



SEP 26 2002

BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY
School of Business
Program: Financial Management
Option: Finance

Course Outline for:
FMGT 4210
Cost & Managerial Accounting 2
Date: January, 2002

Hours/Week:	4	Total Hours:	60	Term/Level:	4
Lecture:	2	Total Weeks:	15	Credits:	4
Seminar:	1				
Lab:	1				

Instructor:

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Prerequisites

Course No. FMGT 3210
Course Name Cost & Managerial Accounting 1 (or equivalent)

Course Description and Goals

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

Final Examination	40	%
Midterm Test	40	%
Quizzes	10	%
Assignments	<u>10</u>	%
Total Term	<u>100</u>	

Course Learning Outcomes:

At the end of this course, 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 labor.
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.

Text(s) and Equipment

Required: a) Cost Accounting – A Managerial Emphasis, by C.T. Horngren, G. Foster, S.M. Datar, & H. Teall, Prentice Hall, 2st Canadian Edition

b) Calculator

Reference or 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.

Course Notes (Policies and Procedures)

1. ALL OUTLINES, SCHEDULES AND MARK ALLOCATIONS ARE SUBJECT TO CHANGE IF THE INSTRUCTOR DETERMINES THAT CHANGE IS REQUIRED.
2. 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 you keep this course Outline in a safe place for future reference.
3. 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 students who knowingly contribute to the act of dishonesty, cheating and plagiarism." (Refer to the current BCIT Calendar.)
4. Programmable calculators will not be allowed in exams.

Assignment Details

Note:

1. Assignments are due by 9:00 a.m. as per the assignment schedule dates. Late assignments will not be accepted for credit unless accompanied by a valid doctor's certificate, or prior arrangements have been made with the instructor.
2. The assignments should be done using computer and only computer print-outs be submitted. Hand written assignments will not be accepted for marking. Marks will be deducted for messy work, poor spelling and/or grammar.
3. Any copied assignments will result in a "0" grade for all papers involved and possible additional penalties to any students involved.
4. **Students are expected to bring their textbooks to class.**
5. Quizzes will be given on specified dates. There will be no make up quizzes. If a student is unable to write the quiz on a specified date due to medical reasons supported doctor's certificate, the instructor may prorate the marks. For other circumstances, arrangements have to made with the instructor



*** This schedule is subject to change at the discretion of the instructor.**

Date:	Topics Covered:	Readings:
Jan 2	Determining How Costs Behave	Ch. 10
Jan 4	Determining How Cost Behave	Ch. 10
Jan 9	Decision Making and Relevant Information	Ch. 11
Jan 11	Linear Programming	Ch. 11Appendix
Jan 16	Pricing Decisions, Product Profitability & Cost	Ch. 12
Jan 18	Management	
Jan 23	Strategy, Balanced Scorecard & Strategic Profitability	Ch. 13
Jan 25		
Jan 30	Cost Allocation	Ch. 14
Feb 1		
Feb 6	Cost Allocation: Joint & Byproduct	Ch. 15
Feb 8		
Feb 13	Revenue Variances & Customer Profitability Analysis	Ch. 16
Feb 15		
Feb 20	Process Costing Systems	Ch. 17
Feb 22	Review for Mid-term exam (Ch 10 to Ch 16)	
Mar 4 - 8	Mid-term exam – chapters 10, 11, 12, 13, 14, 15, 16	
Mar 20	Process Costing Systems	Ch. 17
Mar 22	Spoilage, Reworked units and Scrap	Ch. 18
Mar 27		
Apr 3	Cost Management: Quality, Time and the Theory of	Ch. 19
Apr 5	Constraints	
Apr 10	Cost Management: Quality, Time and the Theory of	Ch. 20
Apr 12	Constraints	

Apr 17 Apr 19	Management control Systems, Transfer Pricing & Multinational Considerations	Ch. 23
Apr 24 Apr 26	Performance Measurement, Compensation & Multinational Considerations	Ch. 24
May 1	Review for Final Exam (Ch. 16, 17, 18, 19, 23, 24)	
	Final Examination (Ch. 16, 17, 18, 19, 23, 24)	

ASSIGNMENT SCHEDULE: (To be submitted by 9:00 a.m.)

DUE DATE:

ASSIGNMENT PROBLEMS:

Jan 9	10-30 (This assignment does not have to be done on the computer)
Jan 16	10-32, 10-33, 10-39 (Use Excel)
Jan 23	11-28, 11-34, 11-37
Jan 30	11-45 (do individually), 12-20, 12-30
Feb 6	12-32, 13-26, 13-28
Feb 13	13-30, 14-24, 14-25
Feb 20	15-25, 15-28, 15-32
Feb 22	16-30, 16-31, 16-33 All to be done in the lecture
Mar 27	17-30, 17-32, 17-41
Apr 3	17-33, 17-34, 18-24
Apr 10	18-21, 18-27, 18-38
Apr 17	19-27, 19-28, 19-29, 19-35
Apr 24	20-27, 20-29, 20-35
May 1	23-27, 23-28, 23-31
May 8	24-29, 24-31, 24-33 All to be done in the lecture

QUIZZES:

Quiz 1	Chapter 10	January 25
Quiz 2	Chapter 12	February 22
Quiz 3	Chapter 17	April 5
Quiz 4	Chapter 18	April 12
Quiz 5	Chapter 19	April 19

I.D. Required in Examination Centres:

Effective December 2000, in order to write examinations, students will be required to produce photo identification at examination centers. Photo I.D. must be placed on the desk before the examination, and must remain in view on the desk while writing the examination. Students should bring a BCIT OneCard or alternatively two pieces of identification, one of which must be a government I.D. such as a driver's license. Please see BCIT Policy #5300, Formal Invigilation Procedure.

Course Record

Developed by:	<u>Paul Jeyakumar</u> Instructor	Date:	<u>December, 2001</u>
Revised by:	<u>Paul Jeyakumar</u> Instructor	Date:	<u>December, 2001</u>
Approved by:.,	<u>T. Edwards</u> Associate Dean	Date:	<u>December, 2001</u>