



**THE ARC TRAINING GROUP**  
 A Division of The ARC Consulting Group, Inc.  
 A Profit Enhancement Firm  
 Providing Educational and Consultative Services to the  
 International Business Community

## **SEMINAR FACT SHEET**

### **COST ACCOUNTING LEVEL I: COST CONCEPTS FOR THE PROFIT-ORIENTED COMPANY ARC COURSE NO. 003**

**SEMINAR OVERVIEW**

This program will give you a clear and concise grasp of the basics of cost accounting. You won't find a better program for developing a system that meets your cost accounting needs. Now you can understand what it really costs you to deliver a product and maximize profitability at the same time. The most successful organizations truly understand the cost of their operations including plant operations, supply stream management, joint and by-product costs, inventory management, and impact of overhead on specific product lines. You'll learn how to develop budgets and standards, track and determine the true causes of variances, and use the cost information as a profit enhancement tool Also, you will learn how to determine pricing for goods and services and make the best use of people, money and materials.

**WHO SHOULD ATTEND**

This program is for anyone who needs to understand the nature and structure of the costs incurred during the process of manufacturing or delivering a product or service. It is aimed at those professionals with little or no cost accounting experience. Also, internal and external auditors, CEO's, CFO's, Cost Managers, Marketing Professionals who have a little or no product cost background, brand managers, plant management personnel, and anyone who needs to use understand the nature and purpose of product cost information.

<b>AUDIT PROFESSIONALS</b>	<b>FINANCIAL PROFESSIONALS</b>	<b>TECHNICAL PROFESSIONALS</b>	<b>OPERATIONAL PROFESSIONALS</b>	<b>STRATEGIC MANAGEMENT</b>
■ Staff	■ Staff	■ I / T	■ Supervisors	Managers
■ Seniors	■ Controllers	■ Engineers	■ Team Leaders	Directors
Managers	Directors	■ Proj. Managers	■ Managers	Vice Presidents
Directors	VP's & CFO's	■ ISO & Quality	■ Plant Managers	CEO's

**WHAT WILL BE COVERED**

You will take a step-by-step walk through typical cost accounting procedures. You will solve realistic cost-process problems than can be immediately applied to your unique environment...comparing job-costing and process-costing procedures...determining how to apply direct costing techniques...and developing a master plan that coordinates accounting and budgeting.

**SPECIAL FEATURE:** You may tailor this program by using your own internal cost reports report in lieu of the standard reports provided with the materials at no additional charge. Also, ARC will modify this program to reflect the unique aspects of your accounting system at no additional charge. As an option, we can present this program using Excel<sup>®</sup> as a tool to perform key calculations in lieu of financial calculators

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### **HOW YOU WILL BENEFIT**

From the examination of the elements of cost to a hands-on case study in which you analyze cost control, this program provides you with all the tools and information to put cost accounting best practices to work for your company.

This program will address tough issues such as:

- Using cost accounting to improve profits
- Making sound pricing decisions
- Developing the cost system that's right for your company
- Determining the causes of budget variances with greater confidence
- Optimizing the use of people, resources, and materials
- Understanding the benefits of Job and Process costing
- Knowing when to use Absorption vs. Direct Costing
- Supporting capital budgeting decisions
- Using Activity-Based Costing techniques

### **PROGRAM AGENDA**

#### **DAY ONE:**

- **THE INTERNATIONAL BUSINESS ENVIRONMENT**  
This section provides an overview of the strategic, tactical, and operational aspects of today's global business entity. During this session, participants develop their specific learning objectives for the program, and gain an understanding of the benefits and limitations of cost analysis.
- **OVERVIEW OF COST MANAGEMENT**  
This section will provide an overview of the responsibility accounting environment, and how the need for cost information has grown far beyond the traditional inventory costing focus.
- **FUNDAMENTALS OF COST ACCOUNTING**  
Understanding what costs truly are, how they behave, and typical classifications of cost is the first step. In this section, you will learn the various objectives of effective cost accounting, what costs are, and the various classifications of costs including, total vs. conversion, Product vs. Period, direct vs. indirect, factory vs. corporate, fixed vs. variable, and much more.
- **ACCOUNTING FOR MATERIAL AND LABOR COSTS**  
The two key ingredients in any product are material and labor. The only difference between manufacturing and services companies are the amount of materials used in the creation and delivery of the end product. This section will provide an understanding of how material and labor costs are introduced into the product costing process.

#### **DAY TWO**

- **DEVELOPING STANDARDS AS A TOOL FOR INVENTORY VALUATION AND STRATEGIC DECISION SUPPORT**  
The development of product standards has risen to an entirely new strategic level in many of today's profit-based organizations. The days of "Three Standards and a Cloud of Dust" are long gone. In order to effectively manage production challenges, you must be able to identify the

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drivers of production concerns. The organization's need to use standards strictly as a tool for inventory valuation has overshadowed need for reasonable total product cost to support strategic business decisions. These include pricing, product continuation and new product introduction. In this section, you will learn how to set standards that address external reporting requirements and internal decision support.

- **EFFECTIVE DETERMINATION OF JOINT- AND BY-PRODUCT COSTS**

Many companies, by the nature of their manufacturing processes, create certain products that are "spin-offs" of their core product lines. These "joint- or by-products" present cost professionals with a unique set of challenges. In this section, you will discuss situations in which a company would have joint costs. You will learn how to apply the various methods for allocating joint costs including net realizable value, physical unit's method, constant gross margin method, and relative cost method. You will also discuss the non-relevance of joint costs for decision making.

- **FIXED ASSETS AND COST ACCOUNTING**

Today's cost accountants must know the impact of investments in fixed assets to the product cost structure. Using depreciation as a cost standard may lead to erroneous product cost and price determinations. In this section you will learn how to effectively account for asset consumption costs, as well as alternatives to the common fixed asset costing techniques.

### DAY THREE

- **VARIANCE ANALYSIS AS A PROCESS IMPROVEMENT TOOL: ANALYZING THE TRUE CAUSES OF PRODUCT COST VARIANCES**

After the development of standards, they become a powerful tool to support variance analysis. The true benefit of variance analysis is when it becomes a process-improvement tool. This section will go far beyond the typical cost of goods sold variances into the strategic world total product cost management. You will learn how to calculate those variances that are essential to strategic decision-support.

- **ASSIGNING SERVICE DEPARTMENT COSTS TO DETERMINE TOTAL PRODUCT COST**

If the use of ABC is not an option, this section will provide alternative methods of allocating traditional service costs, such as accounting, Information Services, and Human Resources to the product to determine total product cost.

- **DEVELOPING THE CAPITAL SPENDING BUDGET AND JUSTIFICATION MODELS**

Is the investment in an additional fixed asset truly justified? Are you using the right tools to ensure the organization will maximize its investment in capital spending? In this section, you will learn how to develop the Capital asset Pricing Model that is right for your organization, and how to ensure maximum return on capital investments.


- **COURSE SUMMARY AND WRAP-UP**

This section provides you with the opportunity to address any specific issues with the total group as a resource, to review any specific issue or topic addressed in the program, or to just recap the benefits received from the program and the group as a whole.

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### SEMINAR PRICING AND LOGISTICS

<b>Duration:</b> 3 Days	<b>Program Level:</b> Basic
<b>Seminar Fee:</b> \$ 8,500	<b>Average Cost / Attendee:</b> \$ 340
<b>Prerequisites:</b> None	<b>Advanced Preparation:</b> None
<b>Maximum Attendance:</b> 25	<b>CPE Hours:</b> 24
<b>Delivery Method:</b> Group Live	<b>Booking Instructions:</b> Call (904) 268-1148
<b>This fee includes all instructor travel, living and professional fees, and all participant materials. The client is responsible for training facility, audio-visual requirements, and other creature comforts. For information regarding refund, complaint and program cancellation policies, please visit our website at <a href="http://www.arctraining.com">www.arctraining.com</a>, or call Kate Robbins at (904) 268-1148.</b>	
<b>For additional savings to your organization, invite participants from companies in your area who may also be interested in this program. The ARC Training Group places no restrictions on who you can ask to join your group.</b>	

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