



## COURSE OUTLINE: BCA204 - MANAGEMENT ACCTNG I

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Approved: Sherri Smith, Chair, Natural Environment, Business, Design and Culinary

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| <b>Course Code: Title</b>  | BCA204: MANAGEMENT ACCOUNTING I   |
| <b>Program Number: Name</b>  | 2050: BUSINESS -ACCOUNTING  |
| <b>Department:</b>   | BUSINESS/ACCOUNTING PROGRAMS  |
| <b>Academic Year:</b>  | 2022-2023   |
| <b>Course Description:</b>   | In this course, students will be introduced to management accounting, a form of accounting used by managers to plan, control, and make decisions regarding operations. Topics include, analysis of different types of costs, cost behaviour, cost-volume-profit analysis, job-order costing, activity based costing, variable and absorption costing, budgeting, variance analysis, and relevant costs in decision making for Add/drop, Make/buy, and joint product cost decisions. |
| <b>Total Credits:</b>  | 4   |
| <b>Hours/Week:</b>   | 4   |
| <b>Total Hours:</b>  | 56  |
| <b>Prerequisites:</b>  | BCA101, BCA102  |
| <b>Corequisites:</b>   | There are no co-requisites for this course.   |
| <b>Substitutes:</b>  | ACC222  |
| <b>Vocational Learning Outcomes (VLO's) addressed in this course:</b>                                | <b>2050 - BUSINESS -ACCOUNTING</b>  |
| <b>Please refer to program web page for a complete listing of program outcomes where applicable.</b> | VLO 3 Contribute to recurring decision-making by applying fundamental management accounting concepts.   |
| <b>Essential Employability Skills (EES) addressed in this course:</b>                                | EES 1 Communicate clearly, concisely and correctly in the written, spoken, and visual form that fulfills the purpose and meets the needs of the audience.<br>EES 2 Respond to written, spoken, or visual messages in a manner that ensures effective communication.<br>EES 3 Execute mathematical operations accurately.<br>EES 10 Manage the use of time and other resources to complete projects.   |
| <b>Course Evaluation:</b>  | Passing Grade: 50%, D<br><br>A minimum program GPA of 2.0 or higher where program specific standards exist is required for graduation.  |
| <b>Books and Required Resources:</b>   | Managerial Accounting 12th Canadian Edition by Garrison Libby Webb<br>Publisher: McGraw-Hill Ryerson Edition: 12th<br>ISBN: 9781260193275   |



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**Course Outcomes and Learning Objectives:**

| <b>Course Outcome 1</b>  | <b>Learning Objectives for Course Outcome 1</b>   |
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| Compare and contrast financial and management accounting.<br><br>Chapter 1   | 1.1 Describe the management cycle and the need for managerial accounting information.<br>1.2 Differentiate between financial and managerial accounting.<br>1.3 Explain the lean business model and its corresponding management practices.<br>1.4 Explain the importance of ethical responsibility, corporate governance, and codes of conduct.<br>1.5 Explain how intrinsic motivation, extrinsic incentives, and cognitive biases affect employee behavior.   |
| <b>Course Outcome 2</b>  | <b>Learning Objectives for Course Outcome 2</b>   |
| Apply costing concepts from a business point of view.<br><br>Chapter 2   | 2.1 Distinguish between manufacturing and non-manufacturing costs and product and period costs.<br>2.2 Prepare an income statement, including a calculation of cost of goods sold,<br>2.3 Prepare a schedule of cost of goods manufactured.<br>2.4 Define and explain differences between variable and fixed costs and direct and indirect costs.<br>2.5 Define differential costs, opportunity costs, and sunk costs.  |
| <b>Course Outcome 3</b>  | <b>Learning Objectives for Course Outcome 3</b>   |
| Analyze cost behaviour as an aid to managers in making important decisions about future courses of action.<br><br>Chapter 3            | 3.1 Describe the behaviour of variable, step-variable, and fixed costs.<br>3.2 Analyze mixed costs using various approaches.<br>3.3 Prepare a contribution format income statement.<br>3.4 Analyze a mixed cost using the least-squares regression method.  |
| <b>Course Outcome 4</b>  | <b>Learning Objectives for Course Outcome 4</b>   |
| Apply cost behaviour concepts as an important management accounting decision-making tool: cost-volume-profit analysis<br><br>Chapter 4 | 4.1 Explain how changes in activity affect contribution margin and operating income. Prepare and interpret a sales-volume-profit graph<br>4.2 Use the contribution margin ratio to compute changes in contribution margin and operating income resulting from changes in sales volume.<br>4.3 Identify the effects on contribution margin of changes in variable costs, fixed costs, selling price and volume.<br>4.4 Compute the break-even point in unit sales and sales dollars.<br>4.5 Determine the level of sales needed to achieve a desired target profit.<br>4.6 Compute the margin of safety and explain its significance.<br>4.7 Compute operating leverage at a particular level of sales, and explain how operating leverage can be used to predict changes in operating income. |



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|   | 4.8 Compute the break-even point for a multi-product company in unit sales and sales dollars, and explain the effects of changes in the sales mix on contribution margin and the break-even point.  |
| <b>Course Outcome 5</b>   | <b>Learning Objectives for Course Outcome 5</b>   |
| Analyze the job-order costing model.<br><br>Chapter 5                     | 5.1 Distinguish between process costing and job-order costing.<br>5.2 Recognize the flow of costs through a job-order costing system.<br>5.3 Compute predetermined overhead rates and apply the rate to a job and explain why estimated overhead costs (rather than actual overhead costs) are used in the costing process.<br>5.4 Record the journal entries that reflect the flow of costs in a job-order costing system.<br>5.5 Compute over or under-applied overhead costs and prepare the journal entry to close the balance in manufacturing overhead to the appropriate accounts. |
| <b>Course Outcome 6</b>   | <b>Learning Objectives for Course Outcome 6</b>   |
| Analyze activity-based costing.<br><br>Chapter 7                          | 6.1 Explain the activity-based costing model and how it differs from a traditional costing system.<br>6.2 Assign costs to cost pools using a first-stage allocation, and compute activity rates.<br>6.3 Assign costs to a cost object using a second-stage allocation.<br>6.4 Use activity-based costing to compute product and customer margins.<br>6.5 Compare product costs computed using traditional and activity-based costing methods  |
| <b>Course Outcome 7</b>   | <b>Learning Objectives for Course Outcome 7</b>   |
| Compare and contrast Variable versus Absorption Costing.<br><br>Chapter 8 | 7.1 Compare and contrast variable and absorption costing and compute unit product costs under each method.<br>7.2 Prepare income statements using both variable and absorption costing.<br>7.3 Reconcile variable and absorption costing operating incomes and explain why the two amounts differ.<br>7.4 Explain the advantages of both variable and absorption costing.   |
| <b>Course Outcome 8</b>   | <b>Learning Objectives for Course Outcome 8</b>   |
| Describe and complete all components of a master budget.<br><br>Chapter 9 | 8.1 Explain the role of budgeting and why organizations budget. Describe the processes used by organizations to create budgets.<br>8.2 Prepare the components of a master budget, (including a sales, production, direct materials, direct labour, manufacturing overhead, an ending finished goods, selling and administrative, and a cash budget).<br>8.3 Prepare a budgeted income statement and balance sheet.<br>8.4 Prepare a flexible budget and explain the need for the flexible budget approach.<br>8.5 Prepare a performance report using the flexible budget                  |

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|  |  | approach.  |
|  | <b>Course Outcome 9</b>  | <b>Learning Objectives for Course Outcome 9</b>  |
|  | Calculate material, labour, and overhead variances.<br><br>Chapter 10                            | 9.1 Compute Direct Material variances and explain their significance.<br>9.2 Compute Direct Labour variances and explain their significance<br>9.3 Compute Variable Manufacturing Overhead variances and explain their significance.<br>9.4 Compute and interpret fixed manufacturing overhead variances.<br>9.5 Compute the mix and yield variances for materials and explain their significance.<br>9.6 Prepare journal entries to record standard costs and variances.              |
|  | <b>Course Outcome 10</b>   | <b>Learning Objectives for Course Outcome 10</b>   |
|  | Prepare an analysis for a variety of situations that will aid decision-making.<br><br>Chapter 12 | 10.1 Identify relevant and irrelevant costs in decision making.<br>10.2 Prepare an analysis for various management accounting decisions situations. Determine whether to, Add or Drop a product line or segment, Make or Buy a product, accept or reject a special order, sell or process further, purchase new equipment, and replace old equipment.<br>10.3 Determine the most profitable use of a constrained resource and the value of obtaining more of the constrained resource. |

**Evaluation Process and Grading System:**

| Evaluation Type                           | Evaluation Weight |
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| Assignments, Tests and / or Quizzes       | 70%               |
| Final Comprehensive Exam (on all content) | 30%               |

**Date:**

May 31, 2022

**Addendum:**

Please refer to the course outline addendum on the Learning Management System for further information.

