



SAULT COLLEGE OF APPLIED ARTS & TECHNOLOGY
SAULT STE. MARIE, ONTARIO

COURSE OUTLINE

Course Outline: BUDGET AND COST ACCOUNTING I
Code No.: ACC 219
Program: ACCOUNTING
Semester: THREE
Date: SEPTEMBER, 1989
Author: B. CAMPBELL

New: _____ Revision: X

APPROVED: *B. Campbell*
Chairperson

Sept '89
Date

BUDGET AND COST ACCOUNTING I

ACC219

Course Name

Course Number

Prerequisite: ACC102

PHILOSOPHY AND GOALS:

This course will introduce the students to manufacturing accounting. Procedures for cost accumulation, cost allocation, and cost flow will be studied. The students will become familiar with the source documents and reports of a manufacturing firm.

Textbook: "Cost Accounting - A Managerial Emphasis", 6th edition,
Horngren and Foster

"Practice Set" - Kellum Manufacturing Company

Job Order Cost Accounting, McGraw-Hill

Evaluation:

Evaluation for this course will be based on three tests, a practice set, and a final examination. The weighting assigned will be as follows:

Tests (3)	45%
Practice Set	5%
Final Exam	50%
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	100%

The final grade will be based on the following criteria:

"A+"	-	90-100%
"A"	-	80- 89%
"B"	-	70- 79%
"C"	-	55- 69%
*"I"	-	40- 54% (Incomplete)
"R"	-	below 40% (Repeat Course)

*A supplemental examination will be offered to students who receive an "I" grade. The privilege to sit for this supplementary examination will be dependent upon regular class attendance (75%) and completion of assigned work. A student failing to meet these conditions will be denied the right to write a supplementary examination.

BUDGET AND COST ACCOUNTING I (ACC 219)

UNIT	WEEKS	TOPICS AND DESCRIPTION
1	1-4 incl.	<p><u>Basic Cost Concepts</u></p> <ul style="list-style-type: none">- responsibility accounting- cost flows- types and behaviour of costs- direct costs and indirect costs- inventorial costs- costs associated with a manufacturing business- preparation of the statement of goods manufactured <p><u>Cost/Volume/Profit Analysis</u></p> <ul style="list-style-type: none">- cost relationships- high/low approach for separating mixed costs- profit planning using the cost/volume/profit equation- the effect of taxes on cost/volume/profit analysis- limitations of the CVP model- profit planning with bonus incentives

UNIT	WEEKS	TOPICS AND DESCRIPTION
2	5-9 incl.	<p data-bbox="886 526 1094 555"><u>Job Costing</u></p> <ul data-bbox="886 591 1572 1128" style="list-style-type: none">- defining a job cost system and a process cost system- characteristics of a job cost system- source documents associated with a job cost system- cost flow in job costing- procedure of cost accumulation in a job cost system- assignment of fixed overhead to various jobs- the use of an applied rate for fixed overhead- the rationale of using an applied rate for fixed overhead- disposition of over or under-applied overhead <p data-bbox="886 1167 1057 1196"><u>Budgeting</u></p> <ul data-bbox="886 1232 1516 1545" style="list-style-type: none">- advantages and disadvantages of budgeting- various types of budgets- major features of budgets- the master budget- aspects of responsibility accounting- budgeting for non-profit organizations- administering the budget <p data-bbox="886 1581 964 1610"><u>TEST</u></p>

UNIT	WEEKS	TOPICS AND DESCRIPTION
3	10-14	<p data-bbox="867 521 1170 548"><u>Standard Costing</u></p> <ul data-bbox="867 589 1589 1037" style="list-style-type: none">- the purpose of developing standard costs- criteria for setting cost standards- comparing actual costs with the flexible budgets- calculating cost variances for:<ul data-bbox="906 779 1117 875" style="list-style-type: none">a) priceb) quantityc) volume- combined overhead variances- preparing the income statement under a standard cost system- journal entries associated with a standard cost system <p data-bbox="867 1070 1495 1097"><u>Direct Costing</u> (Variable Costing)</p> <ul data-bbox="867 1137 1589 1451" style="list-style-type: none">- distinction between absorption costing and direct costing- income statement format under direct costing- analyzing the difference between absorption costing and direct costing results- comparison of standard, normal and actual costing methods- break even under absorption costing <p data-bbox="867 1485 943 1512"><u>TEST</u></p> <p data-bbox="867 1545 1398 1572">Review and Final Examination</p>