BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

COURSE OUTLINE

COURSE NAME:	COST AND MANAGERIAL ACCOUNTING II
COURSE NUMBER: FMGT 4210	DATE: JANUARY, 1996
PREPARED BY: R.C. (Bob) NICHOLS	TAUGHT TO: SECOND YEAR
SCHOOL: BUSINESS	PROGRAM: FINANCIAL MANAGEMENT
DATE PREPARED: DECEMBER, 1995	OPTION: ACCOUNTING & FINANCE
TERM: 4	HOURS PER WEEK: 4
NO. OF WEEKS: 20 TOTAL HOURS: 80	

INSTRUCTOR: R.C. (BOB) NICHOLS   OFFICE: SE6-337
OFFICE PHONE: 451-6760
HOME PHONE: 987-1423

OFFICE HOURS: TO BE ANNOUNCED

PREREQUISITES: FMGT 3210 (FMGT 301) OR EQUIVALENT

COURSE 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, and transfer pricing.

EVALUATION:

FINAL EXAMINATION	=	45%
MID-TERM	=	35%
QUIZZES	=	10%
ASSIGNMENTS	=	10%
TOTAL TERM	=	100%

ASSIGNMENTS:

- 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 PRIOR ARRANGEMENTS HAVE BEEN MADE WITH THE INSTRUCTOR.

- ASSIGNMENTS MUST BE COMPLETED ON THE COMPUTER AND SUBMITTED AS A HARD COPY (COMPUTER PRINTOUT).

- THE ASSIGNMENTS SHOULD BE SUBMITTED IN AN APPROPRIATE FORMAT. 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.

REQUIRED TEXT: COST ACCOUNTING: A MANAGERIAL EMPHASIS
BY C.T. HORNGREN, G. FOSTER and S.M. DATAR
8th EDITION, PRENTICE-HALL

REFERENCE TEXTS AND RECOMMENDED EQUIPMENT:

1) CALCULATOR
2) COLUMNAR ACCOUNTING PAPER

SPECIFIC UNIT OBJECTIVES:

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. Use engineered, discretionary and committed costs in preparing budgets and performance reports.

8. Explain how ordinary incremental budgets, priority incremental budgets and zero-base budgets differ.

9. Allocate costs from service departments to production departments using the direct, step and reciprocal methods.

10. Prepare income statements for segments of an organization using the contribution approach.

11. Allocate joint costs to joint products using the physical measures, sales value at split-off, relative sales value and constant gross profit percentage methods.

12. Provide information to assist management in deciding whether joint products should be processed beyond the split-off point.

13. Account for by-product revenues and costs.

14. Demonstrate the Weighted Average and FIFO methods of process costing.

15. Show how standard costs can be used in process costing.

16. Demonstrate how interdepartmental transfers affect Weighted Average and FIFO process costing.

17. Account for spoilage in process costing using both the Weighted Average and FIFO methods.

18. Demonstrate the use of JIT costing, Operation costing and Backflush costing.

19. Develop methods for controlling the costs of major projects.

20. Divide the Sales Volume Variance into Quantity and Mix or Market Size and Share Variances.

21. Compute Mix and Yield variances for direct materials and labor.

22. Evaluate various management control systems and the control of "Quality" and "Time".

23. Evaluate the benefits and costs of decentralization.

24. Demonstrate three general methods for determining transfer prices.

LECTURE SCHEDULE:

DATE	TOPIC	CHAPTER(S)
Jan. 3	Determining Cost Behavior Patterns	Ch. 10
Jan. 5	Determining Cost Behavior Patterns	Ch. 10
Jan. 10	Relevance, Costs, and the Decision Process	Ch. 11
Jan. 12	Relevance, Costs, and the Decision Process	Ch. 11
Jan. 17	Linear Programming	Ch. 11 Appendix
Jan. 19	Linear Programming	Ch. 11 Appendix
Jan. 24	Pricing & Product Profitability Decisions	Ch. 12
Jan. 26	Pricing & Product Profitability Decisions	Ch. 12
Jan. 31	Management Control Systems	Ch. 13
Feb. 2	Management Control Systems	Ch. 13
Feb. 7	Cost Allocation: I	Ch. 14
Feb. 9	Cost Allocation: I	Ch. 14
Feb. 14	Cost Allocation: II	Ch. 15
Feb. 16	Cost Allocation: II	Ch. 15
Feb. 21	Joint and By-Product Cost Allocations	Ch. 16
Feb. 23	Review for Mid-term Exam (Ch. 10, 11, 12, 13, and 14)	
Feb. 26 - Mar. 1	Mid-term Exam - Chapters 10, 11, 12, 13, & 14)	
Mar. 6	Joint and By-Product Cost Allocations	Ch. 16
Mar. 8	Process Costing - Weighted Average Method	Ch. 17
Mar. 11th to 15th - SPRING BREAK - NO CLASSES!		
Mar. 20	Process Costing - FIFO Method	Ch. 17

LECTURE SCHEDULE: (Continued)

DATE	TOPIC	CHAPTER(S)
Mar. 22	Process Costing - Standard Cost Method	Ch. 17
Mar. 27	Spoilage, Waste and Scrap	Ch. 18
Mar. 29	Spoilage, Waste and Scrap	Ch. 18
Apr. 3	Operation Costing, & Backflush Costing	Ch. 19
Apr. 5	Good Friday - No Classes	
Apr. 10	Backflush Costing & Project Control	Ch. 19
April 12	BCIT Open House - No Classes	
Apr. 17	Measuring Mix, Yield, and Productivity	Ch. 22
Apr. 19	Measuring Mix, Yield, and Productivity	Ch. 22
Apr. 24	Cost Management: Quality & Time	Ch. 23
Apr. 26	Cost Management: Quality & Time	Ch. 23
May 1	Decentralization & Transfer Pricing	Ch. 25
May 3	Decentralization & Transfer Pricing	Ch. 25
May 8	Review for Final Examination	
May 10	Review for Final Examination	
May 15	Review for Final Examination	
May 21 to 24	FINAL EXAM WEEK	

ASSIGNMENT SCHEDULE:

DUE DATE:	ASSIGNMENT PROBLEMS:
Jan. 8	10-20, 10-22
Jan. 15	10-23 (do parts 1) and 2) as stated and using Lotus or Excel), 10-26, 10-27
Jan. 22	11-20, 11-23, 11-30
Jan. 29	11-38, 11-39, 12-20
Feb. 5	12-22, 12-26, 12-27
Feb. 12	13-22, 13-25, 13-27
Feb. 19	14-22, 14-32, 14-33
Feb. 26	**Mid-term Examination Week - No Assignment**
Mar. 4	15-21, 15-28, 15-30

Mar. 11 to 15 - SPRING BREAK - NO CLASSES

Mar. 18	16-17, 16-21, 16-29
Mar. 25	17-20, 17-21, 17-22
Apr. 1	17-23, 17-34, 18-21
Apr. 9	18-23, 18-25, 18-29, 18-33
Apr. 15	19-17, 19-22, 19-30
Apr. 22	22-18, 22-19, 22-21, 22-26
Apr. 29	23-21, 23-24, 23-29
May 6	23-32, 25-21, 25-22, 25-33
May 13	REVIEW