JUPITER PRIME
Consulting • Training • Advisory
جوبيتر برايم للاستشارات والتدريب

COURSE BROCHURE

Process Costing and Job Order Costing Training Course

25 April – 6 May 2027
Istanbul

Process Costing and Job Order Costing Training Course

Ref: 1706_62544 **Date:** 25 April – 6 May 2027 **Location:** Istanbul **Fees:** 8500 GBP

Process Costing and Job Order Costing is a 2-week training course for cost accountants in manufacturing and project organisations who set unit costs, value work in progress and choose the costing method behind each product line, with a unit cost and WIP valuation pack as the output each participant completes. Tight pricing, tender scrutiny and audit attention on inventory make accurate unit cost a board-level concern. Jupiter Prime Training delivers this course.

Why Process Costing and Job Order Costing Matter Now

Three groups shape this work today: commercial teams who price tenders and orders from unit cost, auditors who test inventory and work-in-progress balances, and operations leaders who need yield losses translated into money. An organisation that costs accurately can bid with confidence, value stock defensibly and see which products earn their keep; one that relies on blanket rates misprices orders and hides losses inside averages. The course rests on absorption costing, the weighted average and first-in, first-out FIFO process methods, and activity-based costing ABC as a refinement layer.

Who Gains Most from Process Costing and Job Order Costing

- Cost accountants who maintain job cost sheets and reconcile them to the ledger
- Plant accountants who value process stages and closing work in progress
- Project accountants who track contract cost against progress and billing
- Costing analysts who set overhead absorption rates and explain variances
- Finance controllers who decide costing policy for product and service lines

A plant or project finance unit that sends its cost accountants and costing analysts together gains most, since rate setting and unit cost reporting then follow one agreed method.

Process Costing and Job Order Costing Capabilities

Participants move from recording production cost to defending every unit cost and inventory figure they report.

- Calculate equivalent units under weighted average and FIFO — supporting closing stock valuation
- Design job cost sheets and cost codes — serving project margin reporting
- Set predetermined absorption rates on chosen capacity — informing pricing and tender teams
- Apply normal and abnormal loss treatment — giving operations visibility of yield
- Weigh joint cost allocation methods — guiding further processing and product mix choices
- Specify the costing system that fits product variety — advising finance controllers

Key Process Costing and Job Order Costing Terms

- Equivalent units — The number of complete units that partly finished work represents, used to spread process cost fairly across output.
- Job order costing — A method that accumulates material, labour and overhead separately for each customer order, contract or batch.
- Overhead absorption rate — A predetermined rate, such as cost per machine hour, used to charge indirect production cost to products or jobs.
- Abnormal loss — Output lost beyond the expected level in a process, valued separately so it does not inflate the cost of good units.
- Joint products — Two or more main products arising from one process, whose shared cost must be split at the split-off point.
- Net realisable value — Expected selling price less further processing and selling costs, often used to allocate joint cost or value stock.

Process Costing and Job Order Costing Day by Day

Day 1: Costing Systems and the Forces Behind Them

- Process and Job Environments — Matching Costing Logic to Production Flow
- Product Cost Flows Through Inventory Accounts — Tracing Cost to Finished Goods
- Pressures From Pricing, Tendering and Margin Scrutiny — Why Unit Cost Accuracy Matters
- Hybrid and Operation Costing — Handling Batches That Share Common Steps
- Cost Ledger and General Ledger Links — Keeping Two Records Consistent

Day 2: Job Cost Sheets and Direct Charges

- Job Cost Sheet Design — Capturing Material, Labour and Overhead per Order
- Material Requisition Notes — Charging Issues to the Correct Job
- Labour Time Booking — Separating Productive and Idle Hours
- Subcontract and Direct Expense Charges — Allocating Outside Costs to Jobs
- Job Numbering and Cost Codes — Enabling Clean Margin Reporting

Day 3: Overhead Absorption for Jobs

- Overhead Allocation and Apportionment — Spreading Service Department Costs
- Reciprocal Service Methods — Choosing Direct, Step-Down or Simultaneous Equations
- Predetermined Absorption Rates — Setting Machine-Hour and Labour-Hour Bases
- Under- and Over-Absorption — Deciding Period-End Treatment
- Capacity Levels in Rate Setting — Avoiding Idle Cost in Product Prices

Day 4: Contract and Project Job Costing

- Long-Duration Contract Costing — Recognising Cost Against Progress
- Cost-to-Complete Estimates — Signalling Loss-Making Projects Early
- Variation Orders and Claims — Linking Scope Changes to Cost Records
- Retention and Progress Billing Records — Reconciling Billing With Cost
- Project Margin Reports — Informing Bid and Resource Decisions

Day 5: Process Costing Foundations

- Process Accounts and Cost Centres — Mapping Each Production Stage
- Equivalent Units of Production — Converting Partial Work to Full Units
- Weighted Average Method — Blending Opening Stock With Current Cost
- FIFO Method in Process Costing — Isolating Current Period Efficiency
- Statements of Equivalent Units and Cost per Unit — Structuring the Calculation

Day 6: Work-in-Progress Valuation

- Degree of Completion Estimates — Testing Supervisor Assessments
- Material Added at Different Stages — Adjusting Equivalent Unit Counts
- Transferred-In Costs — Carrying Cost Between Sequential Processes
- Closing WIP Valuation — Supporting Inventory Figures at Period End
- WIP Count and Cut-Off Procedures — Reducing Valuation Disputes

Day 7: Spoilage, Losses and Gains

- Normal and Abnormal Loss — Deciding Which Losses Inflate Unit Cost
- Abnormal Gain Accounts — Recording Better-Than-Expected Yields
- Scrap Value and Rework Costs — Crediting Recoveries to the Right Account
- Inspection Point Effects — Assigning Spoilage Before or After Testing
- Loss Reporting to Operations — Linking Yield Variances to Root Causes

Day 8: Joint Products and By-Products

- Split-Off Point Identification — Defining Where Joint Cost Ends
- Physical Units Apportionment — Allocating Joint Cost by Output Volume
- Sales Value and Net Realisable Value Methods — Comparing Allocation Results
- By-Product Treatment Options — Choosing Revenue or Cost Reduction Approaches
- Further Processing Decisions — Weighing Incremental Revenue Against Cost

Day 9: Choosing and Improving the Costing System

- Costing System Selection Criteria — Fitting Method to Product Variety
- Activity-Based Overlays on Absorption — Refining Overhead for Diverse Products
- Standard Costs in Process Settings — Separating Price and Usage Variances
- ERP Cost Object Configuration — Mirroring the Chosen Method in Systems
- Costing Policy Manuals — Documenting Rules for Auditors and New Staff

Day 10: Practising the Unit Cost and WIP Valuation Pack

- Job Cost Sheets From Day Two — Rebuilding a Project Order Cost
- Absorption Rates From Day Three — Recalculating Overhead on Live Figures
- Equivalent Unit Statements From Day Five — Valuing a Multi-Stage Process
- Joint Cost Allocation From Day Eight — Testing Product Margin Rankings
- Unit Cost and WIP Valuation Pack — Completing the Period-End File

Applying Process Costing and Job Order Costing After the Course

- Recalculate equivalent units and closing WIP for one process line using both weighted average and FIFO, and present the difference to the controller
- Review current overhead absorption rates against practical capacity and propose revised rates for the next costing period

Process Costing and Job Order Costing Questions FAQ

What is Process Costing and Job Order Costing and why does it matter now?

Process Costing and Job Order Costing are the two core methods for building unit cost: one for continuous flows, one for distinct orders. They matter now because pricing pressure and inventory audits expose any weakness in how cost reaches each unit.

Which roles gain most from Process Costing and Job Order Costing?

Cost accountants, plant and project accountants, costing analysts and finance controllers gain most from Process Costing and Job Order Costing, particularly in food processing, chemicals, fabrication, construction and engineering contracting.

How does Process Costing and Job Order Costing differ from a general management accounting course?

Process Costing and Job Order Costing go deep into equivalent units, WIP valuation, spoilage and joint cost. A general management accounting course touches these briefly alongside budgeting and decision tools, without full worked process accounts or job cost files.

What will you bring back from Process Costing and Job Order Costing?

You bring back worked job cost sheets, recalculated absorption rates, equivalent unit statements and a joint cost allocation, assembled into a period-end file your controller and auditors can follow.

Process Costing and Job Order Costing: The Way Forward

The unit cost and WIP valuation pack is the first output participants put to work. It informs the period-end inventory figure and is used by finance controllers, auditors and pricing teams. After its first use, revisit the absorption capacity basis and the loss allowances, since both drift as product mix, yields and plant utilisation change.