

APPLIED COST ACCOUNTING

Degree in Touristic Activities Management

Degree in Touristic Activities Management

Code: 13803

Main Scientific Area: Cost and Management Accounting

Lecturer: Teresa do Carmo Salgueiro da Costa

Language of Instruction: Portuguese

Regime: S2

Contact Hours: 60h Total Workload: 108h

ECTS: 6,0

Objectives

This curricular unit aims to prepare students in the techniques necessary to the internal accounts organization in the context of tourism industry. Students should learn to extract useful cost accounting information in order to make decisions at the various levels of management. Thus, it is intended to provide the necessary knowledge to understand the basic concepts of cost accounting. The aim of this UC is to enlighten students on the classification of costs and to determine costs, to present the different costing systems and the analysis of the cost volume-profit relationship, and to present the adaptation of cost accounting models to the specific context of touristic activities.

Learning Outcomes

Students are supposed to acquire the following skills;

Recognize and apply the fundamental cost accounting concepts and the related terminology;

Understand the role of cost accounting system to support decision making;

Understand basic cost accounting procedures and identify the various components of cost;

Distinguish between the basic types of cost accounting systems;

Analyse and interpret the Income Statement by Functions;

Be able to analyse and conveniently use accounting information for decision making, which means to know and use the different tools of cost accounting;

Understand the ABC (Activity-based-costing) system and its importance for touristic activities management.

Course Contents

I – BASIC CONCEPTS OF COST ACCOUNTING

1.1 Cost Accounting as a management tool

1.2 Definition, scope, objectives and characteristics of Cost Accounting

1.3 Concept of costs and revenues, expenses and income, payments and receipts.

II – COSTS: RECLASSIFICATIONS, CONCEPTS, HIERARCHY AND COST ANALYSIS OF VARIOUS TYPES OF RESULTS

2.1 Type of costs and reclassification

2.2 The hierarchy of costs

2.3 Gross, net and pure profits

2.4 Product costs and period costs

2.5 Income Statement by Functions: scope and regulatory framework

III – CATEGORIES OF MANUFACTURING COSTS

3.1 Direct Material Costs

3.2 Direct Labor Costs

3.3 Manufacturing overheads

3.4 The cost of completed production and non-completed production

IV – METHODS USED FOR ANALYSIS AND COST ASSIGNMENT

4.1 The process of assigning manufacturing overheads

4.1.1 Cost allocations

4.1.2 Allocation base or cost driver

4.1.3 Single and multiple allocation base

4.1.4 Theoretical shares: ordinary and ideal shares

4.2 The method of the homogeneous sections

4.2.1 Responsibility centers and cost centers

4.2.2 The method of the homogeneous sections

4.2.3 The cost of main and auxiliary sections

4.2.4 Allocation of the main sections cost to products

4.2.6 Maps to determine costs

4.3 The ABC system costs

4.3.1 Justification of the model

4.3.2 Fundamentals of the model

4.3.3 Characterization of the model

4.4 Costing methods and cost allocation

4.4.1 Full Costing

4.4.2 Variable Costing

4.4.3 Rational Costing

4.4.4 Direct Costing

V – COST - VOLUME – PROFIT ANALYSIS

5.1 Introduction to the topic

5.2 Analysis of Break-even point

5.3 Graphical Analysis

5.4 Margin of Safety

5.5 Sensitivity analysis to parameters: Implications for the Break-even point

VI - IMPLEMENTATION OF COST ACCOUNTING TO TURISTIC ACTIVITIES

6.1 The usefulness of the ABC in touristic activities

Recommended Bibliography

CAIADO, António Campos Pires. (2009). Contabilidade Analítica e de Gestão, Áreas Editora, 25.ª Edição, Lisboa.

CAIADO, António Campos Pires; CABRAL, Joaquim Viana. (2006). Casos Práticos de Contabilidade Analítica, Áreas Editora, 2.ª Edição, Lisboa.

FRANCO et al. (2009). Temas de Contabilidade de Gestão: Os Custos, os Resultados e a Informação para a Gestão, Livros Horizonte, 2.ª Edição, Lisboa.

MARTINS, Ana Lucas, SANTOS, Luís Lima, GOMES, Conceição, MALHEIROS (2022), Contabilidade de Gestão Aplicada ao Turismo; Almedina, Lisboa.

PEREIRA, Carlos Caiano; FRANCO, Victor Seabra. (1994). Contabilidade Analítica, Editora Rei dos Livros, 6ª Edição, Lisboa.

PEREIRA, Carlos Caiano; FRANCO, Victor Seabra. (2001). Contabilidade Analítica – Casos Práticos, Editora Rei dos Livros, Lisboa.

GARCÍA, Francisco Calero.(2007). Contabilidad de la empresa turística, Mc Graw Hill.

CANALS, Mesalles Lluís, (2010). Hotel control: gestion economica practica y analisis en un establ ecimiento de alojamiento turistico, Laertes, Barcelona.

LAMELAS, José Pereira Sistema (2004), Sistema Uniforme de Contabilidade Analítica de Gestão Hoteleira, Vislis editora, Lisboa.

Learning and Teaching Methods

The growing importance of cost accounting for organizations, and the recognized need to make timely and appropriate decisions justify the insertion of the first chapter of the program to be seized the grounds for the course.

In order to understand what the main types of costs included in the program is the second chapter on the reclassification of costs, the components of the calculation of production costs and also be able to analyse the income statement by function.

The remaining chapters respond to the last proposed objectives relating to the need to understand the application of cost accounting in organizational structure, to illustrate the basic procedures at the level of cost accounting and to distinguish the different types of systems and methods of cost allocation.

Finally, to propose to students to carry out the analysis of a model for the application of cost accounting to an activity in the tourism sector.

Assessment Methods

The evaluation of the UC is the continuous and periodic evaluation regime and includes three evaluation elements in three classification moments:

- 1st test with a 45% weigh of the final grade;
- 2nd test with a 40% weigh of the final grade

(The minimum classification in each of the tests is 8 points).

- Fasa Project or Replacement Methodology with a 15% weigh of the final grade.

The replacement methodology will be the resolution of a practical case.

Students who meet the requirements to opt for the Replacement Methodology will have to register in UC Moodle until 03/01/2024.