



A POLYTECHNIC INSTITUTION

School of Business

Program: Financial Management

Option: Finance

**FMGT 4210****Cost & Managerial Accounting 2****Start Date:** January 2003**End Date:** May 2003**Total Hours:** 80 **Total Weeks:** 20**Term/Level:** 4 **Course Credits:** 4**Hours/Week:** 4 **Lecture:** 2 **Lab:** 1**Shop:** **Seminar:** 1 **Other:****Prerequisites****Course No.** **Course Name**

FMGT 3210 Cost and Managerial Accounting 1

**Course No. is a Prerequisite for:****Course No.** **Course Name**

FMGT 7210 Advanced Management Accounting

**■ 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.

**■ Evaluation**

Each week there will be assignment material due.

Final Examination	45%	Comments:
Mid-term Examination	35%	
Quizzes	10%	
Assignments	10%	
<b>TOTAL</b>	<b>100%</b>	

**■ 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.

### ■ Instructor(s)

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		Fax: 604-439-6700
	Office Hrs.: As posted	E-mail: tfriedri@bcit.ca

### ■ Learning Resources

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#### Text(s) and Equipment

Required: a) Cost Accounting – A Managerial Emphasis, by Horngren, Foster, Datar, & Teall, Prentice Hall, 2<sup>st</sup> Cdn Ed. 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.

### ■ 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.

**Assignments:** All assignments are to be submitted by noon on Monday. All assignments are to be completed using a computer. Submit only the printout of each assignment. Late assignments will not be accepted for credit. Marks will be deducted for messy work, poor spelling and/or grammar. Any copied assignments will result in a "0" grade for all papers involved and possible additional penalties to any students involved.

**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 assignments, quizzes, tests, projects, 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 06, 08	Determining How Costs Behave	Ch. 10
Jan 13, 15	Decision Making and Relevant Information Linear Programming	Ch. 11 Ch. 11Appendix
Jan 20, 22	Pricing Decisions, Product Profitability & Cost Management	Ch. 12
Jan 27, 29	Strategy, Balanced Scorecard & Strategic Profitability	Ch. 13
Feb 03, 05	Cost Allocation	Ch. 14
Feb 10, 12	Cost Allocation: Joint & By-product	Ch. 15
Feb 17, 19	Revenue Variances & Customer Profitability Analysis	Ch. 16
Feb 24, 26	Review for Mid-term exam (Ch 10 to Ch 16)	
<b>Mar 3 – 7</b>	<b>Mid-term exam – chapters 10, 11, 12, 13, 14, 15, 16</b>	
Mar 17, 19	Process Costing Systems	Ch. 17
Mar 24, 26	Spoilage, Reworked units and Scrap	Ch. 18
Mar 31, Apr 2	Cost Management: Quality, Time and the Theory of Constraints	Ch. 19
Apr 07, 09	Inventory Management	Ch. 20
Apr 14, 16	Management control Systems, Transfer Pricing & Multinational Considerations	Ch. 23
Apr 23, 30	Performance Measurement, Compensation & Multinational Considerations	Ch. 24
May 05, 07	Review for Final Exam (Ch. 16, 17, 18, 19, 23, 24)	
May 12 - 23	Final Examination (Ch. 16, 17, 18, 19, 23, 24)	

Week of:	Quiz Topic:	Readings:
Jan 27	Decision Making and Relevant Information	Ch. 11
Feb 10	Strategy, Balanced Scorecard & Strategic Profitability	Ch. 13
Feb 24	Cost Allocation: Joint & By-product	Ch. 15
Apr 07	Spoilage, Reworked units and Scrap	Ch. 18
Apr 22	Inventory Management	Ch. 20

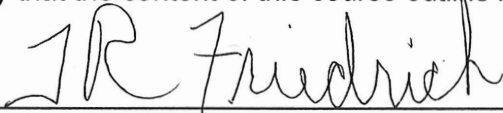
ASSIGNMENT SCHEDULE:

<u>DUE DATE:</u>	<u>ASSIGNMENT PROBLEMS:</u>
Jan 13	10-25, 10-33
Jan 20	11-29, 11-35
Jan 27	12-21, 12-29
Feb 03	13-28, 13-29
Feb 10	14-25, 14-33
Feb 17	15-23, 15-27
Feb 24	16-17, 16-23
Mar 24	17-22, 17-23, 17-24
Mar 31	18-17, 18-18
Apr 7	19-25, 19-27
Apr 14	20-27, 20-33
Apr 22	23-25, 23-31
May 2	24-29, 24-33

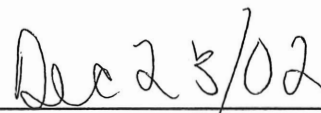
Assignment schedule is subject to change at the discretion of the instructor.

■ Verification

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



Tom Friedrich, Authoring Instructor

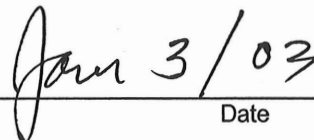


Date

I verify that this course outline has been reviewed.

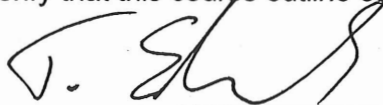


Terry Gordon, Program Head/Chief Instructor

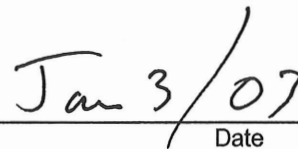


Date

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.