

# Using a Plant Tour to Teach Job Order Costing

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## Background

We use a class tour of an auto manufacturer to reinforce the aspects of job order costing. This **immersive field experience** solidifies the classroom learning and stimulates students to want to learn more!

Students are able to depict the different inventory types while riding a cart through the factory. They see **raw materials inventory** turn into **work-in-process** inventory right before their eyes. Then they have the satisfaction of seeing the final completed product, which they know is **finished goods inventory**. They realize later this finished goods inventory asset becomes an expense - **cost of goods sold** - when the cars are sold.

We have students complete a short assignment after the tour in order to see how the experience facilitated their learning. The writing portion also helps them to **connect the experience with the concepts** for long term memory purposes.



## Nissan Plant – Smyrna, Tennessee

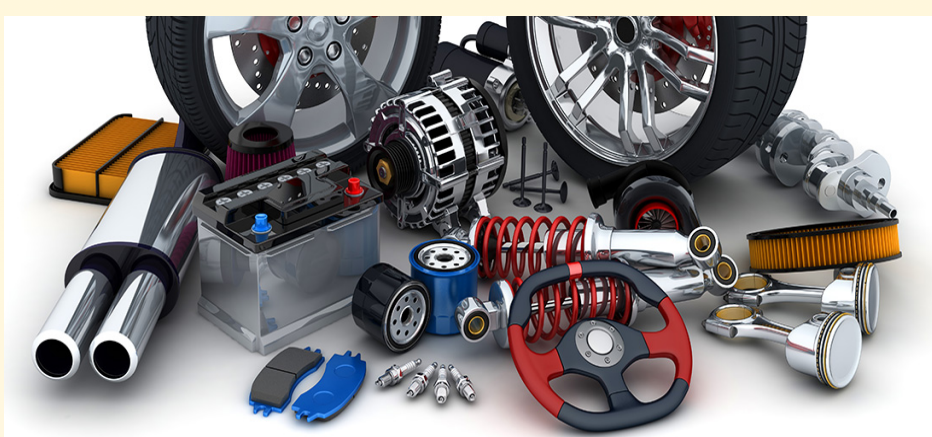


The Nissan plant in Tennessee is the **largest** plant in North America.

## Raw Materials Inventory



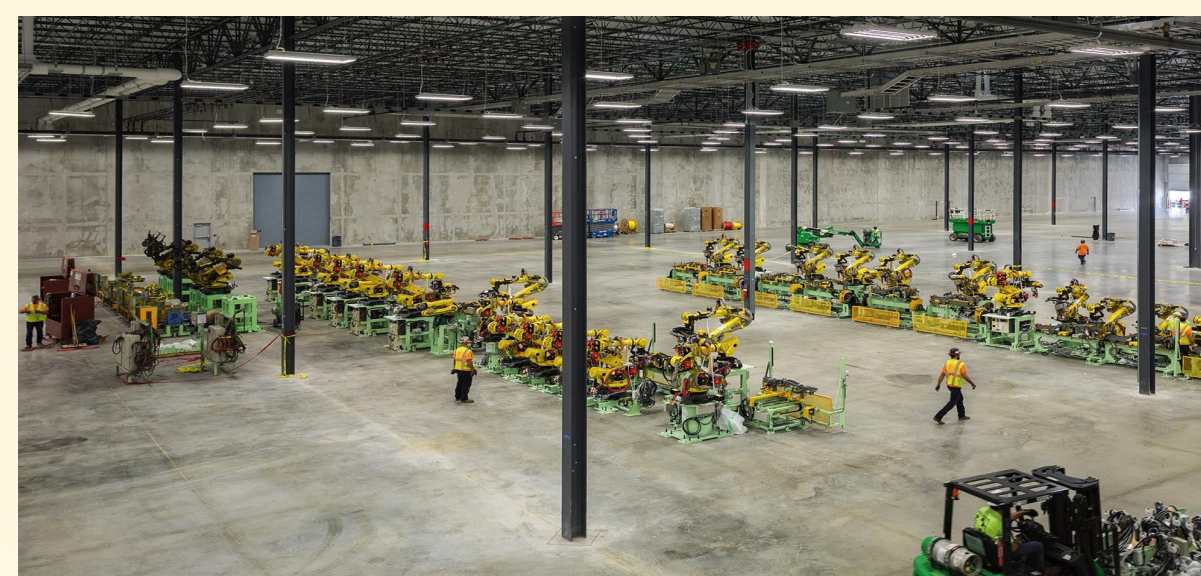
The tour starts here by looking at **raw materials** waiting to go into production.



**Direct labor** and **direct materials** are added to product cost at this point.

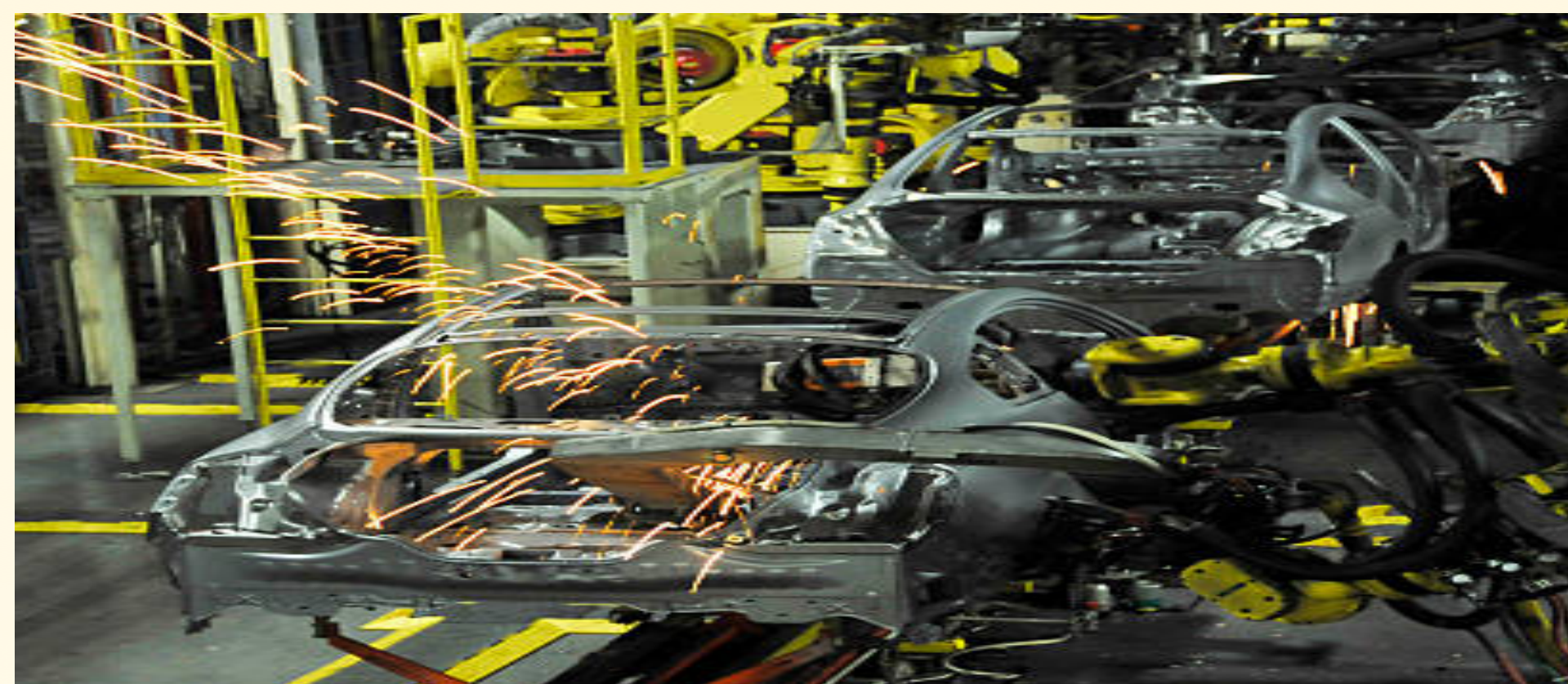


As is **manufacturing overhead**, which is explained to the students.



## Work-In-Process Inventory

The tour follows the assembly line as the cars are being made.



Students are asked to take note of the use of **robotics**.



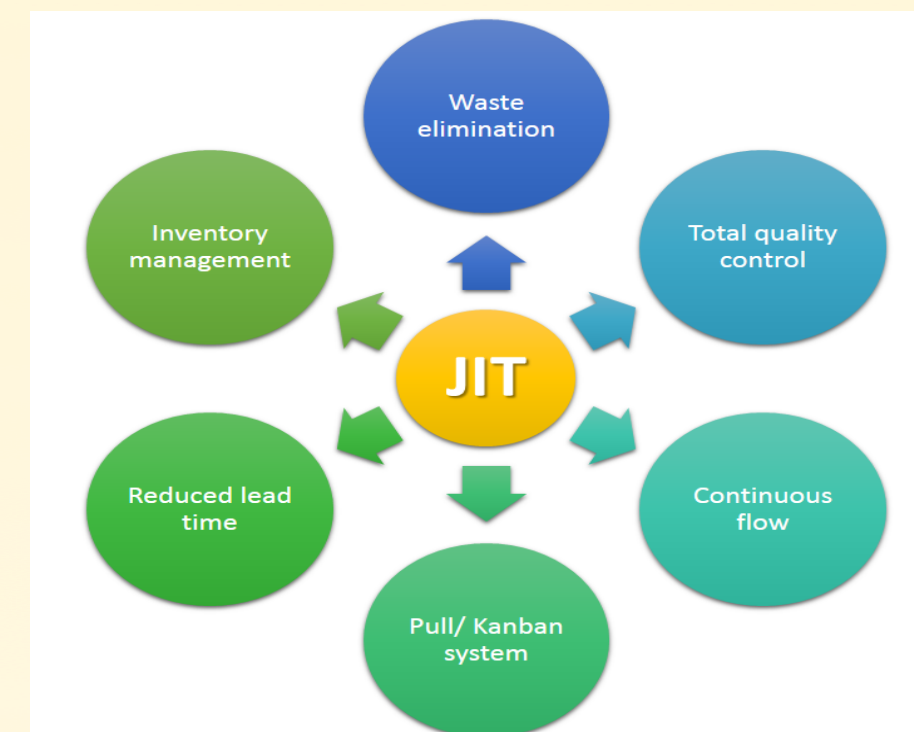
## Finished Goods Inventory



Students were able to see completed vehicles that had passed the final inspection.

## Other Business Concepts

The plant tour also illustrates business concepts such as **just-in-time management, lean manufacturing, & sustainability**.



## Plant Tour Videos

A video of this tour can be shown in place of an actual plant tour.

<https://www.youtube.com/watch?v=FbHqNOzXUOM>  
<https://www.youtube.com/watch?v=UOdLJkAewsM>

## Conclusion

The students **loved** the tour! They found it interesting and many stated that it helped them understand what we were covering in class. They had the valuable learning experience of immersion in the manufacturing process. They noticed the importance of safety and rules, in addition to quality control. They noted the use of technology and the importance of processes.