

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, 1990
Previous Outline Dated: SEPTEMBER, 1989
Author: J. MITCHELL

New: _____ Revision: X

APPROVED: *J. Mitchell* _____
Dean, Business & Hospitality 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)	90%
Practice Set	10%
*Final Exam	30%

* Final Exam to be written by student who fails/misses one of the term tests provided the student has attended classes regularly (80%) and has completed all assignments.

The final grade will be based on the following criteria:

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

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="948 383 1158 416"><u>Job Costing</u></p> <ul data-bbox="948 448 1638 987" 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="948 1019 1120 1052"><u>Budgeting</u></p> <ul data-bbox="948 1084 1638 1397" 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="948 1429 1025 1461"><u>TEST</u></p>

UNIT	WEEKS	TOPICS AND DESCRIPTION
3	10-14	<p data-bbox="926 383 1235 416"><u>Standard Costing</u></p> <ul data-bbox="926 448 1640 890" 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="964 642 1179 739" 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="926 922 1554 955"><u>Direct Costing</u> (Variable Costing)</p> <ul data-bbox="926 987 1640 1300" 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="926 1332 1009 1364"><u>TEST</u></p> <p data-bbox="926 1397 1463 1425">Review and Final Examination</p>
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