



A POLYTECHNIC INSTITUTION

School of Business

Program: Financial Management

Option: Finance

FMGT 4210**Cost & Managerial Accounting 2****Start Date:** January 2004**End Date:** May 2004**Total Hours:** 45 **Total Weeks:** 15**Term/Level:** 4 **Course Credits:** 4**Hours/Week:** 60 **Lecture:** 2 **Lab:** 1**Seminar:** 1**Prerequisites****Course No. is a Prerequisite for:****Course No.** **Course Name****Course No.** **Course Name**

FMGT 3210 Cost and Managerial Accounting 1

FMGT 7210 Advanced Management Accounting

v Course Description

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.

v Evaluation

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|----------------------|-------------|-----------|
| Final Examination | 45% | Comments: |
| Mid-term Examination | 45% | |
| Quizzes | 10% | |
| TOTAL | 100% | |

v Course Learning Outcomes/Competencies

Upon successful completion, 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 labour.
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.

v Instructor(s)

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|---------------|------------------------|----------|-----------------|------------------|
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v Learning Resources

Text(s) and Equipment

Required: a) Cost Accounting – A Managerial Emphasis, by Horngren, Foster, Datar, & Teall, Prentice Hall, 3rd Canadian edition. Students are expected to bring their textbooks to class.

b) Calculator

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.

v Information for Students

I.D. Required In Exam Halls: Effective December 2000, students will be required to produce photo-identification for admittance to examination halls. Photo I.D. must be placed 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 driver's license. Please see BCIT Policy #5300, Formal Invigilation Procedures.

Attendance: If a student is absent for any cause, other than illness (Dr's note may be required), for more than 10% of the time prescribed for the course, the student may be prohibited from completing the course. Please see BCIT Policy #5201, Attendance.

Quizzes: Quizzes must be written on the dates specified. A doctor's note is required for any illness causing you to miss quizzes. If medical certificate is produced, at the discretion of the instructor, you may have the marks prorated.

Ethics: BCIT assumes that all students attending the Institute will follow a high standard of ethics. Incidents of cheating or plagiarism may, therefore, result in a grade of zero for the assignment, quiz, test, exam, or project for all parties involved and/or expulsion from the course.

Illness: A doctor's note is required for any illness causing you to miss quizzes, tests, or exam. At the discretion of the instructor, you may complete the work missed or have the work prorated, (i.e., an average is given according to your performance throughout the course). If an exam is missed due to medical reasons, supported by medical certificate, at the discretion of the instructor, you may be permitted to write the exam at the time of the next course offering.

Course Outline Changes: The material or schedule specified in this course outline may be changed by the instructor. If changes are required, they will be announced in class.

Labs: Attendance is mandatory. Lab exercises are due at the end of the lab period.

| Date: | Topics Covered: | Readings: |
|------------------|---|--------------------------|
| Jan 7 Jan 12 | Determining How Costs Behave Determining How Cost Behave | Ch. 10 |
| Jan 14 Jan 19 | Decision Making and Relevant Information Linear Programming | Ch. 11 Ch. 11Appendix |
| Jan 21 Jan 26 | Pricing Decisions, Product Profitability & Cost Management | Ch. 12 |
| Jan 28 Feb 2 | Strategy, Balanced Scorecard & Strategic Profitability | Ch. 13 |
| Feb 4 Feb 9 | Cost Allocation | Ch.14 |
| Feb 11 Feb 16 | Cost Allocation: Joint & By-product | Ch. 15 |
| Feb 18 Feb 23 | Revenue Variances & Customer Profitability Analysis | Ch. 16 |
| Feb 25 Mar 1 | Process Costing Systems Review for Mid-term exam (Ch 10 to Ch 16) | Ch. 17 |
| Mar 8 - 12 | Mid-term exam – chapters 10, 11, 12, 13, 14, 15, 16 | |
| Mar 22 Mar 24 | Process Costing Systems | Ch. 17 |
| Mar 29 Mar 31 | Spoilage, Reworked units and Scrap | Ch. 18 |
| Apr 5 Apr 7 | Cost Management: Quality, Time and the Theory of Constraints | Ch. 19 |
| Apr 14 Apr 19 | Inventory Management | Ch. 20 |
| Apr 21 Apr 26 | Management control Systems, Transfer Pricing & Multinational Considerations | Ch. 23 |
| Apr 28 May 3 | Performance Measurement, Compensation & Multinational Considerations | Ch 24 |
| May 7 to 14 | Review for Final Exam (Ch. 16, 17, 18, 19, 23, 24) | |
| | Final Examination (Ch. 16, 17, 18, 19, 23, 24) | |

PRACTICE PROBLEMS:

To be discussed during the computer labs:

Week of:

| | |
|--------|---------------------|
| Jan 19 | 10-22, 10-26 |
| Jan 26 | 11-20, 11-23 |
| Feb 2 | 12-31, 12-34 |
| Feb 9 | 13-22, 13-23, 13-24 |
| Feb 16 | 14-26, 14-30 |
| Feb 23 | 15-18, 15-19 |
| Mar 1 | 16-21, 16-22 |
| Mar 29 | 17-35, 17-36, 17-37 |
| Apr 5 | 18-30, 18-31 |
| Apr 12 | 19-18, 19-22 |
| Apr 19 | 20-21, 20-22 |
| Apr 26 | 23-21, 23-23 |
| May 3 | 24-21, 24-30 |

v Verification

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

Tom Friedrich

Authoring Instructor

Date

I verify that this course outline has been reviewed.

Terry Gordon

Program Head/Chief Instructor

Date

I verify that this course outline complies with BCIT policy.

Tim Edwards

Dean/Associate Dean

Date

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