



International Diploma

in

Cost Accounting

Quickly learn the principles and applications of cost accounting and how to apply these valuable and important concepts to increase productivity, profit and efficiency.



This Program clearly and concisely introduces the principles and purposes of cost accounting so they can be applied in practical business situations by a wide range of people including finance/accounting personnel, managers, men and women involved in production and manufacturing, and many others. Within a short period of time you can become a valued and professional person proficient in cost accounting practices and techniques. The Program covers cost accounting methods for manufacturing, services, private, governmental, not-for-profit and trading organisations, with many examples which clearly illustrate and explain the relevant techniques and concepts in a clear easy-to-follow way; it explains how to understand, deal with, and allocate different costs in order to make sensible and helpful business and operational decisions; it also shows how costing complements management and financial accounting.

Course Outline

Module 1 - Introduction to Cost Accounting

- The meaning, purpose and scope of Cost Accounting
- Cost Accounting and Business Decisions
- Cost Accounting Differentiated from Management Accounting and Financial Accounting
- Cost ascertainment, control, reduction

Module 2 - Cost Accounting Terminology

- Direct and Indirect Costs: Labour, Materials, Expenses
- Classification of Costs
- Costs Centres and Cost Units
- Introduction to Overheads

Module 3 - Cost Behaviour

- Importance of Cost Behaviour
- Defining Fixed and Variable Costs
- Prediction of Cost Behaviour
- Analysis of Cost Behaviour

Module 4 - Accounting for Labour Costs

- Remuneration Methods:
- Labour and Total Costs
- Capture of Labour Data Costs
- Direct/Indirect Labour Costs

Module 5 - Material Costs

- Importance of Material Costs
- Pricing methods: FIFO, LIFO, AVCO, Replacement, Standard Cost
- Stock Valuation
- Just-in-time

Module 6 - Absorption Costing

- Definition, Rationale and Importance of Absorption Costing
- Overheads and Allocation
- Absorption Rates
- Cost Units and Cost Centres, Service and Production Departments

Module 7 - Activity Based Costing

- Importance, definition and framework of ABC
- Short-term and Long-term Variable Overhead Costs
- Advanced Manufacturing Technology (AMT)
- Cost Drivers and Rates

Module 8 - Marginal Costing

- Contribution, Overheads and Sales Ratios
- Revenue Statements in Marginal Cost Format
- Break-even (CVP) Analysis and Charts
- Safety Margin and Profit Volume Charts

Module 9 - Marginal Costing Short-term Decision Making

- Short-run Decisions: Make or Buy, Single Orders, Shortages, Choices
- Determining Principle Factors
- Opportunity Costs
- Limitations of Marginal Costing in Short-term Decision Making

Module 10 - Planning and Budgeting

- Budgetary Process, Organisational Framework, Budget Committees
- Interrelationships of Budgets, Integrated budgets
- Budgeting, Uncertainty, Sources of Budgetary Data
- Rolling Budgets, Zero-based Budgeting, Activity-based Budgeting

Module 11 - Standard Costing and Variance Analysis

- Definition of Standard Costs
- Meaning of Variance Analysis
- Variance Elements and Calculation:
- Variance Investigation: Favourable, Adverse, Causes

Module 12 - Capital Investment Appraisal

- Importance and Purpose of Capital Investment Appraisal
- Techniques of Appraisal: ARR, IRR, NPV, payback
- Discounted Cash Flow
- Risk and Uncertainty