

SAULT COLLEGE OF APPLIED ARTS & TECHNOLOGY

SAULT STE. MARIE, ONTARIO

COURSE OUTLINE

Course Outline: BUDGET & COST ACCOUNTING III

Code No.: ACC 351-5

Program: ACCOUNTING

Semester: FIVE

Date: SEPTEMBER 1985

Author: FRED CASE

New: X Revision:

APPROVED: *Fred Case*
Chairperson

85-06-20
Date

Course Name

Course Number

PHILOSOPHY AND GOALS:

Students will be able to provide management with information necessary to control costs and make investment decisions. The course will deal with cost behaviour, setting standards, the timing of acquisitions and the preparation of budgets.

Feasibility of Capital acquisitions will be examined through a study of the time value of money as applied to investment decisions and planning these investments be using PERT/Cost techniques will be introduced.

TEXTBOOK: Cost Accounting, Moriarity, Allen; Harper & Row

EVALUATION:

The final grade will be assigned as follows:

<u>Average</u>	<u>Grade</u>
85% - 100%	"A"
70% - 84%	"B"
55% - 69%	"C"
*under 55%	"R"

The average mark will be based on the following formula:

Test 1 - 1 hour	15%
Test 2 - 1 hour	15%
Test 3 - 1 hour	15%
Case Analysis	10%
Final Exam - 3 hours	45%

The course is divided into three sections and a one-hour test is held on the completion of each section. The three-hour exam will be held at the completion of the course.

*a student with a final grade of 40% - 54% and who has not been absent from more than 16 classes will be eligible to write a 3-hour supplemental. A mark of 55% or better on the supplemental will result in a final grade of "C".

SECTION I - Planning and Budgeting - Chapters 3, 4, 5, and 6

- Estimating Cost Behaviour
 - relevant range
 - linear cost equations
- Cost-Volume-Profit Analysis

...cont'd

- contribution
- profit planning
- taxes
- bonuses
- Short-Term Decisions
 - special orders
 - make-or-buy decisions
- Cost of Prediction Errors
- Multiple Products
 - scarce resources
- Setting Standards
- The Flexible Budget
- Timing the Acquisition of Resources
- Stock Out Costs

SECTION II - Special Budgeting - Chapters 7, 8, and 9

- The Master Budget
- Capital Budgeting
 - interest, present value, internal rate of return
- Other Techniques
 - payback, payback reciprocal
- Income Taxes
- PERT/Cost Budgeting
 - networks
 - critical path
 - cost and time
 - the optimal budget

SECTION III - More on Variance Analysis - Chapters 18, 18A, 18B

- Reconciling Actual Results with the Master Budget
 - output adjustment
 - marketing and production adjustment
 - selling price adjustment
 - expense adjustments
- Effect of Changes in Inventory Levels
- Learning Curve
- Variances from a PERT/Cost Budget
- Case Analysis