BCIT

BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

Course Outline **Part A**

Business
Program: Operations Management

FMGT 3224
Cost and Managerial Accounting

Hours/Week:	4	**Total Hours:**	52	**Term/Level**:	3
Lecture:	2	**Total Weeks:**	13	**Credits:**	4
Lab:	2				
Other:					

Prerequisites

FMGT is a Prerequisite for:

Course No.	Course Name:	Course No.	Course Name
1st year business – BCIT		Graduation	

Course Goals

See course outcomes

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.

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

Evaluation

Final examination	40%
Mid-term examination	40%
Assignments	10%
Quizzes	10%
	100%

Course Outcomes and Sub-Outcomes:

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

1. Describe the purposes for which the manager needs accounting information
2. Identify and give examples of cost types and classifications according to differing management needs.
3. Distinguish between process costing and job-order costing and identify companies that would use each cost method.
4. Compute and apply predetermined overhead rates.
5. Use a job-order costing system.
6. Use both the weighted average and FIFO methods of process costing.
7. Identify examples of variable and fixed costs and explain the effect of a change in activity on both total costs and unit costs.
8. Analyze a mixed cost by the high-low method and the least-squares method.
9. Prepare an income statement using the contribution margin format.
10. Compute the breakeven point and use CVP formulas to determine the activity level needed to achieve a desired target net profit figure.
11. Prepare income statements using both variable and absorption costing and reconcile the two net income figures.
12. Prepare all of the components of a master budget.
13. Explain how flexible manufacturing systems and just-in-time purchasing and production affect cost accounting systems.
14. Compute variances from standard cost and explain their significance.
15. Prepare performance reports incorporating flexible budgets.
16. Prepare an analysis showing whether a product line or organizational segment should be dropped or retained.
17. Prepare a make or buy analysis.
18. Make appropriate computations to determine the most profitable utilization of scarce resources.
19. Prepare an analysis showing whether joint products should be sold at the split-off point or processed further.
20. Determine the acceptability of an investment project using the net present value method and the internal rate of return method.

Course Record

Developed by: J. Terry Gordon / Financial Management   Date: August, 1999
Instructor Name and Department   (signature)

Revised by: J. Terry Gordon / Financial Management   Date: August, 2001
Instructor Name and Department   (signature)

Approved by: Start
Date:

Associate Dean/Program Head   (signature)

BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

Business
Program: Operations Management

FMGT 3224
Cost and Managerial Accounting

Effective Date

September, 2001

Instructor

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Instructor web page:
www.faculty.org/fp/tgordon/
Course web site:
www.finman.org

Office hours: Posted on office door and above-noted instructor web page

Text and Equipment

Required:

Managerial Accounting; Fifth Canadian Edition; Garrison, Noreen, Chesley and Carroll, ISBN 0-07-087111-6

Financial Calculator (Sharp EL-733A is preferred).

Course Policies and Procedures

- *Course Outline Changes*: This course outline is subject to change at the discretion of the instructor. If changes are required, they will be announced in class and/or a revised outline distributed.
- *Ethics*: Acts of cheating, plagiarism and dishonestly will not be tolerated. (Refer to BCIT policy 5250 at www.bcit.bc.ca/~presoff/5250.htm)

Assignments and Quizzes

- There will be two problems from the text assigned each week. Assignments are to be submitted at the beginning of Thursday morning class (10:30 AM) of the week they are due. Late assignments will only be accepted if an acceptable medical excuse is provided.
- Four short quizzes will be given over the term during the Friday lab periods. I will "throw out" your worst quiz in determining your course mark (total of 10%). Missed quizzes cannot be made up and will be recorded as zero.
- Collaborative learning is encouraged. However, all work submitted for grading must be distinct and individual.

Course Schedule

Week of:	Lecture Topics	Pre-read	Assignment problems	Quiz
Sept 3	• **Chapter 1** - Managerial Accounting and the Business Environment • **Chapter 2** - Cost Terms, Concepts and Classifications	Chapters 1, 2 & 3	None	
Sept 10	• **Chapter 3** - Systems Design: Job-Order Costing	Chapter 4	P2-15, P2-16	
Sept 17	• **Chapter 4** - Systems Design: Process Costing	Chapter 6	P3-18, P3-20	
Sept 24	• **Chapter 5** - Cost Behavior: Analysis and Use	Chapter 7	P4-14, P4-16	Chapters 1, 2 & 3
Oct 1	• **Chapter 6** - Cost-Volume-Profit Relationships	Chapter 8	P5-13, P5-15	
Oct 8	• **Chapter 7** - Variable Costing: A Tool for Management	Exam study	P6-10, P6-12	Chapters 4, 5 & 6
Oct 15	• Review and **Mid-term Exam**: Chapters 1, 2, 3, 4, 5, 6, 7	Chapter 9	P7-8, P7-9	
Oct 22	• **Chapter 9** - Profit Planning	Chapter 10	None	
Oct 29	• **Chapter 10** - Standard Costs and the Balanced Scorecard	Chapter 11	P9-12, P9-15	
Nov 5	• **Chapter 11** - Flexible Budgets and Overhead Analysis	Chapter 13	P10-11, P10-12	Chapter 9 & 10
Nov 12	• **Chapter 13** - Relevant Costs for Decision Making	Chapter 14	P11-13, P11-15	
Nov 19	• **Chapter 14** - Capital Budgeting Decisions	Exam study	P13-12, P13-15	Chapter 11 & 13
Nov 26	• Review and **Final Exam**: Chapters 9, 10, 11, 13, 14	Exam study	P14-15, P14-19	