BCIT

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

Course Outline for:
FMGT 4210
Cost & Managerial Accounting 2
Date: January, 1998

Hours/Week:	4	Total Hours:	80	Term/Level:	4
Lecture:	2	Total Weeks:	20	Credits:	6
Seminar:	1				
Lab:	1				

Instructor: R.C. (Bob) Nichols

	Office No:	SE6-337	Phone:	(604) 451-6760
Home Phone: 987-1423	E-mail:	rnichols@bcit.bc.ca	Fax:	(604) 987-1340

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	45	%
Midterm Test	35	%
Quizzes	10	%
Assignments	10	%
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) <u>Cost Accounting – A Managerial Emphasis</u>, by C.T. Horngren, G. Foster,

S.M. Datar, & H. Teall, Prentice Hall, 1st Canadian Edition

b) 3 or 4 column accounting paper and dark pencils, ruler, and 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 on the due date. Late assignments will not be accepted for credit unless accompanied by a valid doctor's certificate, or <u>prior</u> arrangements have been made with the instructor.

2. Assignments must be completed on the computer and submitted as a hard copy (computer printout).

3. The assignments should be submitted in an appropriate format. Marks will be deducted for messy work, poor spelling and/or grammar.

4. Any copied assignments will result in a "0" grade for all papers involved and possible additional penalties to any students involved.

5. Students who wish to master Accounting are encouraged to complete additional problems. These can be submitted to the instructor for review.

6. Students are expected to bring their textbooks to class.

This outline is based on the review by the financial management curriculum review committee of June, 1992. All schedules and mark allocation are subject to change at the discretion of the instructor

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

Schedule for:
FGMT 4210
Cost & Managerial
Accounting 2

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

Date	Topics Covered	Readings
Jan. 7	Determining How Costs Behave	Ch. 10
Jan. 9	Determining How Costs Behave & Learning Curves	Ch. 10
Jan. 14	Relevant Revenues, Costs & the Decision Process	Ch. 11
Jan. 16	Linear Programming (Appendix)	Ch. 11
Jan. 21	Linear Programming (Appendix)	Ch. 11
Jan. 23	Pricing Decisions, Product Profitability & Cost Management	Ch. 12
Jan. 28	Pricing Decisions, Product Profitability & Cost Management	Ch. 12
Jan. 30	Cost Allocations: Part 1	Ch. 13
Feb. 4	Cost Allocations: Part 1	Ch. 13
Feb. 6	Cost Allocations: Part 2	Ch. 14
Feb. 11	Cost Allocations: Part 2	Ch. 14
Feb. 13	Joint & Byproduct Cost Allocations	Ch. 15
Feb. 18	Joint & Byproduct Cost Allocations	Ch. 15
Feb. 20	Revenue Variances & Customer Profitability Analysis	Ch. 16
Feb. 25	Revenue Variances & Customer Profitability Analysis	Ch. 16
Feb. 27	Review for Mid-term Exam	Ch. 10 – 15
Mar. 2 - 6	Mid-Term Examination Week	
Mar. 9-13	No Classes (Spring Break)	

Mar. 18	Process Costing Systems	Ch. 17
Mar. 20	Process Costing Systems	Ch. 17
Mar. 25	Spoilage, Reworked units and Scrap	Ch. 18
Mar. 27	Spoilage, Reworked Units and Scrap	Ch. 18
April 1	Quality, Time and Constraint Theory	Ch. 19
April 3	Quality, Time and Constraint Theory	Ch. 19
April 8	Operation Costing, JIT & Backflush Costing	Ch. 20
April 10	No Classes - Good Friday	
Apr. 15	Operation Costing, JIT & Backflush Costing	Ch. 20
April 17	Measuring Input Yield, Mix and Productivity	Ch. 24
April 22	Measuring Input Yield, Mix and Productivity	Ch. 24
April 24	Control Systems, Transfer Pricing & Multinational Considerations	Ch. 25
April 29	Control Systems, Transfer Pricing & Multinational Considerations	Ch. 25
May 1	Systems Choice: Performance Measurement, Compensation & Multinational Considerations	Ch. 26
May 6	Systems Choice: Performance Measurement, Compensation & Multinational Considerations	Ch. 26
May 8	Review for Final Examination (Ch. 16 – 20, 24, 25, 26)	
May 13	Review for Final Examination (Ch. 16 – 20, 24, 25, 26)	

Course Record

Developed by:	R.C. (Bob) Nichols	Date:	December, 1996
	Instructor		
Revised by:	R.C. (Bob) Nichols	Date:	December, 1997
	Instructor		
Approved by:	C.M. Briscall	Date:	December, 1996
	Associate Dean		

ASSIGNMENT SCHEDULE:

DUE DATE:	ASSIGNMENT PROBLEMS:
Jan. 12	10-18, 10-23 (this assignment does **not** have to done on the computer)
Jan. 19	10-21, 10-24 (using Lotus or Excel), 10-29
Jan. 26	10- 30, 11-20, 11-23, 11-29
Feb. 2	11-40, 12-28, 12-32
Feb. 9	12-35, 13-26, 13-27
Feb. 16	13-29, 13-30, 14-19, 14-24
Feb. 23	14-28, 14-31, 15-22, 15-24
Feb. 25	15-29 **To be done in the lecture**
Mar. 2	**Mid-term Examination Week - No Assignment**
Mar. 9 to 13 -	**SPRING BREAK - NO CLASSES**
Mar. 16	16-19, 16-24 this assignment does not have to be done on the computer
Mar. 23	16-27, 16-28, 17-21
Mar. 30	17-38, 17-39, 18-21
Apr. 6	18-24, 18-29, 18-38
Apr. 14	19-27, 19-30, 19-34
Apr. 20	20-27, 20-28, 20-29, 20-30
Apr. 27	24-25, 24-29, 24-30
May 4	25-27, 25-28, 25-32
May 8	26-17, 26-18, 26-25, 16-26 **All to be done in lecture**