

BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY  
BUSINESS DIVISION COURSE OUTLINE  
TECHNOLOGY - FINANCIAL MANAGEMENT

COURSE: Management Accounting

COURSE NO.: FMGT 3221

INSTRUCTOR: R.B. McCALLUM

TERM 3

September, 1994

BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

COURSE OUTLINE

COURSE NAME Management Accounting

COURSE NUMBER FMGT 3221 DATE September, 1994

Prepared by R.B. McCallum Taught to 2nd Year Mgt Systems

Term 3 Hours per Week 4

No. of Weeks 12 Total Hours 48

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Instructor(s) R.B. McCallum Office SE6 385 Local 6754

Office Hours To be posted on office door

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Prerequisites

FMGT 1100/2100

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COURSE OBJECTIVES

The objective of this course is to give the student an understanding of the principles of managerial accounting and experience in the application of the techniques of cost accounting in order to be able to assist management in its functions of planning, control and decision making.

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EVALUATION

Final Examination	<u>30</u>	<u>%</u>
Mid-Terms (2 @ 30%)	<u>60</u>	<u>%</u>
Projects/Assignments	<u>10</u>	<u>%</u>

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REQUIRED TEXT(S) AND EQUIPMENT

Managerial Accounting  
by Ray Garrison, George Chesley, Raymond Carroll  
Irwin, ISBN 0-256-10723-8  
Second Canadian Edition

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Specific Unit Objectives:

Upon successful completion of this course, the student will be able to:

- 1) Analyze and forecast financial statements
- 2) Identify the three primary elements of cost in a manufactured product and trace the flow of these costs from the point of incurrence to the sale of the product.
- 3) Demonstrate an ability to compute direct labour, materials and overhead costs.
- 4) Demonstrate a knowledge of the accounting entries necessary to record the flow of materials, labour and overhead through a job-order costing system.
- 5) Prepare job cost sheets and departmental production reports and compute unit costs by job and department.
- 6) Categorize and compute costs on the basis of their behavior.
- 7) Calculate the contribution margin by product and by division and identify the impact of changes in variable and fixed costs, selling price and volume on that margin.
- 8) Compute the break-even point and appraise the effect of shifts in the sales mix on the margin and the break-even.
- 9) Identify, compute and allocate costs to various segments of an organization.
- 10) Distinguish between direct and absorption costing; construct income statements and calculate unit costs under each method.
- 11) Prepare flexible sales, production, materials, overhead, selling and administration and cash budgets.
- 12) Construct a standard costing system and compute variances in direct labour, direct materials and manufacturing overhead from standard costs.



- 13) Identify and recommend corrective action based upon variance analysis.
- 14) Identify the need for and describe the accounting control mechanism made necessary by a move to decentralize.
- 15) Apply Lotus 123 spreadsheet techniques to managerial accounting analysis and problem solving.

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#### Detailed Course Outline For FMGT 3221

Week Ending Friday	Material Covered	Text Reference
September 9	Financial Statement Analysis	Chapters 18 and 17
" 16	" (continued)	"
" 23	Managerial Accounting Cost Terms and Concepts	Chapters 1 and 2
" 30	Job-order Costing	Chapter 3
October 7	Cost Behavior	Chapters 5 and 6
" 14	Segment Reporting	Chapter 7
" 21	MID-TERM EXAM	
" 28	Profit Planning	Chapter 8
November 4	Standard Costing	Chapter 9
" 11	Decentralized Operations	Chapter 11
" 18	Pricing	Chapter 12
" 25	MID-TERM EXAM	
December 2	Relevant Costs	Chapter 13
" 9	Review	
" 16	FINAL EXAM	