURSE STATUS: COMPULSORY

LECTURER'S DATA

NAME OF THE LECTURER: DR. (MRS) OSEMENE B.F. (ADJUNCT LECTURER)
(B.Sc, M.Sc, PH.D ACCOUNTING, ACA)

NAME OF THE LECTURER: OLADIPO, OLUFEMI ADEBAYO
QUALIFICATIONS OBTAINED: B.Sc (ACCOUNTING), M.Sc (ACCOUNTANCY),
ACA, ACFE.
DEPARTMENT: ACCOUNTING
COLLEGE: COLLEGE OF BUSINESS AND SOCIAL SCIENCES
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CONSULTATION HOURS: WEDNESDAYS 8:00 TO 10:00 AM
FRIDAYS 10:00 AM TO 1:00 PM

INTRODUCTION TO THE COURSE

COURSE DESCRIPTION: INTRODUCTION TO COST ACCOUNTING I

COURSE JUSTIFICATION

THIS COURSE WILL ALSO INTRODUCE STUDENTS TO CURRENT TOPICS LIKE JUST IN TIME (JIT) AND TOTAL QUALITY MANAGEMENT (TQM). THIS COURSE IS RELEVANT MAJORLY IN THE MANUFACTURING SECTOR OF THE ECONOMY.

COURSE OBJECTIVES

AT THE END OF THIS COURSE, THE STUDENTS SHOULD BE ABLE TO UNDERSTAND:

- + DEFINITION AND PURPOSE OF COST ACCOUNTING, CLASSIFICATION OF COSTS.
- + DISCUSSION OF THE ELEMENTS OF COST.
- + COST ACCOUNTING AS AN INTERNAL INFORMATION PLAN NEEDED FOR MANAGERIAL DECISIONS.
- + MATERIAL COSTING, PURCHASING OF MATERIAL, PROCEDURES AND RECEIPT.
- + METHOD OF INVENTORY VALUATION USING FIFO, LIFO AND WEIGHTED

AVERAGE.

- + STOCK CONTROL AND ECONOMIC ORDER QUANTITY (EOQ) DETERMINATION, COMPUTATION OF STOCKS LEVELS. ENTRIES OF MATERIALS PURCHASE IN THE BOOKS OF ACCOUNT.
- + ACCOUNTING FOR LABOUR; FACTORS TO BE CONSIDERED IN FIXING WAGES, METHODS OF REMUNERATION AND BOOK-KEEPING.
- + ACCOUNTING FOR OVERHEADS, TYPES OF OVERHEAD AND BASIS FOR OVERHEAD ALLOCATION AND IDENTIFY THE VARIOUS TYPES OF COSTS BY BEHAVIOUR AND CLASSIFICATION.
- + THE CONCEPTS AND PRINCIPLES OF COST ACCOUNTING AND THEIR APPLICATIONS TO SUPPORT MANAGEMENT PROCESSES OF PLANNING, DECISION-MAKING, AND CONTROL.
- + TREATMENT OF OVER AND UNDER APPLIED OVERHEAD. ABSORPTION AND MARGINAL (VARIABLE) COSTING AND COMPARISONS AND CRITIQUE OF THE TWO METHODS
- + PROCESS COSTING, GENERAL PRINCIPLES OF PROCESS COSTING, GAIN/LOSSES.
- + HOW TO RELATE THE VARIOUS COSTING METHODS TO DIFFERENT BUSINESS ENTITIES AND OTHER ACTIVITIES.
- + HOW TO PREPARE INFORMATION FOR PERFORMANCE APPRAISALS.

COURSE CONTENT

- THE DEFINITION AND PURPOSE OF COST ACCOUNTING
- MATERIAL COSTING AND VALUATION
- ACCOUNTING FOR LABOUR
- ACCOUNTING FOR OVERHEADS
- PROCESS COSTING
- CURRENT TREND IN COST ACCOUNTING
- STRATEGIC COST AND MANAGEMENT ACCOUNTING

COURSE EXPECTATIONS

EVERY CLASS IS EXPECTED TO BE AN INTERACTIVE ONE. THEREFORE, STUDENTS ARE EXPECTED TO BE PUNCTUAL AND ATTEND LECTURES, PARTICIPATE ACTIVELY IN CLASS AND PRACTICAL SESSION, READ RECOMMENDED TEXTS AND LECTURE MATERIALS, DO ALL ASSIGNMENTS AND TESTS AS GIVEN.

S/N	GRADING	SCORE (%)
1.	CONTINUOUS ASSESSMENTS	
	• C.AI (ASSIGNMENT AND GROUP DISCUSSION)	7%
	• C.AII (MID-SEMESTER TEST)	15%
	• C.AIII (ATTENDANCE AND CLASS PARTICIPATION)	8%
2.	SUB-TOTAL	30%
3.	FINAL EXAMINATION	70%
4.	TOTAL	100%

COURSE DELIVERY STRATEGIES

1. TWO HOURS OF LECTURE AND ONE HOUR OF TUTORIAL PER WEEK.
2. LECTURING WILL BE COMPLEMENTED WITH BOTH THEORY AND PRACTICAL ASPECT.
3. LECTURING TO BE AIDED BY AUDIO VISUAL WHERE AND WHEN NECESSARY.

COURSE DURATION: THREE HOURS PER WEEK FOR 15 WEEKS (45 HOURS)

ALIGNMENT WITH GOALS AND VISION OF LANDMARK UNIVERSITY

TO IMPACT THE KNOWLEDGE OF COST ACCOUNTING PRACTICALLY INTO OUR STUDENTS TO BREAK NEW GROUNDS IN THE FIELD OF ACCOUNTING.

TO ALSO MAKE THEM TO BE SOLUTION PROVIDERS THROUGH QUALITATIVE AND QUANTITATIVE COST ACCOUNTING SYSTEM THAT FOCUSES ON ACCURATE AND TIMELY REPORTING.

LECTURE CONTENT

MODULE 1 INTRODUCTION TO COST ACCOUNTING

➤ **WEEK 1 & 2: THE DEFINITION AND PURPOSE OF COST ACCOUNTING:**

- INTRODUCTION.
- OBJECTIVES OF COST ACCOUNTING.
- NATURE AND ELEMENT OF COSTS.
- COMPARISON OF COST ACCOUNTING AND FINANCIAL ACCOUNTING.

➤ **OBJECTIVES**

AFTER STUDYING THIS MODULE, STUDENTS WILL

- BE ABLE TO DEFINE COST ACCOUNTING
- UNDERSTAND THE RANGE OF INFORMATION THAT COULD BE SUPPLIED BY THE COST ACCOUNTING SYSTEM
- KNOW THE RELATIONSHIPS OF COST ACCOUNTING TO MANAGEMENT ACCOUNTING AND TO FINANCIAL ACCOUNTING.

➤ **DESCRIPTION**

THE COST ACCOUNTING SYSTEM OF ANY ORGANISATION IS THE FOUNDATION OF INTERNAL FINANCIAL INFORMATION SYSTEM. MANAGEMENT NEED A VARIETY OF INFORMATION TO PLAN, TO CONTROL AND TO MAKE DECISIONS. INFORMATION REGARDING THE FINANCIAL ASPECTS OF PERFORMANCE IS PROVIDED BY THE COSTING SYSTEM.

FIRST HOUR

DEFINITION AND DEVELOPMENT OF COST ACCOUNTING, THE SCOPE OF COST ACCOUNTING, COST ACCOUNTING AND DECISION MAKING, COST ACCOUNTING, ESTIMATING AND PRICING.

SECOND HOUR

COSTING AND MANAGEMENT ACCOUNTING, COSTING AND FINANCIAL ACCOUNTING, RELATIONSHIPS BETWEEN COST AND MANAGEMENT AND FINANCIAL ACCOUNTING

THIRD HOUR

OVERVIEW OF COSTING, COSTING AND MANAGEMENT ACCOUNTING – THE FUTURE

TUTORIAL WILL BE ON A WEEKLY BASIS. STUDENTS WILL BE GIVEN PRACTICAL QUESTIONS TO SOLVE AND SOLUTION TO THE QUESTIONS WOULD BE REVIEW TOGETHER WITH THE LECTURER.

➤ **STUDY QUESTION:**

DEFINE COST ACCOUNTING

GIVE SIX (6) EXAMPLES OF COSTING INFORMATION AND ITS USES
WHAT IS THE RELATIONSHIP BETWEEN COSTING AND FINANCIAL ACCOUNTING?

➤ **READING LIST**

1. ATSWA STUDY PACK ON COST ACCOUNTING AND BUDGETING.
2. FUNDAMENTALS OF COST ACCOUNTING BY BABATUNDE R. YUSUF

MODULE 2 MATERIAL COSTING AND VALUATION

WEEK 3 & 4

TOPIC: MATERIAL PRICING AND VALUATION METHODS

- INTRODUCTION.
- PURCHASE OF MATERIAL, PROCEDURES AND RECEIPT.
- STOCK CONTROL AND ECONOMIC ORDER QUANTITY.
- COMPUTATION OF STOCK LEVELS AND ENTRIES OF MATERIALS PURCHASE IN THE BOOKS OF ACCOUNTS. USING FIFO, LIFO, WEIGHTED AVERAGE ETC.

OBJECTIVES

AFTER STUDYING THIS MODULE, STUDENTS WILL

- UNDERSTAND THE PRINCIPLES OF MATERIALS CONTROL
- BE ABLE TO DESCRIBE THE MAIN PURCHASING PROCEDURES
- KNOW THE ELEMENTS OF STOREKEEPING AND STOCK TAKING

STUDY QUESTION:

IN CONNECTION WITH CONTROL OF MATERIALS, YOU ARE REQUIRED TO:

- I. EXPLAIN THE MEANING AND PRINCIPLES OF CLASSIFICATION
- II. EXPLAIN THE PRINCIPLES OF CODING
- III. STATE FOUR ADVANTAGES OF USING A CODING SYSTEM

READING LIST

1. COPING WITH COST ACCOUNTING BY EDDIE OMOLEYINWA
2. COSTING BY T. LUCEY.

MODULE 3 ACCOUNTING FOR LABOUR

WEEK 5

TOPIC: LABOUR: REMUNERATION METHODS

- INTRODUCTION.
- FACTORS TO BE CONSIDERED IN FIXING WAGES.
- METHODS OF LABOUR REMUNERATION AND BOOK-KEEPING.
- TIME BASED SYSTEM AND DAY RATE SYSTEM

OBJECTIVES

AFTER STUDYING THIS MODULE, STUDENTS WILL

- KNOW THE MAIN CATEGORIES OF REMUNERATION
- UNDERSTAND THE FEATURES OF TIME BASED SYSTEMS
- KNOW THE FEATURES OF INCENTIVE SCHEMES

STUDY QUESTION:

WHAT ARE THE TWO MAJOR CATEGORIES OF REMUNERATION METHODS?

WHAT FACTORS SHOULD BE CONSIDERED WHEN DESIGNING INCENTIVE SCHEMES?

IN WHAT CIRCUMSTANCES IS THE USE OF HIGH DAY RATE SYSTEM APPROPRIATE?

READING LIST

1. ATSWA STUDY PACK ON COST ACCOUNTING AND BUDGETING.
2. FUNDAMENTALS OF COST ACCOUNTING BY BABATUNDE R. YUSUF
3. COPING WITH COST ACCOUNTING BY EDDIE OMOLEYINWA
4. COSTING BY T. LUCEY.

MODULE 4 ACCOUNTING FOR OVERHEADS

WEEK 6, 7 & 8

TOPIC: OVERHEADS ABSORPTION, ALLOCATION AND APPORTIONMENT

- DEFINITION OF OVERHEAD.
- TYPES OF OVERHEAD.
- BASIS FOR OVERHEAD ALLOCATION.
- TREATMENT OF OVER AND UNDER APPLIED OVERHEAD.
- ACTIVITY BASED COSTING (ABC).
- ABSORPTION AND MARGINAL (VARIABLE) COSTING TECHNIQUES.
- A COMPARISON AND CRITIQUE OF THE TWO METHODS.

OBJECTIVES

AFTER STUDYING THIS MODULE, STUDENTS WILL

- UNDERSTAND THE PRINCIPLES OF OVERHEAD ABSORPTION AND THE COMMON BASES USED
- UNDERSTAND THE PRINCIPLES OF OVERHEAD APPORTIONMENT
- BE ABLE TO DESCRIBE HOW OVERHEADS ARE DEALT WITH IN ACTIVITY BASED COSTING

STUDY QUESTION:

WHAT IS THE OBJECTIVE OF OVERHEAD ABSORPTION?

WHAT FACTORS GOVERN THE CHOICE OF THE ABSORPTION BASE?

WHAT IS THE DISTINCTION BETWEEN ABSORPTION COSTING AND MARGINAL COSTING?

READING LIST

1. COPING WITH COST ACCOUNTING BY EDDIE OMOLEYINWA
2. COSTING BY T. LUCEY.

MODULE 5 MID SEMESTER TEST

WEEK 9

TOPIC: REVISION

MODULE 6 COST ACCOUNTS

WEEK 10 & 11

TOPIC: INTEGRATED AND INTERLOCKING COST ACCOUNTS

- ACCOUNTING SYSTEMS FOR COSTS
- INTEGRATED COST ACCOUNTS
- INTERLOCKING COST ACCOUNTS
- DEVELOPMENTS IN COST ACCOUNTING (BACKFLUSH ACCOUNTING)

OBJECTIVES

AFTER STUDYING THIS MODULE, STUDENTS WILL

- UNDERSTAND THE DISTINCTION BETWEEN INTEGRATED AND INTERLOCKING COST ACCOUNTS
- KNOW THE DOUBLE ENTRIES REQUIRED IN INTEGRATED AND INTERLOCKING SYSTEMS

- BE ABLE TO RECONCILE THE PROFITS OF COST AND FINANCIAL ACCOUNTS

STUDY QUESTION:

WHAT ARE INTEGRATED COST ACCOUNTS?

WHAT ARE INTERLOCKING FINANCIAL AND COST ACCOUNTS?

WHAT IS BACKFLUSH ACCOUNTING?

READING LIST

1. COPING WITH COST ACCOUNTING BY EDDIE OMOLEYINWA
2. COSTING BY T. LUCEY.

**MODULE 7 PLANNING, CONTROL DECISION-MAKING
WEEK 12 & 13**

TOPIC: DECISION-MAKING

- PLANNING
- LONG TERM STRATEGIC PLANNING
- FEEDBACK AND CONTROL
- FEEDFORWARD CONTROL
- THE DECISION PROCESS AND TYPES OF DECISIONS
- INFORMATION FOR DECISION MAKING

OBJECTIVES

AFTER STUDYING THIS MODULE, STUDENTS WILL

- BE ABLE TO DESCRIBE PLANNING
- UNDERSTAND THE FRAMEWORK OF CONTROL AND FEEDBACK
- KNOW THE PRINCIPLES OF FEED FORWARD
- BE ABLE TO DESCRIBE DECISION MAKING AND THE TYPES OF DECISIONS

STUDY QUESTION:

DEFINE PLANNING

WHAT IS THE PURPOSE OF THE CONTROL PROCESS?

WHAT ARE THE ELEMENTS IN THE CONTROL CYCLE?

WHAT ARE THE STAGES IN THE DECISION PROCESS?

READING LIST

1. COPING WITH COST ACCOUNTING BY EDDIE OMOLEYINWA
2. COSTING BY T. LUCEY.

**MODULE 8 STRATEGIC COST AND MANAGEMENT ACCOUNTING
WEEK 14 & 15**

TOPIC: STRATEGIC COST MANAGEMENT: THREE KEY THEMES

- INTRODUCTION
- VALUE CHAIN ANALYSIS
- STRATEGIC POSITIONING ANALYSIS
- COST DRIVER ANALYSIS
- STRUCTURAL COST DRIVERS
- EXECUTIONAL COST DRIVERS

OBJECTIVES

AFTER STUDYING THIS MODULE, STUDENTS WILL

- BE ABLE TO DESCRIBE VALUE CHAIN CONCEPT
- UNDERSTAND THE STRUCTURAL COST DRIVERS
- KNOW THE IMPORTANCE OF NON-FINANCIAL MEASURES

- EXPLAIN THE STRATEGIC POSITIONING ANALYSIS

STUDY QUESTION:

DEFINE VALUE CHAIN

WHAT IS THE PURPOSE OF STRATEGIC POSITIONING?

WHAT ARE THE ELEMENTS IN THE STRUCTURAL COST DRIVERS?

WHAT ARE THE LISTS OF BASIC EXECUTIONAL DRIVERS?

READING LIST

1. STRATEGIC COST MANAGEMENT- THE NEW TOOL FOR COMPETITIVE ADVANTAGE BY JOHN K. SHANK AND VIJAY GOVINDARAJAN (1993)
2. MANAGEMENT AND COST ACCOUNTING BY COLIN DRURY (2004), SIX EDITION

MODULE 9 GENERAL REVISION

WEEK 16

TOPIC: GENERAL REVISION AND PREPARATION FOR THE ALPHA SEMESTER EXAM.

HOD's

COMMENTS:

NAME: _____

SIGNATURE _____

DATE: _____
