

ACC212 Cost Accounting I (3 Units)

Department of Accounting

Covenant University

1. ACC212

1.1. ACC212 Cost Accounting I (3 Units)

The purpose of this course is to provide a thorough foundation in the tools and techniques of cost analysis and reporting. Emphasis will be placed on development of competence and skill in using cost accounting data for internal management purposes in all industrial enterprises. Topics covered include; 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 materials procedures and receipt; methods of inventory valuation; stock control and economic order quantity determination; computation of stock levels. Entries of materials purchase in the books of accounts. Accounting for labour; factors to be considered in fixing wages, methods of remuneration, book keeping. Accounting for overheads, types of overheads, basis for overhead allocation. Treatment of over and under applied overhead. Absorption and variables costing. A comparison and critique of the two methods. Process costing: general principles of process gains and losses. IAS 2: Inventories.

Omega Semester