

# Minnesota State University Moorhead

## OM 483: Cost Analysis

### A. COURSE DESCRIPTION

Credits: 3

Lecture Hours/Week: 3

Lab Hours/Week: 0

OJT Hours/Week: \*.\*

Prerequisites:

ACCT 230 - Principles of Accounting I

Corequisites: None

MnTC Goals: None

The objectives of the course are to analyze cost behavior and to develop and interpret financial information at the process, project, and organization levels for purposes of management decision making.

### B. COURSE EFFECTIVE DATES: 02/27/2014 - Present

### C. OUTLINE OF MAJOR CONTENT AREAS

1. The principles of time value of money, relationship between risk and return, importance of cash flow, and cost of capital.
2. Various financial statements (Income Statement, Balance Sheet, and Cash Flow Statement) and financial ratios.
3. Building a cost system and an understanding of the various types of costing systems used by manufacturing firms; job order costing, process costing, and the kinds of environments where each type is likely to be used. And analysis of cost data used in making decisions for change and reporting.
4. An understanding of Fixed, Variable, Indirect and Direct costs and the range of practice in treating overhead costs.
5. Creating company and department budgets and an understanding of how actual results compare to budgets, and how variances are analyzed and interpreted.
6. How budgets and standards are used to measure and motivate performance.

### D. LEARNING OUTCOMES (General)

1. Compare and contrast traditional economic analysis techniques and contemporary financial topics and techniques.
2. Read and understand financial statements, Income Statements, Balance Sheets, and Cash Flow Statements, and then interpret the impact from economic decisions to these documents.
3. Analyze a business organizations financial documents using common financial ratios.
4. Explain the linkage between economic analysis problem solving and the external factors of organizational, human, and other non-financial influences on decisions.
5. Evaluate the impact of business taxes on an organization's profitability.
6. Determine whether a purchase or a lease of assets is the better financial decision for the organization.
7. Explain the financial importance of quality economics (cost of quality).
8. Explain the importance of responsibility accounting for a team approach to the reporting of information to facilitate the control of operations and evaluation of performance.

### E. Minnesota Transfer Curriculum Goal Area(s) and Competencies

None

**F. LEARNER OUTCOMES ASSESSMENT**

As noted on course syllabus

**G. SPECIAL INFORMATION**

None noted