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Course Name

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Code No.**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:**

Upon successful completion of this course, the student will demonstrate the ability to:

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

Potential 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
- explain JIT (Just In Time) inventory systems

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.

Potential 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
- identify and give examples of variable and fixed costs and explain the differences in their behaviour
- define and give examples of cost classifications

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

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

Potential 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 over-applied 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

Potential 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 11% of the course's grade.

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

Potential 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.
- identify examples of fixed costs and explain the effect of a change in activity on both total fixed costs and per unit fixed costs.
- use a cost formula to predict costs at a new level of activity
- analyze a mixed cost using the high-low method
- analyze a mixed cost using the least squares regression method
- prepare an Income Statement using the contribution format

This learning outcome will constitute approximately 11% of the course's grade.

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

Potential 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 11% of the course's grade.

7. Explain the differences under the variable and absorption costing methods and reconcile the reported results from using the two methods.

Potential Elements of the Performance:

- explain how variable costing differs from absorption costing and compute the unit product cost under each method
- describe how fixed manufacturing overhead costs are deferred in inventory and released from inventory under absorption costing
- prepare income statements using both variable and absorption costing and reconcile the two net income figures
- explain the effect of changes in production on the net income reported under both variable and absorption costing
- explain the advantages and limitations of both the variable and absorption costing methods
- explain how the use of JIT reduces the differences in net income reported under the variable and absorption costing methods

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

8. Identify and journalize the flow of manufacturing costs in an activity based costing system.

Potential Elements of the Performance:

- explain the major differences between activity based costing and a traditional costing system
- distinguish between unit-level, batch-level, customer-level, and organization-sustaining activities

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- assign costs to cost pools using a first-stage allocation
- compute activity rates for cost pools and explain how they can be used to target process improvements
- assign costs to a cost object using a second-stage allocation
- prepare a report showing activity-based costing product margins from an activity view
- prepare an action analysis report using activity-based costing data and interpret the report
- use the simplified approach to compute activity-based costs and margins
- record the flow of costs in an activity-based costing system

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

### **III. TOPICS:**

1. Managerial Accounting and the Business Environment
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. Activity Based Costing: A Tool to Aid Decision Making

### **IV. REQUIRED RESOURCES/TEXTS/MATERIALS:**

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

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

The final grade will be based on three term tests representing 90% of the marks, and a number of assignments drawn from daily homework assigned representing 10% of the marks as follows:

Test #1	30%
Test #2	30%
Test #3	30%
Assignments	10%
<b>Grand Total</b>	<b>100%</b>

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 drawing upon all of the material covered during the regular semester.

The following semester grades will be assigned to students in post secondary courses:

<u>Grade</u>	<u>Definition</u>	<u>Grade Point Equivalent</u>
A+	90 - 100%	4.00
A	80 - 89%	3.75
B	70 - 79%	3.00
C	60 - 69%	2.00
R (Repeat)	59% or below	0.00
CR (Credit)	Credit for diploma requirements has been awarded.	
S	Satisfactory achievement in field placement or non-graded subject areas.	
X	A temporary grade. This is used in limited situations with extenuating circumstances giving a student additional time to complete the requirements for a course (see <i>Policies &amp; Procedures Manual - Deferred Grades and Make-up</i> ).	
NR	Grade not reported to Registrar's office. This is used to facilitate transcript preparation when, for extenuating circumstances, it has been impossible for the faculty member to report grades.	

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## VI. SPECIAL NOTES:

### Special Needs:

If you are a student with special needs (e.g. physical limitations, visual impairments, hearing impairments, or learning disabilities), you are encouraged to discuss required accommodations with your instructor and/or the Special Needs office. Visit Room E1204 or call Extension 493, 717, or 491 so that support services can be arranged for you.

### 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.

The Professor reserves the right to change the information contained in this course outline depending on the needs of the learner and the availability of resources.

Substitute course information is available in the Registrar's office.

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

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

### 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.

## VII. PRIOR LEARNING ASSESSMENT:

Students who wish to apply for advanced credit in the course should consult the instructor. Credit for prior learning will be given upon successful completion of the following:

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Code No.**VIII. DIRECT CREDIT TRANSFERS:**

Students who wish to apply for direct credit transfer (advanced standing) should obtain a direct credit transfer form from the Dean's secretary. Students will be required to provide a transcript and course outline related to the course in question.