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## Course Information

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**Course Title:** *Activity-Based Costing*

#373925

**Number of continuing education credit hours recommended for this course:**

**CPA: 3** (All states)

In accordance with the standards of the National Registry of CPE Sponsors, CPE credits have been granted based on a 50-minute hour.

National Registry of CPE Sponsors ID Number: 107615.

Sponsor numbers for states requiring sponsor registration

Florida Division of Certified Public Accountancy: 0004761 (Ethics #0011467)

Hawaii Board of Accountancy: 14003

New York State Board of Accountancy: 002146

Ohio State Board of Accountancy: CPE .51PSR

Pennsylvania Board of Accountancy: PX178025

Texas State Board of Accountancy: 009349

### Course Description

A business can find itself in severe financial difficulties if it is making decisions based on incorrect overhead allocations. This has become more of a problem since overhead has become such a large proportion of total costs. *Activity-Based Costing* provides the solution by clearly stating a methodology for assigning overhead costs, and the circumstances under which it is most useful. The course also describes every type of overhead cost and how misallocations can occur. In addition, it gives practical advice for setting the scope of an activity-based costing project and improving the odds of project success.

### Course Content

Publication/Revision date: 1/12/2025.

Author: Steven M. Bragg, CPA.

Final exam (online): Fifteen questions (multiple-choice).

**Program Delivery Method:** NASBA QAS Self-Study (interactive)

### Subject Codes/Field of Study

NASBA (CPA): Accounting

### Course Level, Prerequisites, and Advance Preparation Requirements

Program level: Overview

Prerequisites: None

Advance Preparation: None

# Learning Assignment & Objectives

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- Recognize the differences between direct costs and overhead costs.
- Specify how overhead can be mis-allocated in different operating environments.
- Describe the allocation problems associated with a single allocation base.
- Describe the processing steps used in activity-based costing.
- Specify the differences between primary and secondary cost pools.
- Identify instances in which the refresh rate for activity drivers can be delayed.
- Describe the different types of activity drivers that can be found within a business.
- Specify the contents of a bill of activities.
- Recognize the allocation treatment for the different types of administrative costs.
- Identify the situations in which additional cost pools and activity drivers should be added.
- Specify the advantages and disadvantages of activity-based costing.
- Describe the circumstances under which activity-based costing can be most beneficial.

## Instructions for Taking This Course

- **You must complete this course within one year** of purchase (If the course is “Expired,” contact us and we will add the latest edition of the course to your account (no charge).
- **To retain the course-PDF after completion (for future reference) and to enable enhanced navigation:** From “My Account,” Download and save the course-PDF to your computer. This will enable the search function (Menu: Edit>Find) and bookmarks (icon on left side of document window).
- **Complete the course by** following the learning objectives listed for the course, studying the text, and, if included, studying the review questions at the end of each major section (or at the end of the course).
- **Once you have completed studying the course** and you are confident that the learning objectives have been met, answer the final exam questions (online).

## Instructions for Taking the Online Exam

- **Go to “My Account” and locate this course in your Active Courses list.**
- Click “View Course,” then “Course Exam,” then “Open Exam.” (You can print the exam questions for reference purposes using the “Print Exam Questions” link.)
- A passing grade of at least **70% is required on the exam** for this course.
- You will have **three attempts to pass the exam** (call or email us after three unsuccessful attempts for instructions).
- The exam is not timed, and it does not need to be completed in one session.
- Once you pass the exam, the results (correct/incorrect answers) and certificate of completion appear in “My Account.” A confirmation email is also sent.
- CFP Board and IRS credit hours, if applicable, are reported on Tuesdays and at the end of the month.

**Have a question?** Call us at 800-588-7039 or email us at [contact@bhfe.com](mailto:contact@bhfe.com).

## About the Author

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**Steven Bragg, CPA**, has been the chief financial officer or controller of four companies, as well as a consulting manager at Ernst & Young. He received a master's degree in finance from Bentley College, an MBA from Babson College, and a Bachelor's degree in Economics from the University of Maine. He has been a two-time president of the Colorado Mountain Club, and is an avid alpine skier, mountain biker, and certified master diver. Mr. Bragg resides in Centennial, Colorado. He has written more than 300 books and courses, including *New Controller Guidebook*, *GAAP Guidebook*, and *Payroll Management*.

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