



A POLYTECHNIC INSTITUTION

School of Business

Program: Financial Management

Option: Finance

**FMGT 3210****Cost & Managerial Accounting 1****Start Date:** September 2004**End Date:** December 2004**Total Hours:** 56 **Total Weeks:** 14**Term/Level:** 4 **Course Credits:** 4**Hours/Week:** 4 **Lecture:** 2 **Lab:** 1**Shop:** **Seminar:** 1 **Other:****Prerequisites****Course No.** **Course Name**

FMGT 2105 Accounting 2

**Course No. is a Prerequisite for:****Course No.** **Course Name**

FMGT 4210 Cost &amp; Managerial Accounting 2

**v Course Description**

This course emphasizes the role of the management accountant, cost concepts & terminology, cost volume profit analysis, job costing, activity-based costing & activity-based management, budgeting and control, standard costs, variance analysis and income effects of alternative inventory costing methods.

**v Evaluation**

Each week there will be assignment material due.

Final Examination	45%	Comments:
Mid-term Examination	45%	
Quizzes	10%	
<b>TOTAL</b>	<b>100%</b>	

**v Instructor(s)**

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Office Hrs.: As posted    E-mail Address: tfriedri@bcit.ca

**v Learning Resources****Text(s) and Equipment****Required:**

- Cost Accounting – A Managerial Emphasis, by C.T. Horngren, G. Foster, S.M. Datar, & H. Teall, Prentice Hall, 3rd Canadian  
Students are expected to bring their textbooks to class.
- Calculator

**Recommended:**

Workbook of study guides with solutions for the above text. This provides questions and solutions, which will enable the student to immediately test his/her understanding of the basics.

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v Course Learning Outcomes/Competencies

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Upon successful completion, the student will be able to:

1. Identify the roles of the management accountant in the organization's planning and control functions.
2. Prepare financial statements for a manufacturing organization.
3. Define and differentiate between a variety of terms used in cost and managerial accounting.
4. Distinguish between job-order, process costing and activity based costing systems with regard to the methods of accumulating costs.
5. Develop predetermined manufacturing overhead rates for application to jobs.
6. Illustrate the flow of costs through a job cost system.
7. Determine and implement alternative methods of dealing with under-or over-applied overhead.
8. Analyze the effects of changes in prices, volumes, and cost structures on organizational profitability and do sensitivity analysis of these relationships.
9. Complete all the budgets and supporting schedules required in the preparation of a master budget.
10. Apply the concepts of responsibility accounting to management evaluation and control.
11. Prepare performance reports incorporating flexible budgets.
12. Develop standard costs for direct materials, direct labour, variable and fixed overhead and compute the appropriate variances.
13. Evaluate and implement the decision of whether or not to investigate a variance.
14. Evaluate the effects of alternative methods of inventory-costing.
15. Evaluate the effects of alternative denominator activity levels in absorption costing.
16. Describe and implement alternative methods of disposing of variances at year end.

v **Information for Students**

**I.D. Required In Exam Halls:** Effective December 2000, students will be required to produce photo-identification for admittance to examination halls. Photo I.D. must be placed on the desk while writing the exam, for inspection by invigilators. Students should bring a BCIT OneCard or alternatively two pieces of identification, one of which must be government photo I.D. such as a driver's license. Please see BCIT Policy #5300, Formal Invigilation Procedures.

**Attendance:** If a student is absent for any cause, other than illness (Dr's note may be required); for more than 10% of the time prescribed for the course, the student may be prohibited from completing the course. Please see BCIT Policy #5201, Attendance.

**Assignments:** All assignments are to be completed using computer and the hard copy is to be brought to the seminar. Hand written assignments will not be accepted.

**Ethics:** BCIT assumes that all students attending the Institute will follow a high standard of ethics. Incidents of cheating or plagiarism may, therefore, result in a grade of zero for the assignment, quiz, test, exam, or project for all parties involved and/or expulsion from the course.

**Illness:** A doctor's note is required for any illness causing you to miss assignments, quizzes, tests, projects, or exam. At the discretion of the instructor, you may complete the work missed or have the work prorated. (i.e., an average is given according to your performance throughout the course). If an exam is missed due to medical reasons, supported by medical certificate, at the discretion of the instructor, you may be permitted to write the exam at the time of the next course offering.

**Course Outline Changes:** The material or schedule specified in this course outline may be changed by the instructor. If changes are required, they will be announced in class.

**Labs:** Attendance is mandatory. Lab exercises are due at the end of the lab period.

\* This schedule is subject to change at the discretion of the instructor.

Date:	Topics Covered:	Readings:
Sept. 8	Introduction & the Accountant's Role in the Organization	Ch. 1
Sept. 13	An Introduction to Cost Terms and Purposes	Ch. 2
Sept. 15	An Introduction to Cost Terms and Purposes	Ch. 2
Sept. 20	Cost-Volume- Profit relationships	Ch. 3
Sept. 22	Cost-Volume- Profit relationships	Ch. 3
Sept. 27	Job Costing	Ch. 4
Sept. 29	Shinerama Day – No Classes	
Oct. 4	Job Costing	Ch. 4
Oct. 6	Activity-Based Costing & Activity Based Management	Ch. 5
Oct 11	Thanksgiving – No Classes	
Oct. 13	Review for mid-term exam (Chapters 1 to 4)	
Oct. 18-22	Mid-term Examination Week – No Classes	
Oct. 25	Activity-Based Costing & Activity Based Management	Ch. 5
Oct. 27	Master Budget and Responsibility Accounting	Ch. 6
Nov. 1	Master Budget and Responsibility Accounting	Ch. 6
Nov 3	Flexible Budgets, Variances & Management Control: Pt 1	Ch. 7
Nov 8	Flexible Budgets, Variances & Management Control: Pt 1	Ch. 7
Nov. 10	Flexible Budgets, Variances & Management Control: Pt 2	Ch. 8
Nov. 15	Flexible Budgets, Variances & Management Control: Pt 2	Ch. 8
Nov. 17	Income Effects of Alternative Inventory-Costing Methods	Ch. 9
Nov. 22	Income Effects of Alternative Inventory-Costing Methods	Ch. 9
Nov. 24	Income Effects of Alternative Inventory-Costing Methods	Ch 9
Nov. 29	Review	
Dec. 1	Review	
Dec 6 - 10	Final Exam Week	

**PRACTICE PROBLEMS:**

1-2, 1-4, 1-19

2-1, 2-9, 2-27, 2-29, 2-35

3-21, 3-46

4-25, 4-40

5-25, 5-27 (omit requirement 1)

5-25 (omit Requirement #1), 5-37

6-1, 6-13, 6-29, 6-41

7-23, 7-25

8-27, 8-35

9-21, 9-23

**v Verification**

I verify that the content of this course outline is current.

\_\_\_\_\_  
Thomas R. Friedrich  
Authoring Instructor

\_\_\_\_\_  
August 31, 2004

\_\_\_\_\_  
Date

I verify that this course outline has been reviewed.

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Terry Gordon  
Program Head

\_\_\_\_\_  
August 31, 2004

\_\_\_\_\_  
Date

I verify that this course outline complies with BCIT policy.

\_\_\_\_\_  
Tim Edwards  
Associate Dean

\_\_\_\_\_  
August 31, 2004

\_\_\_\_\_  
Date

**Note:** Should changes be required to the content of this course outline, students will be given reasonable notice.

