

SAULT COLLEGE OF APPLIED ARTS & TECHNOLOGY

SAULT STE. MARIE, ONTARIO

COURSE OUTLINE

Course Outline: INTRODUCTION TO MANAGERIAL ACCOUNTING

Code No.: ACC 222


Program: ACCOUNTING

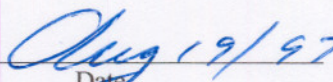
Semester: THREE

Date: SEPTEMBER 1997

Previous Outline  
Date: SEPTEMBER 1996

Author: GRANT DUNLOP

APPROVED:   
Dean, School of Business and Hospitality

  
Date: Aug 19/97

Total Credits: 5

Prerequisite(s): ACC107, ACC108

Length of Course: 5 HOURS/WEEK FOR 16 WEEKS



**I. COURSE DESCRIPTION:**

Upon successful completion of this course the student will demonstrate a knowledge of information needed to carry out the three essential functions in an organization: (1) planning operations, (2) controlling activities and (3) making decisions. This course enables the student to begin to develop techniques in the internal use of accounting data used by managers in directing the affairs of business and non-business organizations.

**II. LEARNING OUTCOMES AND ELEMENTS OF THE PERFORMANCE:**

1. Define Managerial Accounting as it applies to a business's information needs.

**ELEMENTS OF THE PERFORMANCE:**

- explain what an organization is and describe the work done by managers
- describe the purposes for which the manager needs accounting information
- identify the major differences between financial and managerial accounting

This learning outcome will constitute approximately 5% of the course's grade.

2. Apply the Generally Accepted Accounting Principles which relate to Cost Terms, Cost Behaviour and Systems Design.

**ELEMENTS OF THE PERFORMANCE:**

- identify each of the basic cost elements in the manufacture of a product
- distinguish between product costs and period costs
- prepare a schedule of cost of goods manufactured
- explain the flow of direct materials cost, direct labour cost and manufacturing overhead from the point of incurrence to the point of sale
- explain JIT (Just In Time) inventory systems

This learning outcome will constitute approximately 14% of the course's grade.

3. Identify and journalize the flow of manufacturing cost in a job-order costing system.

**ELEMENTS OF THE PERFORMANCE:**

- distinguish between job-order costing and process costing
- prepare journal entries to record the flow of direct materials cost, direct labour cost and manufacturing overhead cost in a job-order costing system
- compute any balance of under or overapplied cost for a period and prepare journal entries to close the balance to the proper accounts
- prepare the journal entries to record the flow of cost in a JIT (Just In Time) inventory system.

This learning outcome will constitute approximately 14% of the course's grade.



4. Identify and journalize the flow of manufacturing costs in a process costing system

ELEMENTS OF THE PERFORMANCE:

- prepare the journal entries to record the flow of materials, labour and overhead through a process costing system
- compute equivalent units of production by both the weighted average and FIFO methods
- prepare a cost reconciliation for a period under both and weighted average and FIFO method

This learning outcome will constitute approximately 12% of the course's grade.

5. Identify variable/fixed costs and produce a contribution formatted income statement.

ELEMENTS OF THE PERFORMANCE:

- identify examples of variable costs and explain the effect of a change in activity on both total variable costs and per unit variable costs.
- distinguish between committed and discretionary costs
- prepare an Income Statement using the contribution format

This learning outcome will constitute approximately 9% of the course's grade.

6. Apply the concepts of Cost-Volume-Profit relationships to analyzing financial results.

ELEMENTS OF THE PERFORMANCE:

- compute contribution margin ratio and use it to compute changes in contribution margin and income
- compute break-even point by both the equation method and the unit contribution method
- prepare cost-volume-profit graph and explain the significance of each of its components
- explain the effects of shifts in the sales mix on contribution margin

This learning outcome will constitute approximately 12% of the course's grade.

7. Define the system of Standard Costs used in allocating costs incurred by a business

ELEMENTS OF THE PERFORMANCE:

- differentiate between traceable fixed costs and common fixed costs
- compute the segment margin and explain how it differs from contribution margin
- prepare a segmented income statement using the contribution approach
- prepare income statements using both the absorption costing and direct costing

This learning outcome will constitute approximately 17% of the course's grade.



8. Define Profit Planning and apply the techniques used in drafting Profit Plans.

ELEMENTS OF THE PERFORMANCE:

- define budgeting and explain the difference between planning and control
- prepare a sales budget
- prepare a production budget
- prepare a cash budget

This learning outcome will constitute approximately 17% of the course's grade.

**III. TOPICS TO BE COVERED:**

1. Managerial Accounting: A Perspective
2. Cost Terms, Concepts and Classification
3. Systems Design: Job- order Costing
4. Systems Design: Process Costing
5. Cost Behaviour: Analysis and Use
6. Cost-Volume- Profit Relationships
7. Variable Costing: A Tool for Management
8. Profit Planning

**IV. REQUIRED RESOURCE/TEXT/MATERIALS:**

Garrison, Noreen, Chesley,Carroll Managerial Accounting  
Concepts for Planning, Control, Decision Making, Third Canadian Edition  
Irwin Publishers

**V. EVALUATION PROCESS/GRADING SYSTEM:**

The final grade will be based on three term tests representing 85% of the marks, and a number of assignments drawn from daily homework assigned representing 15% of the marks as follows:

Test #1	30%
Test #2	30%
Test #3	25%
Assignments	15%
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Grand Total	100%

An optional final exam will be made available at the end of the semester for those who have completed all assignments and wish to replace their mark on the exam for a failed or missed test. The grade received on the exam will replace the lowest failed or missed test. This exam is a comprehensive test rawing upon all of the material covered during the regular semester.



Grades will be assigned as follows:

90-100%	A+	Consistency Outstanding
80-89%	A	Outstanding
70-79%	B	Above Average
60-69%	C	Satisfactory
Below 60%	R	Repeat

## VI. SPECIAL NOTES:

Attendance is critical to the participant's success in this course.

Successful completion of ACC 222 will allow the participant to enrol in ACC 233.

### Special Needs

If you are a student with special needs (e.g. physical limitations, visual impairments, hearing impairments, learning disabilities), you are encouraged to discuss required accommodations with the professor and/or contact the Special Needs Office, Room E2104, Ext. 493, 717, 491, so that support services can be arranged for you.

### Plagiarism

Students should refer to the definition of "academic dishonesty" in the "Statement of Student Rights and Responsibilities."

Students who engage in "academic dishonesty" will receive an automatic failure for that submission and/or such other penalty, up to and including expulsion from the course, as may be decided by the professor.

### Retention of Course Outlines

It is the responsibility of the student to retain all course outlines for possible future use in acquiring advanced standing at other post-secondary institutions.

Substitute Course Information: available at Registrar's Office.

The Professor reserves the right to modify the course as deemed necessary.