

# Course Description

## Cost Accounting: Module 4 – Standard Costing

### Description:

Standard Costing will discuss standard costs and how they are used by management to control operations. A standard cost is an estimated cost associated with a standard level of performance for manufacturing a product or performing a service. Standard costs are carefully predetermined amounts that are used for planning labor, material and overhead requirements.

### Learning Objectives:

Upon completion of this course, the learner will be able to:

- Identify the benefits of using a standard costing system
- Define standard costs
- Explain the terms management by exception, standard cost variance
- Identify the two general types of variances
- Explain how variances are accounted for
- Explain the process for updating standards
- Explain how key performance indicators are used

**Estimated Course Duration:** 1 hour (1CPE)

**Delivery Method:** Online Self-Study

**Field of Study:** Accounting

**Program Level:** Overview

**Advance Preparation/Prerequisites:** None

**NASBA Publication/Revision Date:** 10/23/07

### Course Outline:

#### Standard Costs

- Standard Costs for Materials and Components
- Standard Labor Cost
- Standard Cost Card - Variable Production Cost

#### Standard Cost Variances

- Purchase Price Variation
- Controlling Variation
- Quantity Variance
- Generally Accepted Accounting Principles
- Variance between Income and Inventory

#### Features Standard Costing Systems

- Steps to Revise Standards
- Variance Analysis Cycle – Reactive Model

#### General Model for Variance Analysis

- Material Variances

#### Labor Variances

- Labor Rate Variance
- Labor Efficiency Variance

#### Variable Manufacturing Overhead Variances

#### Balanced Scoreboard

#### Delivery Performance Measures



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