

# BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

## COURSE OUTLINE

COURSE NAME: COST AND MANAGERIAL ACCOUNTING I

COURSE NUMBER: FMGT 3210

DATE: SEPTEMBER, 1995

PREPARED BY: R.C. NICHOLS

TAUGHT TO: 2ND YEAR FINANCIAL MANAGEMENT  
(ACCOUNTING & FINANCE OPTIONS)

INSTRUCTOR: R.C. (BOB) NICHOLS

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OFFICE HOURS: TO BE ANNOUNCED

PREREQUISITES: FMGT 2100 OR EQUIVALENT

COURSE OBJECTIVES:

his course emphasizes the role of the management accountant, cost concepts and terminology, CVP analysis, job costing, budgeting and control, standard costs and variance analysis and variable costing.

### EVALUATION:

ASSIGNMENTS = 10%

QUIZZES = 10%

MID-TERM EXAM = 35%

FINAL EXAMINATION = 45%

TOTAL TERM = 100%

REQUIRED TEXT: "COST ACCOUNTING: A MANAGERIAL EMPHASIS"

By C.T. HORNGREN, G. FOSTER AND S.M. DATAR,  
8TH EDITION, PRENTICE HALL

## **SPECIFIC UNIT OBJECTIVES:**

At the end of this course, students should 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 labor, 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.

**Note:** This outline is based on the review by the Financial Management Curriculum Review Committee of June, 1992. All schedules and mark allocations are subject to change at the discretion of the Instructor.

**ACTS OF CHEATING, PLAGIARISM AND DISHONESTY ARE NOT TOLERATED; THE DEGREE OF PUNITIVE ACTION MAY RANGE FROM A WRITTEN WARNING TO WITHDRAWAL FROM THE PROGRAM. THESE PENALTIES MAY ALSO BE APPLIED TO STUDENTS WHO KNOWINGLY CONTRIBUTE TO THE ACT OF DISHONESTY, CHEATING AND/OR PLAGIARISM (REFER TO PAGES 1 AND 2 OF THE CURRENT CALENDAR)**

## **LECTURE SCHEDULE:**

<b><u>DATE:</u></b>	<b><u>TOPIC:</u></b>	<b><u>CHAPTERS:</u></b>
Sept. 6	Introduction to Program and course	Ch. 1
Sept. 8	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	Shinerama - No Classes	
Sept. 22	Cost-Volume-Profit Relationships	Ch. 3
Sept. 27	Cost-Volume-Profit Relationships	Ch. 3
Sept. 29	Cost-Volume-Profit Relationships	Ch. 3
Oct. 4	Costing Systems in the Service and Merchandising Sectors	Ch. 4
Oct. 6	Costing Systems in the Service and Merchandising Sectors	Ch. 4
Oct. 11	Costing Systems in the Manufacturing Sector	Ch. 5
Oct. 13	Review for Mid-term Examination	
Oct. 16 - 20th	Mid-term Examination Week	Exam = Chapters 1, 2, 3, & 4
Oct. 25	Costing Systems in the Manufacturing Sector	Ch. 5
Oct. 27	Master Budget and Responsibility Accounting	Ch. 6
Nov. 1	Master Budget and Responsibility Accounting	Ch. 6
Nov. 3	Master Budgets/Flexible Budgets	Ch. 6/7
Nov. 8	Flexible Budgets, Variances and Management Control: I	Ch. 7
Nov. 10	Flexible Budgets, Variances and Management Control: I	Ch. 7

## LECTURE SCHEDULE: (CONT'D)

<u>DATE:</u>	<u>TOPIC:</u>	<u>CHAPTERS:</u>
Nov. 15	Flexible Budgets, Variances and Management Control: II	Ch. 8
Nov. 17	Flexible Budgets, Variances and Management Control: II	Ch. 8
Nov. 22	Review of Standard Costing Variance Analysis	Ch. 7, 8
Nov. 24	Income Effects of Alternative Inventory-Costing Methods	Ch. 9
Nov. 29	Income Effects of Alternative Inventory-Costing Methods	Ch. 9
Dec. 1	Income Effects of Alternative Inventory-Costing Methods	Ch. 9
Dec. 6	Review	
Dec. 8	No Lecture	
Dec. 11 - 15th	Final Examination Week	

### ASSIGNMENTS:

- ASSIGNMENTS ARE DUE BY NOON ON THE DUE DATE. LATE ASSIGNMENTS WILL NOT BE ACCEPTED FOR CREDIT UNLESS ACCOMPANIED BY A VALID DOCTOR'S CERTIFICATE OR PRIOR ARRANGEMENTS HAVE BEEN MADE WITH THE INSTRUCTOR.
- ASSIGNMENTS MUST BE COMPLETED ON THE COMPUTER (EXCEPT FOR THE ONE DUE ON SEPT. 11) AND SUBMITTED AS A HARD COPY (COMPUTER PRINTOUT).
- THE ASSIGNMENTS SHOULD BE SUBMITTED IN AN APPROPRIATE FORMAT. MARKS WILL BE DEDUCTED FOR MESSY WORK, POOR SPELLING AND/OR GRAMMAR.
- ANY COPIED ASSIGNMENTS WILL RESULT IN A "0" GRADE FOR ALL PAPERS INVOLVED AND POSSIBLE ADDITIONAL PENALTIES TO ANY STUDENTS INVOLVED.

## ASSIGNMENT SCHEDULE:

<u>DUE DATE:</u>	<u>PROBLEMS:</u>	<u>SPECIAL NOTES:</u>
Sept. 11	1-18, 1-20, 1-22	Not required to be done on the computer
Sept. 18	2-26, 2-29, 2-30	
Sept. 25	2-34, 2-35, 3-21	
Oct. 2	3-22, 3-34, 3-38, 3-45	
Oct. 10	4-22, 4-30, 4-31	Omit part 1 of problem 4-22
Oct. 16 - 20	Mid-term Examination Week - no assignment due	
Oct. 23	5-16, 5-20, 5-23	
Oct. 30	5-34, 6-22, 6-25	
Nov. 6	6-27, 6-35, 7-20	
Nov. 14	7-23, 7-31, 7-33	
Nov. 20	7-40, 8-24, 8-22, 8-32	
Nov. 27	8-29, 8-32, 8-36	Omit part 1 of problem 8-32
Dec. 4	9-18, 9-24, 9-29	
Dec. 11 - 15	Final Examination Week	