



BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY
School of Business
Program: Financial Management
Option: Accounting

Course Outline for:
FMGT 4210
Cost & Managerial Accounting 2
January, 2005

Hours/Week:	4	Total Hours:	60	Term/Level:	4
Lecture:	2	Total Weeks:	15	Credits:	4
Seminar:	1				
Lab:	1				

Instructor:

Paul Jeyakumar

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Prerequisites

Course No. FMGT 3210

Course Name Cost & Managerial Accounting 1 (or equivalent)

Course Description and Goals

A continuation of the FMGT 3210 course, this course emphasizes relevant costing for decision-making, cost behavior, cost allocations, joint and by-products, process costing, regression analysis, linear programming, mix and yield variances, decentralization, transfer pricing, and performance evaluation & compensation.

Evaluation

Final Examination	45 %
Midterm Test	40 %
Quizzes	15 %
Total Term	<u>100</u> %

In term B, the student will be required to complete a computer-integrated decision model. If the student fails to meet this requirement, the student's mark for the course will be recorded as "0". Computer lab attendance is mandatory.

Course Learning Outcomes:

At the end of this course, the student will be able to:

1. Describe various methods for splitting mixed costs into their variable and fixed components.
2. Use the High-Low method for splitting mixed costs into their variable and fixed components.
3. Apply the learning curve in making estimates of future costs.
4. Use regression analysis for splitting mixed costs into their variable and fixed components and evaluate the validity of the results.
5. Provide relevant costs to assist management in decision making and pricing.
6. Apply linear programming to assist management in the allocation of scarce resources.
7. Allocate costs from service departments to production departments using the direct, step and reciprocal methods.
8. Prepare income statements for segments of an organization using the contribution approach.
9. Allocate joint costs to joint products using the physical measures, sales value at split-off, relative sales value and constant gross profit percentage methods.
10. Provide information to assist management in deciding whether joint products should be processed beyond the split-off point.
11. Account for by-product revenues and costs.
12. Demonstrate the Weighted Average and FIFO methods of process costing.
13. Show how standard costs can be used in process costing.
14. Demonstrate how interdepartmental transfers affect Weighted Average and FIFO process costing.
15. Account for spoilage in process costing using both the Weighted Average and FIFO methods.
16. Demonstrate the use of JIT costing, Operation costing and Backflush costing.
17. Develop methods for controlling the costs of major projects.
18. Divide the Sales Volume Variance into Quantity and Mix or Market Size and Share Variances.
19. Compute Mix and Yield variances for direct materials and labor.
20. Evaluate various management control systems and the control of "Quality" and "Time".
21. Evaluate the benefits and costs of decentralization.
22. Demonstrate three general methods for determining transfer prices.
23. Evaluate alternative performance measurement and compensation systems.

Text(s) and Equipment

Required: a) Cost Accounting – A Managerial Emphasis, by C.T. Horngren, G. Foster, S.M. Datar, & H. Teall, Prentice Hall, 2st Canadian Edition

b) Calculator

Reference or 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.

Course Notes (Policies and Procedures)

1. ALL OUTLINES, SCHEDULES AND MARK ALLOCATIONS ARE SUBJECT TO CHANGE IF THE INSTRUCTOR DETERMINES THAT CHANGE IS REQUIRED.
2. This course Outline may assist you in the future to receive credit for all or part of a course from another post-secondary institution or from a professional program. It is strongly recommended that you keep this course Outline in a safe place for future reference.
3. CHEATING, PLAGIARISM AND DISHONESTY: “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 plagiarism.” (Refer to the current BCIT Calendar.)
4. Programmable calculators will not be allowed in exams.

Computer-integrated decision model – Term B

1. In term B, students are required to apply the concepts learned to a case study.
2. Completion of the model is a requirement for this course. If a student fails to meet this requirement, the student's mark for the course will be '0'.
3. Computer lab attendance is mandatory.

Quizzes:

The schedule for quizzes will be announced at the beginning of the course.

No make-up quizzes will be given. Absentees will be given “0” mark.



Date:	Topics Covered:	Readings:
Jan 10 Jan 12	Determining How Costs Behave Determining How Cost Behave	Ch. 10
Jan 17 Jan 19	Decision Making and Relevant Information Linear Programming	Ch. 11 Ch. 11Appendix
Jan 24 Jan 26	Pricing Decisions, Product Profitability & Cost Management	Ch. 12
Jan 31 Feb 2	Strategy, Balanced Scorecard & Strategic Profitability	Ch. 13
Feb 7 Feb 9	Cost Allocation	Ch.14
Feb 14 Feb 16	Cost Allocation: Joint & Byproduct	Ch. 15
Feb 21 Feb 28	Revenue Variances & Customer Profitability Analysis	Ch. 16
Mar 1 Mar 3	Process Costing Systems Review for Mid-term exam (Ch 10 to Ch 15)	Ch. 17
Mar 7 - 11	Mid-term exam – chapters 10, 11, 12, 13, 14, 15	
Mar 21	Process Costing Systems	Ch. 17
Mar 23 Mar 30	Spoilage, Reworked units and Scrap	Ch. 18
Apr 4 Apr 6	Cost Management: Quality, Time and the Theory of Constraints	Ch. 19
Apr 11 Apr 13	Inventory Management	Ch. 20
Apr 18 Apr 22	Management control Systems, Transfer Pricing & Multinational Considerations	Ch. 23
Apr 25	Performance Measurement, Compensation &	Ch 24

Apr 27	Multinational Considerations	
May 2, May 5 May 9, 11	Project conclusion Review for Final Exam (Ch. 16, 17, 18, 19, 23, 24)	
	Final Examination (Ch. 16, 17, 18, 19, 23, 24)	

I.D. Required in Examination Centres:

Effective December 2000, in order to write examinations, students will be required to produce photo identification at examination centers. Photo I.D. must be placed on the desk before the examination, and must remain in view on the desk while writing the examination. Students should bring a BCIT OneCard or alternatively two pieces of identification, one of which must be a government I.D. such as a driver's license. Please see BCIT Policy #5300, Formal Invigilation Procedure.

Course Record

Developed by:	<u>Paul Jeyakumar</u> Instructor	Date:	<u>December, 2004</u>
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Reviewed by:	<u>Ralph, Gioia</u> Program Head, 2 nd year Accounting	Date	<u>December, 2004</u>
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Approved by:	<u>Tim Edwards</u> Associate Dean	Date:	<u>December, 2004</u>