



**University of Management and Technology**  
School of Commerce and Accountancy  
Quaid e Azam Campus

## Course Outline

<b>Course Title: Cost Accounting for Specific Sector</b> <b>(AC-422)</b>	
<b>Program</b>	<b>M.Com/B.Com(H)/BS Accounting</b>
<b>Credits Hours</b>	3
<b>Duration</b>	15 Weeks / 30 Sessions
<b>Prerequisites</b>	
<b>Resource Person</b>	
<b>Contact/Email</b>	

## Course Description

This course is aimed to enable participants to understand and learn different costing techniques and methods used in various industries to achieve a level of proficiency sufficient enough to guide management for effective utilization of economic resources and in achieving the overall objectives of the organization. This course is unique as it not only capitalizes the accounting techniques covered in the previous courses but it develops a conceptual foundation for establishing a result oriented mechanism of administrative cost controls. This course reviews different types of control systems that can be instituted in different organizations. It examines the planning, recording, reporting, analytical, and control processes, which generate information for management decisions in business organizations. It also highlights the role of a cost accountant in the financial reporting process, the impact of the accounting information system on management's strategic decisions and explores the tools and concepts of cost management systems.

## Learning Objectives

After studying this course the participants should be able:-

1. To understand and learn different features of traditional cost and management accounting.
2. To determine patterns of cost behavior including variable, fixed and semi – variable costs.
3. To analyze the effects of absorption-costing and variable-costing on various business decisions.
4. To learn various emerging issues and techniques which may result in cost reduction and/or process improvement.
5. To understand, evaluate and improve overall costing processes used in various industrial sectors.
6. To develop and utilize accounting information for strategic decision-making.

## Teaching-Learning Methodology:

- Lectures
- Recommended Text/Supplementary Texts
- Handouts
- Case Studies
- Skill Development Exercises
- Guest Speakers
- Industrial/Corporate Visits
- Project Report/Term Paper

## Assessment & Evaluation:

Quizzes	15%
Assignments / Class Activities / Presentations	20%
Mid Term	25%
<u>End Term Exam</u>	<u>40%</u>
<b>Total:</b>	<b>100</b>

## Recommended Text Books

1. Cost & Management Accounting (7<sup>th</sup> Edition) By Colin Drury

## Reference Books

1. Management Accounting By Hansen / Mowen (6th Edition)
2. Handouts

## Schedule of Activities

Weeks	Contents / Topics to be taught	Tasks / Activities
1	<b>Basic Cost Terms, Concepts and Cost of Goods Sold Statement</b> <ul style="list-style-type: none"> <li>➤ Cost, expense and loss</li> <li>➤ Opportunity cost, differential cost, sunk cost</li> <li>➤ Out of pocket cost, imputed cost, relevant and irrelevant cost</li> <li>➤ Period cost and product cost</li> </ul>	Course Outline Distribution
2-3	<b>Job Order Costing</b> <ul style="list-style-type: none"> <li>➤ Job cost sheet, applied overheads</li> <li>➤ Cost accounting cycle</li> <li>➤ Accounting Entries for Materials, Labor and Overheads</li> </ul>	Assignment # 1
4-5	<b>Process costing</b> <ul style="list-style-type: none"> <li>➤ Difference between job order costing and process costing</li> <li>➤ Flow of production costs in a process costing system</li> <li>➤ Process costing when all output is fully complete</li> <li>➤ Process costing with ending work in process is partially complete</li> <li>➤ Treatment of losses during the process</li> </ul>	Quiz # 1
6	<b>Joint and By-product Costing</b> <ul style="list-style-type: none"> <li>➤ Distinguishing between joint product and by-products</li> <li>➤ Methods of allocating joint costs</li> <li>➤ Accounting for by products</li> </ul>	Quiz # 2 Assignment # 2
7	<b>Cost Management</b> <ul style="list-style-type: none"> <li>➤ Life Cycle Costing</li> <li>➤ Target Costing</li> <li>➤ Kaizen costing</li> <li>➤ Activity Based Management</li> <li>➤ Business process re-engineering</li> <li>➤ Environment cost management</li> <li>➤ Just-in-time systems</li> <li>➤ Benchmarking</li> </ul>	Quiz # 3 Assignment # 3
8	<b>MID Term</b>	

9-11	Cost accounting for Pharmaceutical Sector	Quiz # 4
12-13	Cost accounting for Sugar Industry	Assignment # 4
14	Cost accounting for Textile Sector	
15	<b>Presentations</b>	