



A POLYTECHNIC INSTITUTION

School of Business

Program: Operations Management

Option:

**FMGT 3224**  
**Cost and Managerial Accounting**

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<b>Start Date:</b>	September, 2003	<b>End Date:</b>	December, 2003								
<b>Total Hours:</b>	56	<b>Total Weeks:</b>	14	<b>Term/Level:</b>	3	<b>Course Credits:</b>	4				
<b>Hours/Week:</b>	4	<b>Lecture:</b>	2	<b>Lab:</b>	2	<b>Shop:</b>		<b>Seminar:</b>		<b>Other:</b>	

**Prerequisites**

**Course No.    Course Name**

**FMGT 3224 is a Prerequisite for:**

**Course No.    Course Name**

**Course Description**

This course has been designed to give non-accounting majors an appreciation of the uses and limitations of cost and managerial accounting in the decision-making processes of an organization. Emphasis will be placed on identifying the relevance of this discipline to other functional areas; capital budgeting, production planning, cost minimization, contribution maximization, pricing and marketing policies. Concepts will be related to both manufacturing and knowledge-based, service business environments.

Students will study a variety of analytical techniques that can be applied to financial and operational data to support management decisions.

**Evaluation**

Quizzes	10%	Comments: Attendance is required in all labs.
Mid Term Examination	40%	
Final Examination	50%	
<b>TOTAL</b>	<u>100%</u>	

**Course Learning Outcomes/Competencies**

Upon successful completion, the student will be able to:

- Describe the purpose for which the manager needs accounting information.
- Identify and give examples of cost types and classifications according to differing management needs.
- Distinguish between process costing and job order costing and identify companies that would use each method.
- Compute and apply predetermined overhead rates.
- Use a job order costing system.
- Understand Process Costing, apply the weighted average method and understand the FIFO method.
- Identify examples of variable and fixed costs and explain the effect of a change in activity on both total and unit costs.
- Analyse a mixed cost by the high-low method and the least -squares method.
- Prepare an income statement using the contribution margin approach.

Compute the breakeven point and use CVP formulae to determine the activity level needed to achieve a desired net profit figure.  
Prepare income statements using both variable and absorption costing and reconcile the two net income figures.  
Explain the major differences between activity based costing and a traditional costing system  
Use the simplified approach to compute activity based costs and margins  
Prepare all the components of a Master Budget (with emphasis on the Cash Budget).  
Explain how flexible manufacturing systems and just-in-time purchasing and production affect cost accounting systems.  
Compute variances from standard cost and explain their significance.  
Prepare performance reports incorporating flexible budgets.  
Prepare an analysis showing whether a product line or organizational segment should be dropped or retained.  
Prepare a make or buy analysis.  
Make appropriate computations to determine the most profitable use of scarce resources.  
Prepare an analysis showing whether joint products should be sold at the split-off point or processed further.  
Determine the acceptability of an investment project using the net present value method and the internal rate of return method.

**Verification**

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

**Bryan K. Parker, B.Comm(Hons), MBA, CA, CPA(WA)**

**June , 2003**

\_\_\_\_\_  
Authoring Instructor

\_\_\_\_\_  
Date

I verify that this course outline has been reviewed.

\_\_\_\_\_  
Date

I verify that this course outline complies with BCIT policy.

**Tim Edwards, Dipl.T,MBA, CMA**

**June, 2003**

\_\_\_\_\_  
Dean/Associate Dean

\_\_\_\_\_  
Date

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

**Instructor**

Bryan K. Parker

Office SE6-337

Office Phone: 451-6752

Location:

Office Hrs.: As posted

E-mail Address: Bryan\_Parker@bcit.ca

**Learning Resources**

**Required:**

Managerial Accounting: Fifth Canadian Edition: Garrison, Noreen, Chesley and Carroll, ISBN 0-07-087111-6  
Financial Calculator (Sharp EL-733A is preferred.)

**Recommended:**

Access to Excel

## STUDENT INFORMATION ON POLICIES AND PROCEDURES

**COURSE OUTLINES:** 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 this course outline be safely filed for future reference.

**EXAMINATIONS:** Recently there has been a greater tendency for students to miss scheduled examinations. Students who miss examinations often request that they be allowed to write make-up examinations. This is often unfair to those who wrote the scheduled examination and time-consuming for the instructor who is asked to prepare alternative examinations.

In an effort to be consistent within Financial Management, the Department has adopted the following policy to deal with mid-term and final examinations.

It is imperative that students write examinations on either the scheduled day per the course outline or the date and time as determined by the Registrar during the formal examination periods. Please make a note of the following Departmental policy:

Subject to circumstances outlined below, a student who fails to write an examination on the scheduled date and time will receive a zero on that examination.

Other than in emergency situations, a student must provide his/her instructor with a reason acceptable to the instructor for missing an examination at least 24 hours prior to the scheduled time of the examination. Should such notice be given and should the reason be acceptable to the instructor, the student may, subject to the discretion of the instructor, be permitted to either write an alternative examination or have an agrotat mark established. It is the student's responsibility to contact the instructor by phone, fax, e-mail, etc.

It is impossible to list every acceptable reason. However, for greater certainty, reasons such as being unprepared or having too many other examinations in the same week will not be accepted. Written documentation, i.e., doctor's notes, will be required in all cases of missed examinations.

**Instructors are asked to promptly notify the program head or the academic coordinator of any student who misses an examination together with any supporting documentation.**

**PHOTO IDENTIFICATION:** To write exams, students are required to produce photo-identification at examination centres. Photo identification must be placed on the desk before an exam will be issued to the student and must remain in view 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 drivers license.

**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 a student who knowingly contributes to the act of dishonesty, cheating and plagiarism. (Refer to the current BCIT Calendar.)

Programmable calculators and calculators with alphabetic capability **will not be allowed** in exams. English language dictionaries, paper-based or programmable, **will not be allowed** in exams.

### Schedule

Week of/ Number	Outcome/Material Covered	Reference/ Reading	Assignment	Due Date Week of
Sept 1	Chapter 1 – Managerial Accounting and the Business Environment Chapter 2 – Cost Terms, Concepts and Classifications	Chapters 1, 2	P2-15, P2-16	Sept 8
Sept 8	Chapter 3 – Systems Design: Job Costing Chapter 4 – Systems Design: Process Costing	Chapters 3,4	P3-20 P4-14, P4-16	Sept 15
Sept 15	Chapter 5 – Cost Behaviour: Analysis and Use Quiz – Chapters 1,2,3 & 4 <i>Shinerama – Wednesday, September 17, 2003</i>	Chapter 5	P5-13, P5-15	Sept 22
Sept 22	Chapter 6 – Cost-Volume-Profit Relationships	Chapter 6	P6-10, P6-12	Sept 29
Sept 29	Chapter 7 – Variable Costing: A Tool for Management	Chapter 7	P7-8, P7-9	Oct 6
Oct 6	Chapter 8 – Activity Based Costing: A Tool to Aid Decision Making Quiz – Chapters 5, 6 & 7	Chapter 8	P8-12, P8-14	Oct 20
Oct 13	<b>Mid Term Exam: Chapters 1 – 7 (2 hrs.)</b> <i>Thanksgiving – Monday, October 13, 2003</i>			
Oct 20	Chapter 9 – Profit Planning	Chapter 9	P9-12, P9-15	Oct 27
Oct 27	Chapter 10 – Standard Costs and Balanced Scorecard	Chapter 10	P10-11, P10-12	Nov 3
Nov 3	Chapter 11 – Flexible Budgets and Overhead Analysis Quiz – Chapter 8,9 & 10	Chapter 11	P11-13, P11-15	Nov 10
Nov 10	Chapter 13 – Relevant Costs for Decision Making <i>Remembrance Day-Tuesday, November 11, 2003</i>	Chapter 13	P13-12, P13-15	Nov 17
Nov 17	Chapter 14 – Capital Budgeting Decisions	Chapter 14	P14-15, P14-19	Nov 24
Nov 24	Chapter 14 – Capital Budgeting Decisions (Continued) Quiz – Chapter 11,13 & 14	Chapter 14		
Dec 1	Review			
Dec 8	<b>Final Exam: Chapters 8 - 14 (2 hours)</b>			