

# Teaching guide

## IDENTIFICATION DETAILS

Degree:	Business Administration and Management		
Field of Knowledge:	Social and Legal Science		
Faculty/School:	Legal and Business Science		
Course:	COST ACCOUNTING		
Type:	Compulsory	ECTS credits:	6
Year:	2	Code:	7125
Teaching period:	Fourth semester		
Area:	Accountancy		
Module:	Functional administration of business areas		
Teaching type:	Classroom-based		
Language:	English		
Total number of student study hours:	150		

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## SUBJECT DESCRIPTION

Throughout the degree of ADE the student receives a complete training in all areas of the business reality and the best techniques of business management, including accounting in its different types. This course allows you to understand how is the process of generation of value in the company and the estimation of consumed resources to carry it out. For this, on the basis of the meaning of the concept of cost, their classification and significance for the current management business, different models of allocation of costs, reflecting business realities are

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The subject Cost Accounting is part of the "Functional Management of Business Areas" module of the ADE degree. This module includes three subjects: Accounting, Finance and Commercial. The Accounting subjects are detailed below:

GRADE: A.D.E.

Module: FUNCTIONAL MANAGEMENT OF BUSINESS AREAS

Subject: ACCOUNTING

- Financial Accounting I and II
- Cost Accounting
- Analysis of Financial Statements I and II
- Audit I and II
- Fiscal Accounting

The objective of the ADE degree at the Francisco de Vitoria University is to train future business professionals capable of improving the environment with their good work, applying our motto "Vince in Bono malum" in any area of their future lives.

To this end, our students will receive a complete training in all areas of business reality.

- Training in business management, including accounting in its different types.
- Anthropological and epistemological training that will serve as a basis for ethical behaviour.
- Cultural training that allows you to see the environment with a broad historical perspective and diversity of cultures.
- Training for teamwork, understood as a group of people who share a name, a mission, a history, a set of goals or objectives and expectations in common.
- Training in positive leadership skills as a way of driving others towards the achievement of person-centred business objectives.

The origin of Accounting goes back to the primitive human organizations when the need arises to shape and value in some way the economic transactions made between different social agents. At present and in the environment in which we live, these transactions are developed in a market economy framework with many uncertain variables. Given that economics is the science that studies the way in which productive resources are distributed, it needs accounting, which as a social science (although of an economic nature) has as its primary purpose to elaborate information that helps social agents in decision making. Cost Accounting aims to facilitate decision making for internal users of the company, developing tools that allow the measurement and valuation of business activity and its surpluses.

The management of companies, from the smallest to the largest corporations, requires the knowledge of Cost Accounting to develop an optimal management of value flows as a key aspect of success in their management. To this end, it provides managers with information on the cost of products, services or customers, necessary to carry out planning and control processes, as well as, receive support for decision making.

This course focuses on the study of basic concepts of costs, analysis, utility and procedures necessary to design cost systems so that it is a useful tool for management. The first objective of the course is to teach the techniques necessary for cost calculation, linking it to the analysis and use of information in the planning and control process, an area that will be deepened in the subject of Management Control scheduled for the 5th semester of the ADE degree.

## GOAL

At the end of the course the student will be able to know and understand the cost building process and companies returns. They will learn the necessary tools to design cost systems, their analysis, as well as their use for management decision making. Being aware of the importance and social responsibility of the information elaborated for decision making, from an ethical perspective, so that the company contributes actively to increase the wealth and welfare of the community.

The specific aims of the subject are:

Understanding cost formation process and its relation with the company's value chain.  
Designing cost management systems as a tool for decision making in the company, understood as a community of service to society

## PRIOR KNOWLEDGE

It is necessary to have basic notions of Financial Accounting: Analysis and changes in shareholders equity, Balance Sheet, Profit and Loss Statement, Inventory Valuation, Concept and recording of depreciation, amortizations, etc. since the information coming from Financial Accounting is the basis for the development of a cost calculation system. It is also important that the student knows the productive system of the company, as well as its organization, knowledge that will have been acquired in the subjects of Organization and Business Administration.

## COURSE SYLLABUS

### 1. PART ONE: INTRODUCTION TO MANAGEMENT ACCOUNTING

#### Chapter I: INTRODUCTION TO MANAGEMENT ACCOUNTING BASIC CONCEPTS.

- 1.Scope of study of analytical accounting: Relationship between financial accounting and management accounting for planning and control.
- 2.Objectives and users of management accounting.
3. External and internal users: the value chain.

#### Chapter II: FUNDAMENTAL COST CONCEPTS.

1. Cost driver
- 2.Concept of cost and its linkage with cost drivers.
- 3.Conceptual differences: cost, expense, payment, investment.
- 4.General process of cost determination:
- 5.Main cost classification criteria:

### PART TWO: STRUCTURE AND DESIGN OF COST SYSTEMS.

#### Chapter III. THE COST ALLOCATION PROCESS AND PRODUCTION COST ANALYSIS.

- 1.Stages of the cost allocation process.
- 2.Main functions that make up the operating activity of the company: concept and objectives of the classification of costs by function.
- 3.Functional income statement: concept and structure . Cost of production Analysis
- 4.Criteria for the delimitation and allocation of common costs: the distribution keys.
- 5.Classification of Cost Systems.

#### Chapter IV. THE INDIRECT COST ALLOCATION PROCESS: ANALYSIS BY COST CENTERS AND BY ACTIVITIES.

- 1.Organizational structure of the company and responsibility centers.
2. Traditional Cost Systems (VBC) or sections.
3. Activity-based costing (ABC).
- 4.Comparison of ABC and traditional costing systems: costing of a product by both systems. Analysis of the results obtained.

#### Chapter V ANALYSIS OF ACTIVITY AND EFFICIENCY BY PLANTS: RATIONAL ALLOCATION MODEL...

1. Concepts of efficiency and effectiveness. Technical and economic efficiency.
2. Behavior of the costs with respect to variations in the level of activity: fixed costs and variable costs.
3. The use of installed capacity as an efficiency factor:
4. The method of rational allocation of structural costs:

#### Chapter VI: ANALYSIS BY DEPARTMENT: PROCESS COST SYSTEMS.

1. Analysis of operating systems in industrial and commercial enterprises: 2.
- 2.Distinction between order-based and process-based costing systems and their application to each sector of activity.
- 3.Determination of the cost of production when there are final stocks of products in process: the concept of equivalent production.
- 4.Treatment of lost units.

### TOPIC VII: ORDER COSTING SYSTEMS

1. Characteristics of a make-to-order manufacturing system.
2. Interpretation of the cost allocation process in an order-related costing system.
- 3.Concept of production orders.
- 4.Delimitation of the resources to be considered in the costs of an order or production order.

## EDUCATION ACTIVITIES

it has been established a teaching methodology based on the company real experience , incorporating the most appropriate educational methods and technologies for the objectives of the course.

The training activities, as well as the distribution of working times, can be modified and adapted according to the different scenarios established following the indications of the health authorities

The development of the course will be carried out taking into account the following methodologies:

**FLIPPED CLASSROOM:** Active methodology that moves the instruction out of the classroom through videos or enriched texts to increase the time in which to perform higher cognitive level tasks proposed and guided by the teacher. In both face-to-face and remote classes, reverse learning is based on facilitating content for autonomous study by the student.

**PROBLEM-BASED LEARNING:** Methodology focused on learning, research and reflection followed by students to reach a solution to a problem posed by the teacher. The ABP is proposed as a means for the students to be the protagonists and acquire the knowledge and apply it to solve a real or fictitious problem, without the teacher using the master class or any other method to cover the program.

**PARTICIPATIVE MASTER CLASS:** Unlike the classic master lesson, in which the weight of the teaching falls on the teacher, in the participative master class we look for the student to pass from a passive attitude to an active one, favoring his participation. To this end, it is necessary for the teacher to structure the content well, have clarity of presentation and be able to maintain the attention and interest of the student.

**AUTONOMOUS WORK.** The student takes the initiative with or without the help of others (teachers, colleagues, tutors, mentors). It is the student who diagnoses his learning needs, formulates his learning goals, identifies the resources he needs to learn, chooses and implements the appropriate learning strategies, and evaluates his learning outcomes. The teacher becomes the guide, the facilitator and a source of information that collaborates in this autonomous work. This methodology will be of special interest for the development of research-related skills.

**COOPERATIVE LEARNING IN SMALL GROUPS:** The number of students programmed in our University allows us to work in small groups. Slavin defines cooperative work as "instructional strategies in which students are divided into small groups and evaluated according to group productivity," which puts into play both individual responsibility and positive interdependence, the basis of professional teamwork.

**TUTORIALS:** which includes interviews, discussion forums, self-reports and tutorial follow-up reports.

**RESEARCH:** Search for information from various sources and documents, analysis and synthesis of data and their development.

## DISTRIBUTION OF WORK TIME

CLASSROOM-BASED ACTIVITY	INDEPENDENT STUDY/OUT-OF-CLASSROOM ACTIVITY
60 hours	90 hours
Participative lecture 20h Analysis and discussion of cases, problems and exercises 20h Tutored individual work 10h Tutored collaborative group work 10h	Self-study of contents provided by the professor 30h Theoretical and practical study 30h Preparation of cases/problems for discussion in class 15h Virtual work in network, participation in forums 15h

## SKILLS

### Basic Skills

Students must have demonstrated knowledge and understanding in an area of study that is founded on general secondary education. Moreover, the area of study is typically at a level that includes certain aspects implying knowledge at the forefront of its field of study, albeit supported by advanced textbooks

Students must be able to apply their knowledge to their work or vocation in a professional manner and possess skills that can typically be demonstrated by coming up with and sustaining arguments and solving problems within their field of study

Students must have the ability to gather and interpret relevant data (usually within their field of study) in order to make judgments that include reflections on pertinent social, scientific or ethical issues

Students must be able to convey information, ideas, problems and solutions to both an expert and non-expert

audience

Students must have developed the learning skills needed to undertake further study with a high degree of independence

### **General Skills**

Ability to carry out synthetic and analytical thought.

To have developed the necessary skills to ensure problems are solved and goals are reached.

To run businesses for the benefit of people and society, with quality as the key element in order to achieve a competitive advantage.

To develop oral and written communication skills in a native and foreign language.

To be able to apply relevant IT knowledge to the field of study.

To enjoy a creative and entrepreneurial spirit.

### **Specific skills**

To be able to design and manage projects.

To be able to plan, calculate and manage company costs.

To be able to orientate products and services developed by a company as a means of bettering society.

To develop oral and written communication skills.

To be able to effectively use those tools needed for giving presentations.

To be able to put knowledge into practice.

## **LEARNING RESULTS**

Distinguishes the characteristics of the internal and external spheres in the company to understand the relationships between them and how the value generation process takes place

Properly assesses the role of cost and management accounting in providing the necessary information for the management and direction of companies

Identify and classify cost factors for each of the company objectives

Compares and values the production factors according to their nature, function and possibility of attribution to the final product or service output of the company, also applying computer tools

Structures the different cost models analyzing which is the best to meets management tools.

Elaborates and explains the different stages of the accounting process of cost calculation, being able to justify the decision.

## **LEARNING APPRAISAL SYSTEM**

The evaluation system distinguishes between students enrolled first time , with a continuous evaluation system, from students enrolled second or more times or students with academic wave (\*) that will carry out the activities required by the teacher.

In the event that the health recommendations force us to return to a scenario where teaching has to be done

exclusively remotely, the weights will not be changed, and the exams will be done in person as long as the health situation allows it, and they can be modified in order to comply with the indications given by the health authorities.

The evaluation systems are:

#### 1- CONTINUOUS EVALUATION SYSTEM

This continuous evaluation will take into account the following parameters: active and relevant participation in class and in case discussion, resolution of practical cases, intermediate control, team work and final exam.

The subject is evaluated from 0 to 10 points, which are accumulated throughout the course. A minimum score of 5 out of 10 is required in the final exam to apply continuous assessment.

The percentage weighting of the different parameters, in the final grade, will be applied as follows:

RESOLUTION OF INDIVIDUAL AND GROUP ACTIVITIES (delivered in the time and form stipulated by the teacher, and developed in the classroom) and/or SHORT TESTS WITHOUT NOTICE :40%

FINAL EXAM (at least 5 out of 10 in the final exam is required to apply the continuous assessment) 60%

#### 2.- REPEATING STUDENTS WHO DO NOT ATTEND CLASS DUE TO INCOMPATIBILITY OF SCHEDULES OR WITH ACADEMIC WAVE: PERCENTAGE OVER FINAL GRADE:

EXERCISE RESOLUTION (individual virtual classroom task) 15%.

FINAL EXAM (in order to apply the continuous evaluation it is required to obtain at least 5 out of 10 points in the final exam) 85%.

The UFV students in exchange stay, will take advantage of the alternative system of evaluation (repeaters and wavers), being their responsibility to know it.

For those students who do not pass the Ordinary Examination, the Extraordinary Final Exam will have a weight of 85%, with a minimum score of 5 points out of 10) and the delivery in the Virtual Classroom of the exercises indicated for this purpose, 15%.

All the tests that can be evaluated will be subject to what is established in the Evaluation Regulations of the UFV.

All the students of the grade will be subject to the rules of coexistence of the university, with special attention to the infractions for plagiarism and/or copy in exam that will be considered as serious infractions according to the mentioned rules.

In order to ensure significant learning by the student, the deadlines for the proposed activities, individual and group work will be scrupulously respected.

In the event that the student does not pass the final exam (grade above 5), the grade of the course will be the one obtained in the exam.

(\*) A student may obtain an academic wave in one or several subjects due to work, schedule incompatibility, illness or other reasons considered by the Career Management, prior request and providing the documentation required for this purpose. Once granted, the affected teachers will be informed.

Plagiarism behaviors, as well as the use of illegitimate means in the evaluation tests, will be sanctioned according to what is established in the Evaluation Regulations and the University's Coexistence Regulations.

## BIBLIOGRAPHY AND OTHER RESOURCES

### Basic

Principles of Accounting, Volume 2: Managerial Accounting  
Openstax

AMAT, O (última edición) Contabilidad y gestión de costes. Editorial: Bresca

VV.AA. Cálculo de Costes y Control de Gestión (2015). Editorial: Delta

HORNGREEN y FOSTER (última edición) "Cost Accounting" A Managerial Emphasis - 8ª edition Edit. Prentice-Hall

### Additional

ROSANAS MARTÍ, J.M. y BALLARÍN FREDES, E. (última edición). Contabilidad de costes para la toma de decisiones. Edt: DDB.

PEREIRA, BALLARÍN, ROSANAS, VAZQUEZ RODERO (última edición) Contabilidad para la Dirección. Editorial: Eunsa

SAEZ TORRECILLA, A. (2014). Contabilidad de Costes y Contabilidad de Gestión. Editorial: Mcgraw Hill

DELGADO JALÓN, M. L. y DUARTE MONEDERO, B. (2007). Fundamento para el cálculo de Costes. Editorial: Netbiblo.

GUTIERREZ DIAZ, G. y MARTIN GARRIDO, F. (2013) Ejercicios y soluciones de contabilidad de gestión. Editorial UNED, Madrid