

## Product Costing: Understanding the Financials of Your Product

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XPROD120

### Course Syllabus

#### Course Description

This course will cover topics related to accounting and cost management for product managers. As a product manager, you serve as a hub to unlock the potential of your team. Accounting and finance are some of the important parts of the business with which you work, in order to advocate proactively for the resources your team needs to meet your goals.

Please note that this course is not looking to make you a CPA – or even anything close to that. We are learning how the important business functions and concepts of accounting and cost management interface with the product manager role. While you may have a general sense of this interface, in this course we'll go deeper to understand the fundamental application of accounting and cost management principles to product management so that you can be confident when discussing these important ideas with your team, your boss, your colleagues, and others.

#### **You Will Learn To:**

- Explain the relationship between accounting and cost management and your role as a product manager
- Identify the basic concepts and jargon of accounting
- Leverage accounting and cost management concept to be a better product manager
- Evaluate data to generate the best financial outcomes
- Build product profitability projections and establish product pricing methods

#### Course Topics

##### **Module 1 – Course Introduction**

This module will:

- Provide introduction to the course and the instructor
- Introduce the business accounting cycle and its connection to product decision-making

Exercises: 2

Knowledge Check: 1

*Approximate video length in module: 15 minutes*

*Estimated time to complete all exercises in module: 45 minutes*

##### **Module 2 – Introduction to Financial Accounting**

This module will:

- Introduce the financial statements
- Discuss how financial statements are related to one another
- Explain how the fundamental principles and concepts of accounting align with product manager metrics of success

Exercises: 4

Knowledge Check: 1

*Approximate video length in module: 20 minutes*

*Estimated time to complete all exercises in module: 70 minutes*

## **Module 3 – Recording the Transactions of Business**

This module will:

- Introduce the process of recording business transactions
- Discuss the basic terminology of accounting records
- Connect the accounting cycle with product management goal setting and measurement

Exercises: 1

Knowledge Check: 1

*Approximate video length in module: 22 minutes*

*Estimated time to complete all exercises in module: 20 minutes*

## **Module 4 – The Balance Sheet**

This module will:

- Present the structure and components of the balance sheet
- Discuss how the balance sheet is constructed from recorded business transactions
- Explain the connection between inventory cost measurement and product profitability

Exercises: 2

Knowledge Check: 1

*Approximate video length in module: 30 minutes*

*Estimated time to complete all exercises in module: 50 minutes*

## **Module 5 – Income Measurement and Statement of Cash Flows**

This module will:

- Explore the income statement (P&L)
- Explore the statement of cash flows
- Discuss how the income statement and the statement of cash flows are constructed from recorded business transactions

- Explain the important connection between income, profit, cash flow, and the product manager role

Exercises: 2

Knowledge Check: 1

*Approximate video length in module: 13 minutes*

*Estimated time to complete all exercises in module: 50 minutes*

## **Module 6 – Managing the Product P&L**

This module will:

- Introduce necessary concepts to manage your product's profit and loss statement (P&L)
- Explain the different components of product cost
- Discuss the allocation of costs to different products and the behaviors of various types of costs
- Explain the relationship between unit costs, product margins, and product pricing

Exercises: 2

Knowledge Check: 1

*Approximate video length in module: 28 minutes*

*Estimated time to complete all exercises in module: 50 minutes*

## **Module 7 – Cost Analysis for Decision-making and Pricing**

This module will:

- Introduce Cost-Volume-Profit Analysis
- Explain how to use the profit equation to determine required product revenue targets
- Discuss the relationship between product costs, short-term product discounting strategies, and long-term product pricing strategies

Exercises: 1

Knowledge Check: 1

*Approximate video length in module: 14 minutes*

*Estimated time to complete all exercises in module: 20 minutes*

## **Module 8 – Planning and Budgeting**

This module will:

- Explain the link between budgeting the metrics of product success
- Walk through the creation of budgeted cost of goods sold statement
- Illustrate the creation of a look-ahead product P&L or income statement

Exercises: 2

Knowledge Check: 1

*Approximate video length in module: 16 minutes*

*Estimated time to complete all exercises in module: 40 minutes*

## **Module 9 – Conclusion**

This module will:

- Provide a summary of the course
- Link the course concepts with overall learning goals

Exercises: 1

Knowledge Check: 1

*Approximate video length in module: 2 minutes*

*Estimated time to complete all exercises in module: 15 minutes*

## **Instructor**

Mike Lepech

*Professor of Civil and Environmental Engineering at Stanford*

## **Coursework**

This course contains a combination of activities such as video, written exercises, and multiple-choice questions. Your responses to the exercises will be kept within the learning platform. However, you will not have access to the responses you submitted after your course access has expired. If you would like to keep a copy for your records, please do so separately.

## **Course Requirements**

All videos and learning activities must be completed in order to unlock the Final Exam.

## **Final Exam**

The Final Exam consists of 20 randomized questions derived from a combination of the course lectures, pretest, and knowledge checks. In order to pass the course and receive your digital Record of Completion, you must achieve a score of 85% or higher. You may take the exam more than once. After you achieve the passing score, your Record of Completion will be emailed to you within 3 business days.

As part of Stanford University, we take academic integrity very seriously. All forms of academic misconduct, including but not limited to: cheating, fabrication, plagiarism, or facilitating academic dishonesty, are grounds for participant discipline.

## **Course Materials**

All course materials are provided within the course learning platform. These include videos, handouts and assignments.

This course features real-world examples to provide the learner with relevant examples of the concepts. Case studies or examples involving specific persons or companies do not imply any affiliation of those persons or companies with Stanford, nor do they imply Stanford's endorsement of those persons or companies or their actions.

The course learning platform is available for 60 days after the date of enrollment via your [mystanfordconnection](#) account.

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