

COST ACCOUNTING

Introduction

This module unit is intended to equip the trainee with knowledge, skills and attitudes that will enable him/her to ascertain costs and prepare performance reports in a business set up.

General Objectives

At the end of this module unit the trainee should be able to:

- a) Apply costing concepts in a business management
- b) Cost goods and services using various costing methods
- c) Price goods and services using pricing methods
- d) Carry out cost allocation for various overheads
- e) Apply simple costing techniques as used in modern business set ups.

Module Unit summary of topics and time allocation

Code	Sub-module units	Contents	Time (hours)
10.2.01	Introduction to cost Accounting	<ul style="list-style-type: none">• Nature of cost accounting• Importance of cost accounting• Basic terms used in cost accounting• Principles of cost accounting• Distinction between cost accounting and financial accounting	5
10.2.02	Elements of cost and cost behavior	<ul style="list-style-type: none">• Elements of costs of a product• Cost classification• Importance of cost information• Cost statement format	10
10.2.03	Material Costing	<ul style="list-style-type: none">• Stock taking methods• Control procedures• Aspects• Stock valuing methods• Methods of valuing materials issues• Stores ledger/account format	15
10.2.04	Labour costing	<ul style="list-style-type: none">• Meaning of labour costs• Ascertain of labour costs	15

		<ul style="list-style-type: none"> • Classification of labour cost • Methods of calculating labour costs • Calculation of labour costs using labour costs methods • Payroll format 	
10.2.05	Costing for overheads	<ul style="list-style-type: none"> • Meaning of overhead • Overhead expenses • Distinction between allocation, apportionment and absorption • Classification of overhead expenses into their respective categories • Overhead analysis sheet format • Calculation of overhead absorption rates 	15
10.2.06	Process costing	<ul style="list-style-type: none"> • Definition of process costing • Elements of process costing • Process account format • Abnormal loss account • Normal loss account format • Scrap debtor account • Finished good stock account • Work-in-progress calculation • Statement of equivalent production format 	15
10.2.07	Contract costing	<ul style="list-style-type: none"> • Definition of contract costing • Features of contract costing • Preparation of contract account • Preparation of contractee account 	6
10.2.08	Batch Costing	<ul style="list-style-type: none"> • Definition of batch costing • Procedures for preparation of batch statements 	6
10.2.09	Factory Job Costing	<ul style="list-style-type: none"> • Nature of factory job costing • Procedures in factory job costing • Job cost card layout • Cost estimates 	5
10.2.10	Service costing	<ul style="list-style-type: none"> • Nature of service costing • Common costs units used in service costing 	5

		<ul style="list-style-type: none"> • Preparation of operations cost statements 	
10.2.11	Emerging issues	<ul style="list-style-type: none"> • Emerging issues in cost accounting • Challenges poses by emerging issues and trends • Coping with challenges posed by emerging issues and trends 	3
Total			100