**COURSE DESCRIPTION**

Covers establishment and administration of equitable pricing arrangements for goods and / or services. Analyzes the total price (cost plus profit) and the individual elements of cost (labor, materials, indirect costs, and profit). Emphasizes techniques for determining proper prices and estimating. Discusses methods of pricing research and development, and the selection of hardware and services.

**INSTRUCTIONAL MATERIALS**

**Required Resources**

Murphy, J. E. (2009). *Guide to contract pricing: Cost and price analysis for contractors, subcontractors, and government agencies* (5th ed.). Vienna, VA: Management Concepts.

**Supplemental Resources**

Weigelt, M. (2010, Aug. 10). Despite more competition, single-bid contracts stay steady. *Washington Technology*. Retrieved from <http://washingtontechnology.com/articles/2010/08/25/gao-single-bid-contract-competitions.aspx?sc_lang=en>

Weigelt, M. (2010, July 8). High-risk fed contracts are on the decline. *Washington Technology.* Retrieved from <http://washingtontechnology.com/articles/2010/07/08/2010-2009-contracting-numbers.aspx>

**COURSE LEARNING OUTCOMES**

1. Determine the characteristics of government contracting that affect pricing and what is considered fair and reasonable pricing.
2. Outline the process to forecast the likely price of an acquisition, calculate semi-variable costs, and allocate direct and indirect costs.
3. Examine the various cost classifications, the different allocation bases, and the application of cost-accounting standards.
4. Determine how to validate costs and certify cost and pricing data.
5. Specify the government policies regarding profit and pricing adjustments for contracts.
6. Evaluate the role played by contract auditors.
7. Use technology and information resources to research issues in cost and price analysis.
8. Write clearly and concisely about cost and price analysis using proper writing mechanics.

**WEEKLY COURSE SCHEDULE**

The standard requirement for a 4.5 credit hour course is for students to spend 13.5 hours in weekly work. This includes preparation, activities, and evaluation regardless of delivery mode.

Certain discussions are tied to scenarios. Please view these scenarios prior to participating in the related discussions.

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| --- | --- | --- |
| **Week** | **Preparation, Activities, and Evaluation** | **Points** |
| 1 | Preparation   * Reading(s)   + Chapter 1: Basic Pricing Policy and Concepts * Scenario   Activities   * Introduction Discussion * Discussions   Evaluation   * None | 20  20 |
| 2 | Preparation   * Reading(s)   + Chapter 2: Contracting Methods and Contract Types: Pricing Implications * Scenario * e-Activity   + Research on the Internet to find at least one (1) project where either a fixed-price or cost-reimbursement contract was successfully used in a federal contract. Study the characteristics of the project that may have influenced the use of that particular contract type. Be prepared to discuss.   Activities   * Discussions   Evaluation   * None | 20 |
| 3 | Preparation   * Reading(s)   + Chapter 3: Price Analysis * e-Activity   + Read the article titled “The Fundamentals of Price and Cost Analyses”, located at <http://www.thomasnet.com/articles/engineering-consulting/price-cost-analysis>, and take note of “An Overview of Price Analysis”. Be prepared to discuss. * Scenario   Activities   * Discussions   Evaluation   * Assignment 1: Proposal | 20  150 |
| 4 | Preparation   * Reading(s)   + Chapter 4: Cost Principles and Cost Classifications * Scenario * e-Activities   + Use the Internet or the Strayer Library to research articles detailing the ways in which businesses utilize cost principles, focusing on the various cost classifications that are used. Be prepared to discuss.   Use the Internet or the Strayer Library to research articles discussing predictions on various costs for different companies. Be prepared to discuss.  Activities   * Discussions   Evaluation   * Assignment 2: Price Analysis for the Navigation System | 20  150 |
| 5 | Preparation   * Reading(s)   + Chapter 5: Obtaining Cost or Pricing Data * e-Activity   + Use the Internet or the Strayer Library to research articles on predictions on various costs for different companies. Be prepared to discuss. * Scenario   Activities   * Discussions   Evaluation   * None | 20 |
| 6 | Preparation   * Reading(s)   + Chapter 6: Analysis of Direct Labor Costs * Scenario * e-Activity  Watch the video titled “Business Calculations & Accounting: How to Calculate Direct Labor Cost” (56 seconds). Be prepared to discuss. Video Source: YouTube (2009, July 9). Business Calculations & Accounting**:** How to Calculate Direct Labor Cost [Video file]. Retrieved from <http://www.youtube.com/watch?v=iukNYpj8WFw>  This video can be viewed from within your online course shell.  Activities   * Discussions   Evaluation   * Assignment 3: Buy American Requirements | 20  240 |
| 7 | Preparation   * Reading(s)   + Chapter 7: Analysis of Direct Material and Other Direct Costs Activities * Scenario * e-Activity   + Use the Internet or the Strayer Library to research articles discussing predictions on the indirect costs for different companies. Be prepared to discuss.   Activities   * Discussions   Evaluation   * None | 20 |
| 8 | Preparation   * Reading(s)   + Chapter 8: Analysis of Indirect Costs * Scenario * e-Activity   + Use the Internet or the Strayer Library to research articles on overhead costs for companies like VectorCal. Focus on the processes that are involved in calculating these overhead costs. Be prepared to discuss.   Activities   * Discussions   Evaluation   * Assignment 4: Analysis of Direct Costs | 20  150 |
| 9 | Preparation   * Reading(s)   + Chapter 9: Facilities Capital Cost of Money * Scenario   Activities   * Discussions   Evaluation   * None | 20 |
| 10 | Preparation   * Reading(s)   + Chapter 10: Profit or Fee Determination   + Chapter 11: Pricing Equitable Adjustments for Contract Changes   + Chapter 12: Contract Pricing: The Role of Auditors * Scenario * e-Activity   + Use the Internet or the Strayer Library to research articles discussing companies that failed to fulfill the profit provisions of their government contract, focusing on the end result of the company in question. Be prepared to discuss.   Activities   * Discussions   Evaluation   * Assignment 5: Federal Contracting Activities and Contract Types | 20  240 |
| 11 | Preparation   * Reading(s): None   Activities   * Discussions   Evaluation   * None | 20 |

**GRADING SCALE – UNDERGRADUATE**

|  |  |  |
| --- | --- | --- |
| **Assignment** | **Total Points** | **% of**  **Grade** |
| Assignment 1: Proposal | 150 | 13% |
| Assignment 2: Price Analysis for the Navigation System | 150 | 13% |
| Assignment 3: Buy American Requirements | 240 | 20% |
| Assignment 4: Analysis of Direct Costs | 150 | 13% |
| Assignment 5: Federal Contracting Activities and Contract Types | 240 | 20% |
| Participation  (1 Introduction Discussion worth 20 points)  (22 discussions worth 10 points apiece) | 240 | 21% |
| Total | 1,170 | 100% |

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| **Points** | **Percentage** | **Grade** |
| 1,053 – 1,170 | 90% – 100% | A |
| 936 – 1,052 | 80% – 89% | B |
| 819 – 935 | 70% – 79% | C |
| 702 – 818 | 60% – 69% | D |
| Below 702 | Below 60% | F |

**Assignment 1: Proposal**

Due Week 3 and worth 150 points

**Note:** Refer to scenarios and readings from previous weeks in order to complete this assignment.

Imagine that you just created a new start-up company. You want to compete in the growing industry of drone navigation systems. VectorCal is the only major company in the field. You also want to be a leaner, faster version of a company that you view as being too slow and costly. **Note:** You may create and / or make all necessary assumptions needed for the completion of this assignment.

Write a two to three (2-3) page paper in which you:

1. Describe the new start-up company that you have created. Include in your description the nature of your company, its mission and vision, your company’s product, an analysis of your staff, and your target clientele.
2. Criticize VectorCal’s forecasting method. Determine the appropriate forecasting approach for your company. Provide a rationale to support the determination.
3. Suggest the semi-variable, allocated, and indirect costs that you should address in the start-up phase of your company. Provide a rationale to support the response.
4. Use at least three (3) quality resources in this assignment. **Note:** Wikipedia and similar Websites do not qualify as quality resources.

Your assignment must follow these formatting requirements:

* Be typed, double spaced, using Times New Roman font (size 12), with one-inch margins on all sides; citations and references must follow APA or school-specific format. Check with your professor for any additional instructions.
* Include a cover page containing the title of the assignment, the student’s name, the professor’s name, the course title, and the date. The cover page and the reference page are not included in the required assignment page length.

The specific course learning outcomes associated with this assignment are:

* Determine the characteristics of government contracting that affect pricing and what is considered fair and reasonable pricing.
* Outline the process to forecast the likely price of an acquisition, calculate semi-variable costs, and allocate direct and indirect costs.
* Use technology and information resources to research issues in cost and price analysis.
* Write clearly and concisely about cost and price analysis using proper writing mechanics.

Grading for this assignment will be based on answer quality, logic / organization of the paper, and language and writing skills, using the following rubric.

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| **Points: 150** | **Assignment 1: Proposal** | | | | |
| **Criteria** | **Unacceptable**  **Below 60% F** | **Meets Minimum Expectations**  **60-69% D** | **Fair**  **70-79% C** | **Proficient**  **80-89% B** | **Exemplary**  **90-100% A** |
| 1. Describe the new start-up company that you have created. Include in your description the nature of your company, its mission and vision, your company’s product, an analysis of your staff, and your target clientele.  Weight: 25% | Did not submit or incompletely described the new start-up company that you have created. Did not submit or incompletely included in your description the nature of your company, its mission and vision, your company’s product, an analysis of your staff, and your target clientele. | Insufficiently described the new start-up company that you have created. Insufficiently included in your description the nature of your company, its mission and vision, your company’s product, an analysis of your staff, and your target clientele. | Partially described the new start-up company that you have created. Partially included in your description the nature of your company, its mission and vision, your company’s product, an analysis of your staff, and your target clientele. | Satisfactorily described the new start-up company that you have created. Satisfactorily included in your description the nature of your company, its mission and vision, your company’s product, an analysis of your staff, and your target clientele. | Thoroughly described the new start-up company that you have created. Thoroughly included in your description the nature of your company, its mission and vision, your company’s product, an analysis of your staff, and your target clientele. |
| 2. Criticize VectorCal’s forecasting method. Determine the appropriate forecasting approach for your company. Provide a rationale to support the determination. Weight: 25% | Did not submit or incompletely criticized VectorCal’s forecasting method. Did not submit or incompletely determined the appropriate forecasting approach for your company; and did not submit or incompletely provided a rationale to support the determination. | Insufficiently criticized VectorCal’s forecasting method. Insufficiently determined the appropriate forecasting approach for your company. Did not submit or incompletely provided a rationale to support the determination. | Partially criticized VectorCal’s forecasting method. Partially determined the appropriate forecasting approach for your company. Partially provided a rationale to support the determination. | Satisfactorily criticized VectorCal’s forecasting method. Satisfactorily determined the appropriate forecasting approach for your company. Satisfactorily provided a rationale to support the determination. | Thoroughly criticized VectorCal’s forecasting method. Thoroughly determined the appropriate forecasting approach for your company. Thoroughly provided a rationale to support the determination. |
| 3. Suggest the semi-variable, allocated, and indirect costs that you should address in the start-up phase of your company. Provide a rationale to support the response.  Weight: 35% | Did not submit or incompletely suggest the semi-variable, allocated, and indirect costs that you should address in the start-up phase of your company. Did not submit or incompletely provided a rationale to support the response. | Insufficiently suggested the semi-variable, allocated, and indirect costs that you should address in the start-up phase of your company. Insufficiently provided a rationale to support the response. | Partially suggested the semi-variable, allocated, and indirect costs that you should address in the start-up phase of your company. Partially provided a rationale to support the response. | Satisfactorily suggested the semi-variable, allocated, and indirect costs that you should address in the start-up phase of your company. Satisfactorily provided a rationale to support the response. | Thoroughly suggested the semi-variable, allocated, and indirect costs that you should address in the start-up phase of your company. Thoroughly provided a rationale to support the response. |
| 4. 3 references  Weight: 5% | No references provided | Does not meet the required number of references; all references poor quality choices. | Does not meet the required number of references; some references poor quality choices. | Meets number of required references; all references high quality choices. | Exceeds number of required references; all references high quality choices. |
| 5. Clarity, writing mechanics, and formatting requirements  Weight: 10% | More than 8 errors present | 7-8 errors present | 5-6 errors present | 3-4 errors present | 0-2 errors present |

**Assignment 2: Price Analysis for the Navigation System**

Due Week 4 and worth 150 points

In order to complete this assignment, refer to the scenario from Assignment 1, as well as to the scenarios and readings from previous weeks.

Write a two to three (2-3) page paper in which you:

1. Analyze your company’s cost classification for pricing of the navigation system. Defend your cost classification to the U.S. government.
2. Determine reasonable, allowable, allocable, variable, fixed, and semi-variable costs for your company after the initial start-up phase is complete.
3. Predict the method for performing price analysis that the U.S. government will want from your new company and VectorCal. Justify the response.
4. Use at least three (3) quality resources in this assignment. **Note:** Wikipedia and similar Websites do not qualify as quality resources.

Your assignment must follow these formatting requirements:

* Be typed, double spaced, using Times New Roman font (size 12), with one-inch margins on all sides; citations and references must follow APA or school-specific format. Check with your professor for any additional instructions.
* Include a cover page containing the title of the assignment, the student’s name, the professor’s name, the course title, and the date. The cover page and the reference page are not included in the required assignment page length.

The specific course learning outcomes associated with this assignment are:

* Examine the various cost classifications, the different allocation bases, and the application of cost-accounting standards.
* Use technology and information resources to research issues in cost and price analysis.
* Write clearly and concisely about cost and price analysis using proper writing mechanics.

Grading for this assignment will be based on answer quality, logic / organization of the paper, and language and writing skills, using the following rubric.

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| **Points: 150** | **Assignment 2: Price Analysis for the Navigation System** | | | | |
| **Criteria** | **Unacceptable**  **Below 60% F** | **Meets Minimum Expectations**  **60-69% D** | **Fair**  **70-79% C** | **Proficient**  **80-89% B** | **Exemplary**  **90-100% A** |
| 1. Analyze your company’s cost classification for pricing of the navigation system. Defend your cost classification to the U.S. government.  Weight: 25% | Did not submit or incompletely analyzed your company’s cost classification for pricing of the navigation system. Did not submit or incompletely defended your cost classification to the U.S. government. | Insufficiently analyzed your company’s cost classification for pricing of the navigation system. Insufficiently defended your cost classification to the U.S. government. | Partially analyzed your company’s cost classification for pricing of the navigation system. Partially defended your cost classification to the U.S. government. | Satisfactorily analyzed your company’s cost classification for pricing of the navigation system. Satisfactorily defended your cost classification to the U.S. government. | Thoroughly analyzed your company’s cost classification for pricing of the navigation system. Thoroughly defended your cost classification to the U.S. government. |
| 2. Determine reasonable, allowable, allocable, variable, fixed, and semi-variable costs for your company after the initial start-up phase is complete. Weight: 35% | Did not submit or incompletely determined reasonable, allowable, allocable, variable, fixed, and semi-variable costs for your company after the initial start-up phase is complete. | Insufficiently determined reasonable, allowable, allocable, variable, fixed, and semi-variable costs for your company after the initial start-up phase is complete. | Partially determined reasonable, allowable, allocable, variable, fixed, and semi-variable costs for your company after the initial start-up phase is complete. | Satisfactorily determined reasonable, allowable, allocable, variable, fixed, and semi-variable costs for your company after the initial start-up phase is complete. | Thoroughly determined reasonable, allowable, allocable, variable, fixed, and semi-variable costs for your company after the initial start-up phase is complete. |
| 3. Predict the method for performing price analysis that the U.S. government will want from your new company and VectorCal. Justify the response.  Weight: 25% | Did not submit or incompletely predicted the method for performing price analysis that the U.S. government will want from your new company and VectorCal. | Insufficiently predicted the method for performing price analysis that the U.S. government will want from your new company and VectorCal. | Partially predicted the method for performing price analysis that the U.S. government will want from your new company and VectorCal. | Satisfactorily predicted the method for performing price analysis that the U.S. government will want from your new company and VectorCal. | Thoroughly predicted the method for performing price analysis that the U.S. government will want from your new company and VectorCal. |
| 4. 3 references  Weight: 5% | No references provided | Does not meet the required number of references; all references poor quality choices. | Does not meet the required number of references; some references poor quality choices. | Meets number of required references; all references high quality choices. | Exceeds number of required references; all references high quality choices. |
| 5. Clarity, writing mechanics, and formatting requirements  Weight: 10% | More than 8 errors present | 7-8 errors present | 5-6 errors present | 3-4 errors present | 0-2 errors present |

**Assignment 3: Buy American Requirements**

Due Week 6 and worth 240 points

In order to complete this assignment, refer to the scenario from Assignment 1, as well as to the scenarios and readings from previous weeks.

Write a six to eight (6-8) page paper in which you:

1. Specify the main points of the Buy American Requirements in one (1) page or less.
2. Determine the substantive means by which the Buy American Requirements would benefit both VectorCal and your new company. Provide a rationale for the response.
3. Analyze the fundamental ways in which the Buy American Requirements are contradictory to a capitalistic ethos, given that the U.S. government claims to promote competition and the U.S. espouses a free market ideology (i.e., capitalism). Support your answer with two (2) examples of such a contradiction.
4. Debate whether or not you believe that the exceptions to the Buy American Requirements set forth by the government are fair and advantageous to the U.S. economy. Provide a rationale for the response.
5. Determine the key advantages and disadvantages of using the Buy American Requirements with the navigation system that both VectorCal and your company produce. Justify the response.
6. Use at least three (3) quality resources in this assignment. **Note:** Wikipedia and similar Websites do not qualify as quality resources.

Your assignment must follow these formatting requirements:

* Be typed, double spaced, using Times New Roman font (size 12), with one-inch margins on all sides; citations and references must follow APA or school-specific format. Check with your professor for any additional instructions.
* Include a cover page containing the title of the assignment, the student’s name, the professor’s name, the course title, and the date. The cover page and the reference page are not included in the required assignment page length.

The specific course learning outcomes associated with this assignment are:

* Determine how to validate costs and certify cost and pricing data.
* Specify the government policies regarding profit and pricing adjustments for contracts.
* Use technology and information resources to research issues in cost and price analysis.
* Write clearly and concisely about cost and price analysis using proper writing mechanics.

Grading for this assignment will be based on answer quality, logic / organization of the paper, and language and writing skills, using the following rubric.

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| **Points: 240** | **Assignment 3: Buy American Requirements** | | | | |
| **Criteria** | **Unacceptable**  **Below 60% F** | **Meets Minimum Expectations**  **60-69% D** | **Fair**  **70-79% C** | **Proficient**  **80-89% B** | **Exemplary**  **90-100% A** |
| 1. Specify the main points of the Buy American Requirements in one (1) page or less.  Weight: 15% | Did not submit or incompletely specified the main points of the Buy American Requirements in one (1) page or less. | Insufficiently specified the main points of the Buy American Requirements in one (1) page or less. | Partially specified the main points of the Buy American Requirements in one (1) page or less. | Satisfactorily specified the main points of the Buy American Requirements in one (1) page or less. | Thoroughly specified the main points of the Buy American Requirements in one (1) page or less. |
| 2. Determine the substantive means by which the Buy American Requirements would benefit both VectorCal and your new company. Provide a rationale for the response. Weight: 15% | Did not submit or incompletely determined the substantive means by which the Buy American Requirements would benefit both VectorCal and your new company. Did not submit or incompletely provided a rationale for the response. | Insufficiently determined the substantive means by which the Buy American Requirements would benefit both VectorCal and your new company. Insufficiently provided a rationale for the response. | Partially determined the substantive means by which the Buy American Requirements would benefit both VectorCal and your new company. Partially provided a rationale for the response. | Satisfactorily determined the substantive means by which the Buy American Requirements would benefit both VectorCal and your new company. Satisfactorily provided a rationale for the response. | Thoroughly determined the substantive means by which the Buy American Requirements would benefit both VectorCal and your new company. Thoroughly provided a rationale for the response. |
| 3. Analyze the fundamental ways in which the Buy American Requirements are contradictory to a capitalistic ethos, given that the U.S. government claims to promote competition and the U.S. espouses a free market ideology (i.e., capitalism). Support your answer with two (2) examples of such a contradiction.  Weight: 20% | Did not submit or incompletely analyzed the fundamental ways in which the Buy American Requirements are contradictory to a capitalistic ethos, given that the U.S. government claims to promote competition and the U.S. espouses a free market ideology (i.e., capitalism). Did not submit or incompletely supported your answer with two (2) examples of such a contradiction. | Insufficiently analyzed the fundamental ways in which the Buy American Requirements are contradictory to a capitalistic ethos, given that the U.S. government claims to promote competition and the U.S. espouses a free market ideology (i.e., capitalism). Insufficiently supported your answer with two (2) examples of such a contradiction. | Partially analyzed the fundamental ways in which the Buy American Requirements are contradictory to a capitalistic ethos, given that the U.S. government claims to promote competition and the U.S. espouses a free market ideology (i.e., capitalism). Partially supported your answer with two (2) examples of such a contradiction. | Satisfactorily analyzed the fundamental ways in which the Buy American Requirements are contradictory to a capitalistic ethos, given that the U.S. government claims to promote competition and the U.S. espouses a free market ideology (i.e., capitalism). Satisfactorily supported your answer with two (2) examples of such a contradiction. | Thoroughly analyzed the fundamental ways in which the Buy American Requirements are contradictory to a capitalistic ethos, given that the U.S. government claims to promote competition and the U.S. espouses a free market ideology (i.e., capitalism). Thoroughly supported your answer with two (2) examples of such a contradiction. |
| 4. Debate whether or not you believe that the exceptions to the Buy American Requirements set forth by the government are fair and advantageous to the U.S. economy. Provide a rationale for the response.  Weight: 15% | Did not submit or incompletely debated whether or not you believe that the exceptions to the Buy American Requirements set forth by the government are fair and advantageous to the U.S. economy. Did not submit or incompletely provided a rationale for the response. | Insufficiently debated whether or not you believe that the exceptions to the Buy American Requirements set forth by the government are fair and advantageous to the U.S. economy. Insufficiently provided a rationale for the response. | Partially debated whether or not you believe that the exceptions to the Buy American Requirements set forth by the government are fair and advantageous to the U.S. economy. Partially provided a rationale for the response. | Satisfactorily debated whether or not you believe that the exceptions to the Buy American Requirements set forth by the government are fair and advantageous to the U.S. economy. Satisfactorily provided a rationale for the response. | Thoroughly debated whether or not you believe that the exceptions to the Buy American Requirements set forth by the government are fair and advantageous to the U.S. economy. Thoroughly provided a rationale for the response. |
| 5. Determine the key advantages and disadvantages of using the Buy American Requirements with the navigation system that both VectorCal and your company produce. Justify the response.  Weight: 20% | Did not submit or incompletely determined the key advantages and disadvantages of using the Buy American Requirements with the navigation system that both VectorCal and your company produce. Did not submit or incompletely justified the response. | Insufficiently determined the key advantages and disadvantages of using the Buy American Requirements with the navigation system that both VectorCal and your company produce. Insufficiently justified the response. | Partially determined the key advantages and disadvantages of using the Buy American Requirements with the navigation system that both VectorCal and your company produce. Partially justified the response. | Satisfactorily determined the key advantages and disadvantages of using the Buy American Requirements with the navigation system that both VectorCal and your company produce. Satisfactorily justified the response. | Thoroughly determined the key advantages and disadvantages of using the Buy American Requirements with the navigation system that both VectorCal and your company produce. Thoroughly justified the response. |
| 6. 3 references  Weight: 5% | No references provided | Does not meet the required number of references; all references poor quality choices. | Does not meet the required number of references; some references poor quality choices. | Meets number of required references; all references high quality choices. | Exceeds number of required references; all references high quality choices. |
| 7. Clarity, writing mechanics, and formatting requirements  Weight: 10% | More than 8 errors present | 7-8 errors present | 5-6 errors present | 3-4 errors present | 0-2 errors present |

**Assignment 4: Analysis of Direct Costs**

Due Week 8 and worth 150 points

In order to complete this assignment, refer to the scenario from Assignment 1, as well as to the scenarios and readings from previous weeks.

Write a two to three (2-3) page paper in which you:

1. Predict the main costs (e.g., labor cost, material cost) associated with the production of VectorCal’s drone navigation system. Provide a rationale for the response.
2. Compare and contrast the direct and indirect costs associated with the drone navigation system that both your company and VectorCal would assume. Predict whether or not your company could easily control these costs and thus reduce production expenses. Justify the response.
3. Compare your company with VectorCal relative to the price of acquisition, semi-variable costs, and allocated direct and indirect costs of the drone navigation system. Justify the response.
4. Use at least three (3) quality resources in this assignment. **Note:** Wikipedia and similar Websites do not qualify as quality resources.

Your assignment must follow these formatting requirements:

* Be typed, double spaced, using Times New Roman font (size 12), with one-inch margins on all sides; citations and references must follow APA or school-specific format. Check with your professor for any additional instructions.
* Include a cover page containing the title of the assignment, the student’s name, the professor’s name, the course title, and the date. The cover page and the reference page are not included in the required assignment page length.

The specific course learning outcomes associated with this assignment are:

* Outline the process to forecast the likely price of an acquisition, calculate semi-variable costs, and allocate direct and indirect costs.
* Examine the various cost classifications, the different allocation bases, and the application of cost-accounting standards.
* Determine how to validate costs and certify cost and pricing data.
* Use technology and information resources to research issues in cost and price analysis.
* Write clearly and concisely about cost and price analysis using proper writing mechanics.

Grading for this assignment will be based on answer quality, logic / organization of the paper, and language and writing skills, using the following rubric.

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| --- | --- | --- | --- | --- | --- |
| **Points: 150** | **Assignment 4: Analysis of Direct Costs** | | | | |
| **Criteria** | **Unacceptable**  **Below 60% F** | **Meets Minimum Expectations**  **60-69% D** | **Fair**  **70-79% C** | **Proficient**  **80-89% B** | **Exemplary**  **90-100% A** |
| 1. Predict the main costs (e.g., labor cost, material cost) associated with the production of VectorCal’s drone navigation system. Provide a rationale for the response.  Weight: 25% | Did not submit or incompletely predicted the main costs (e.g., labor cost, material cost) associated with the production of VectorCal’s drone navigation system. Did not submit or incompletely provided a rationale for the response. | Insufficiently predicted the main costs (e.g., labor cost, material cost) associated with the production of VectorCal’s drone navigation system. Insufficiently provided a rationale for the response. | Partially predicted the main costs (e.g., labor cost, material cost) associated with the production of VectorCal’s drone navigation system. Partially provided a rationale for the response. | Satisfactorily predicted the main costs (e.g., labor cost, material cost) associated with the production of VectorCal’s drone navigation system. Satisfactorily provided a rationale for the response. | Thoroughly predicted the main costs (e.g., labor cost, material cost) associated with the production of VectorCal’s drone navigation system. Thoroughly provided a rationale for the response. |
| 2. Compare and contrast the direct and indirect costs associated with the drone navigation system that both your company and VectorCal would assume. Predict whether or not your company could easily control these costs and thus reduce production expenses. Justify the response.  Weight: 30% | Did not submit or incompletely compared and contrasted the direct and indirect costs associated with the drone navigation system that both your company and VectorCal would assume. Did not submit or incompletely predicted whether or not your company could easily control these costs and thus reduce production expenses. Did not submit or incompletely justified the response. | Insufficiently compared and contrasted the direct and indirect costs associated with the drone navigation system that both your company and VectorCal would assume. Insufficiently predicted whether or not your company could easily control these costs and thus reduce production expenses. Insufficiently justified the response. | Partially compared and contrasted the direct and indirect costs associated with the drone navigation system that both your company and VectorCal would assume. Partially predicted whether or not your company could easily control these costs and thus reduce production expenses. Partially justified the response. | Satisfactorily compared and contrasted the direct and indirect costs associated with the drone navigation system that both your company and VectorCal would assume. Satisfactorily predicted whether or not your company could easily control these costs and thus reduce production expenses. Satisfactorily justified the response. | Thoroughly compared and contrasted the direct and indirect costs associated with the drone navigation system that both your company and VectorCal would assume. Thoroughly predicted whether or not your company could easily control these costs and thus reduce production expenses. Thoroughly justified the response. |
| 3. Compare your company with VectorCal relative to the price of acquisition, semi-variable costs, and allocated direct and indirect costs of the drone navigation system. Justify the response.  Weight: 30% | Did not submit or incompletely compared your company with VectorCal relative to the price of acquisition, semi-variable costs, and allocated direct and indirect costs of the drone navigation system. Did not submit or incompletely justified the response. | Insufficiently compared your company with VectorCal relative to the price of acquisition, semi-variable costs, and allocated direct and indirect costs of the drone navigation system. Insufficiently justified the response. | Partially compared your company with VectorCal relative to the price of acquisition, semi-variable costs, and allocated direct and indirect costs of the drone navigation system. Partially justifed the response. | Satisfactorily compared your company with VectorCal relative to the price of acquisition, semi-variable costs, and allocated direct and indirect costs of the drone navigation system. Satisfactorily justified the response. | Thoroughly compared your company with VectorCal relative to the price of acquisition, semi-variable costs, and allocated direct and indirect costs of the drone navigation system. Thoroughly justified the response. |
| 4. 3 references  Weight: 5% | No references provided | Does not meet the required number of references; all references poor quality choices. | Does not meet the required number of references; some references poor quality choices. | Meets number of required references; all references high quality choices. | Exceeds number of required references; all references high quality choices. |
| 5. Clarity, writing mechanics, and formatting requirements  Weight: 10% | More than 8 errors present | 7-8 errors present | 5-6 errors present | 3-4 errors present | 0-2 errors present |

**Assignment 5: Federal Contracting Activities and Contract Types**

Due Week 10 and worth 240 points

**Note:** Refer to scenarios and readings from previous weeks in order to complete this assignment.

The Department of Defense plans to issue a $400,000 government contract to a company that specializes in drone navigation technologies. As a result, a government auditor has been contacted to examine the operational data VectorCal and one (1) competitor (previously identified as “your company”) in order to decide which company should win the government contract.

**Note:** You may create and / or make all necessary assumptions needed for the completion of this assignment.

Write a six to eight (6-8) page paper in which you:

1. Create a one (1) page overview of the history and background of each company vying for the government contract.

Specify at least one (1) of the recent major contracts that was awarded to both companies. Explain the fundamental reasons why both companies were awarded the contract(s) that you specified.

1. Determine the type(s) of contract for which both companies might be eligible (e.g., fixed-price, cost reimbursement, etc.). Justify the response.
2. Discuss at least three (3) direct costs and three (3) indirect costs that each company incurred during the production of its navigation system. Explain the manner in which this data would factor into your decision as to which company would be more eligible to receive the contract.
3. Suggest which company should be awarded this government contract based on the data that was presented for each company. Next, provide three to five (3-5) reasons to support your stance.
4. Use at least three (3) quality resources in this assignment. **Note:** Wikipedia and similar Websites do not qualify as quality resources.

Your assignment must follow these formatting requirements:

* Be typed, double spaced, using Times New Roman font (size 12), with one-inch margins on all sides; citations and references must follow APA or school-specific format. Check with your professor for any additional instructions.
* Include a cover page containing the title of the assignment, the student’s name, the professor’s name, the course title, and the date. The cover page and the reference page are not included in the required assignment page length.

The specific course learning outcomes associated with this assignment are:

* Specify the government policies regarding profit and pricing adjustments for contracts.
* Evaluate the role played by contract auditors.
* Use technology and information resources to research issues in cost and price analysis.
* Write clearly and concisely about cost and price analysis using proper writing mechanics.

Grading for this assignment will be based on answer quality, logic / organization of the paper, and language and writing skills, using the following rubric.

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| **Points: 240** | **Assignment 5: Federal Contracting Activities and Contract Types** | | | | |
| **Criteria** | **Unacceptable**  **Below 60% F** | **Meets Minimum Expectations**  **60-69% D** | **Fair**  **70-79% C** | **Proficient**  **80-89% B** | **Exemplary**  **90-100% A** |
| 1. Create a one (1) page overview of the history and background of each company vying for the government contract.  Weight: 15% | Did not submit or incompletely created a one (1) page overview of the history and background of each company vying for the government contract. | Insufficiently created a one (1) page overview of the history and background of each company vying for the government contract. | Partially created a one (1) page overview of the history and background of each company vying for the government contract. | Satisfactorily created a one (1) page overview of the history and background of each company vying for the government contract. | Thoroughly created a one (1) page overview of the history and background of each company vying for the government contract. |
| 2. Specify at least one (1) of the recent major contracts that was awarded to both companies. Explain the fundamental reasons why both companies were awarded the contract(s) that you specified.  Weight: 15% | Did not submit or incompletely specified at least one (1) of the recent major contracts that was awarded to both companies. Did not submit or incompletely explained the fundamental reasons why both companies were awarded the contract(s) that you specified. | Insufficiently specified at least one (1) of the recent major contracts that was awarded to both companies. Insufficiently explained the fundamental reasons why both companies were awarded the contract(s) that you specified. | Partially specified at least one (1) of the recent major contracts that was awarded to both companies. Partially explained the fundamental reasons why both companies were awarded the contract(s) that you specified. | Satisfactorily specified at least one (1) of the recent major contracts that was awarded to both companies. Satisfactorily explained the fundamental reasons why both companies were awarded the contract(s) that you specified. | Thoroughly specified at least one (1) of the recent major contracts that was awarded to both companies. Thoroughly explained the fundamental reasons why both companies were awarded the contract(s) that you specified. |
| 3. Determine the type(s) of contract for which both companies might be eligible (e.g., fixed-price, cost reimbursement, etc.). Justify the response.  Weight: 15% | Did not submit or incompletely determined the type(s) of contract for which both companies might be eligible (e.g., fixed-price, cost reimbursement, etc.). Did not submit or incompletely justified the response. | Insufficiently determined the type(s) of contract for which both companies might be eligible (e.g., fixed-price, cost reimbursement, etc.). Insufficiently justified the response. | Partially determined the type(s) of contract for which both companies might be eligible (e.g., fixed-price, cost reimbursement, etc.). Partially justified the response. | Satisfactorily determined the type(s) of contract for which both companies might be eligible (e.g., fixed-price, cost reimbursement, etc.). Satisfactorily justified the response. | Thoroughly determined the type(s) of contract for which both companies might be eligible (e.g., fixed-price, cost reimbursement, etc.). Thoroughly justified the response. |
| 4. Discuss at least three (3) direct costs and three (3) indirect costs that each company incurred during the production of its navigation system. Explain the manner in which this data would factor into your decision as to which company would be more eligible to receive the contract.  Weight: 20% | Did not submit or incompletely discussed at least three (3) direct costs and three (3) indirect costs that each company incurred during the production of its navigation system. Did not submit or incompletely explained the manner in which this data would factor into your decision as to which company would be more eligible to receive the contract. | Insufficiently discussed at least three (3) direct costs and three (3) indirect costs that each company incurred during the production of its navigation system. Insufficiently explained the manner in which this data would factor into your decision as to which company would be more eligible to receive the contract. | Partially discussed at least three (3) direct costs and three (3) indirect costs that each company incurred during the production of its navigation system. Partially explained the manner in which this data would factor into your decision as to which company would be more eligible to receive the contract. | Satisfactorily discussed at least three (3) direct costs and three (3) indirect costs that each company incurred during the production of its navigation system. Satisfactorily explained the manner in which this data would factor into your decision as to which company would be more eligible to receive the contract. | Thoroughly discussed at least three (3) direct costs and three (3) indirect costs that each company incurred during the production of its navigation system. Thoroughly explained the manner in which this data would factor into your decision as to which company would be more eligible to receive the contract. |
| 5. Suggest which company should be awarded this government contract based on the data that was presented for each company. Next, provide three to five (3-5) reasons to support your stance.  Weight: 20% | Did not submit or incompletely suggested which company should be awarded this government contract based on the data that was presented for each company. Did not submit or incompletely provided three to five (3-5) reasons to support your stance. | Insufficiently suggested which company should be awarded this government contract based on the data that was presented for each company. Insufficiently provided three to five (3-5) reasons to support your stance. | Partially suggested which company should be awarded this government contract based on the data that was presented for each company. Partially provided three to five (3-5) reasons to support your stance. | Satisfactorily suggested which company should be awarded this government contract based on the data that was presented for each company. Satisfactorily provided three to five (3-5) reasons to support your stance. | Thoroughly suggested which company should be awarded this government contract based on the data that was presented for each company. Thoroughly provided three to five (3-5) reasons to support your stance. |
| 6. 3 references  Weight: 5% | No references provided | Does not meet the required number of references; all references poor quality choices. | Does not meet the required number of references; some references poor quality choices. | Meets number of required references; all references high quality choices. | Exceeds number of required references; all references high quality choices. |
| 7. Clarity, writing mechanics, and formatting requirements  Weight: 10% | More than 8 errors present | 7-8 errors present | 5-6 errors present | 3-4 errors present | 0-2 errors present |

**Weekly Course Schedule**

The purpose of the course schedule is to give you, at a glance, the required preparation, activities, and evaluation components of your course. For more information about your course, whether on-ground or online, access your online course shell.

The expectations for a 4.5 credit hour course are for students to spend 13.5 hours in weekly work. This time estimate includes preparation, activities, and evaluation regardless of the delivery mode.

**Instructional Materials**

In order to be fully prepared, obtain a copy of the required textbooks and other instructional materials prior to the first day of class. When available, Strayer University provides a link to the first three (3) chapters of your textbook(s) in eBook format. Check your online course shell for availability.

Review the online course shell or check with your professor to determine whether Internet-based assignments and activities are used in this course.

Strayer students are encouraged to purchase their course materials through our designated Strayer Bookstore. <http://www.strayerbookstore.com>  If a lab is required for the course, the Strayer Bookstore is the only vendor that sells the correct registration code so that Strayer students may access labs successfully.

**Discussions**

To earn full credit in an online threaded discussion, students must have one original post and a minimum of one other post per discussion thread.

Please note: Material in the online class will be made available on the previous Thursday. As it is always possible that students could lose their work due to unforeseen circumstances, it is a best practice to routinely save a working draft in a separate file before posting in the course discussion area.  
  
Professors hold discussions during class time for on-ground students. Check with your professor if any additional discussion participation is required in the online course shell outside of class hours.

**Assignments**

A standardized performance grading rubric is a tool your professor will use to evaluate your written assignments. Review the rubric before submitting assignments that have grading rubrics associated with them to ensure you have met the performance criteria stated on the rubric.

Grades are based on individual effort. There is no group grading; however, working in groups in the online or on-ground classroom is acceptable.

Assignments for online students are always submitted through the online course shell. On-ground professors will inform students on how to submit assignments, whether in paper format or through the online course shell.

**Resources**

The Resource Center navigation button in the online course shell contains helpful links. Strayer University Library Resources are available here as well as other important information. You should review this area to find resources and answers to common questions.

Technical support is available for the following:

* For **technical questions**, please contact Strayer Online Technical Support by logging in to your iCampus account at [https://icampus.strayer.edu/login](https://icampus.strayer.edu/login%20) and submitting a case under “Student Center,” then “Submit Help Ticket.” If you are unable to log in to your iCampus account, please contact Technical Support via phone at (877) 642-2999.
* For **concerns with your class**, please access the Solution Center by logging in to your iCampus account at [https://icampus.strayer.edu/login](https://icampus.strayer.edu/login%20) and submitting a case under “Student Center,” then “Submit Help Ticket.” If you are unable to log in to your iCampus account, please contact the IT Help Desk at (866) 610-8123 or at <mailto:IThelpdesk@Strayer.edu>.

TurnItIn.com is an optional online tool to assess the originality of student written work. Check with your professor for access and use instructions.

The **Strayer Policies** link on the navigation bar in the online course shell contains academic policies. It is important that students be aware of these policies.