

COST AND MANAGEMENT ACCOUNTING

FAC004

COURSE DESCRIPTION

Business entities operate in a dynamic environment driven by competitive, regulatory and fast-moving technological changes. Costs have been, still are, and will remain the dominating concern of all types of businesses, be they manufacturing, merchandising or service, as well as all forms of organizations regardless if they are proprietorships, partnerships or limited liability companies – for-profit or otherwise. This course is prepared to cover the fundamentals of cost accounting and Management Accounting.

COURSE GOAL

To enhance the participants' knowledge, skills, and abilities necessary to understand the costing process and how to determine costs. It also covers the management of funds by means of budgets and the use of management accounting information to make informed and accountable decisions.

COURSE OBJECTIVES

By the end of this course, participant will be able to:

- Understand the management Process
- Differentiate between Different fields in accounting
- Understand the importance of Cost and managerial accounting in the management of an organization
- Differentiate between cost, loss, and waste
- Differentiate between expense and expenditure
- Understand the meaning of cost terminology and when to be applied.
- Differentiate between Job Order Costing and Process Costing when to be used
- Apply Cost-Volume-Profit / Break-Even analysis
- Understand why do people and businesses prepare budgets?
- Prepare Cash budget for a business.
- Monitor performance against budget and standard costing for a manufacturer
- Use accounting information and for short and long-term decision making.

WHO SHOULD ATTEND

Management and business professionals who need to understand and access wide-ranging and accurate cost and costing information to manage and evaluate their businesses and business units effectively.

COURSE DURATION

5 Working Days

COURSE OUTLINES

1. An Introduction to Cost and Managerial Accounting

- Management process: a closer look
- Different fields in accounting
- The importance of cost and managerial accounting in the management of an organization

2. Cost Terminology

- Key cost concepts: cost, loss, and waste.
- Expense and expenditure
- Product and period costs (inventoriable and non-inventoriable)
- Manufacturing and non-manufacturing
- Direct and indirect
- Fixed and variable
- Incremental costs
- Marginal cost
- Opportunity cost
- Sunk costs
- Life cycle costs
- Depreciated cost.
- Standard costing
- Transaction costs
- Unit cost.
- Cost classification in oil and gas industry
 - Acquisition costs
 - Exploration costs
 - Development costs
 - Production costs

3. Cost Behavior and Cost-Volume-Profit Analysis

4. Job Order Costing vs. Process Costing

- Job Order Costing
 - Job cost flows
 - Job cost sheet
 - Determining overhead rates
 - Determining COGM and COGS
 - Under- vs. over-applied overheads
 - Job order costing in non-manufacturing entities
- Process Costing
 - Process cost flows
 - Direct materials requisition
 - Direct labour assignment
 - Overhead allocation
 - Inter-processing department transfer of WIP costs
 - Transfer of cost of completed goods to finished goods inventory
 - Transfer of cost of sold inventory to cost of sales

5. Budgeting and Standard Costing

- Why do people and businesses prepare budgets?
- Cash budget for a business, the master budget and the budgeting process
- Monitoring performance against budget and standard costing for a manufacturer

6. Accounting Information and Decision Making

- Short-term decision
- Long-term decision

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