



BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

School of Business

Program: Financial Management

Option: Finance

Course Outline for:

FMGT 4210

Cost & Managerial Accounting 2

Date: January, 2001

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	100	

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 noon 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 be made with the instructor



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

Date:	Topics Covered:	Readings:
Jan 5 Jan 10 Jan 12 Jan 17	Determining How Costs Behave Determining How Cost Behave Decision Making and Relevant Information Linear Programming	Ch. 10 Ch. 10 Ch. 11 Ch. 11Appendix
Jan 19 Jan 24	Pricing Decisions, Product Profitability & Cost Management	Ch. 12
Jan 26 Jan 31	Strategy, Balanced Scorecard & Strategic Profitability	Ch. 13
Feb 2 Feb 7 Feb 9 Feb 14	Cost Allocation Cost Allocation: Joint & Byproduct	Ch. 14 Ch. 15
Feb 16 Feb 21	Revenue Variances & Customer Profitability Analysis	Ch. 16
Feb 23 Feb 26	Process Costing Systems Review for Mid-term exam (Ch 10 to Ch 16)	Ch. 17
Mar 5 - 9	Mid-term exam – chapters 10, 11, 12, 13, 14, 15, 16	
Mar 21 Mar 23 Mar 28 Mar 30 Apr 11	Process Costing Systems Spoilage, Reworked units and Scrap Cost Management: Quality, Time and the Theory of Constraints	Ch. 17 Ch. 18 Ch. 19
Apr 18 Apr 20	Cost Management: Quality, Time and the Theory of Constraints	Ch. 20
Apr 20 Apr 25	Management control Systems, Transfer Pricing & Multinational Considerations	Ch. 23

Apr 27 May 3	Performance Measurement, Compensation & Multinational Considerations	Ch. 24
May 9	Review for Final Exam (Ch. 16, 17, 18, 19, 23, 24)	
	Final Examination (Ch. 16, 17, 18, 19, 23, 24)	

ASSIGNMENT SCHEDULE:

DUE DATE:

ASSIGNMENT PROBLEMS:

Jan 15	10-22, 10-25 (using Excel), 10-32, 10-33
Jan 22	11-29, 11-31, 11-35
Jan 29	11-42, 12-21, 12-39
Feb 5	12-35, 13-27, 13-29
Feb 12	13-31, 14-28, 14-33
Feb 19	15-23, 15-27, 15-31
Feb 26	16-27, 16-28, 16-29 All to be done in the lecture
Mar 26	17-23, 17-25, 17-33
Apr 2	17-34, 17-41, 18-23
Apr 9	18-37, 18-38
Apr 17	19-24, 19-25, 19-29, 19-34
Apr 23	20-27, 20-29, 20-33
Apr 30	23-25, 23-31, 23-33
May 3	24-29, 24-31, 24-33 All to be done in the lecture


QUIZZES:

Quiz 1	Chapter 10	January 24
Quiz 2	Chapter 12	February 23
Quiz 3	Chapter 17	April 13
Quiz 4	Chapter 18	April 20
Quiz 5	Chapter 19	April 27

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, 1999</u>
Revised by:	<u>Paul Jeyakumar</u> Instructor	Date:	<u>December, 2000</u>
Approved by:	<u>R. Dolan </u> Associate Dean	Date:	<u>December, 2000</u>