

SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

SAULT STE. MARIE, ONTARIO



**SAULT
COLLEGE**

COURSE OUTLINE

COURSE TITLE: Managerial Accounting I

CODE NO. : ACC222 **SEMESTER:** THREE

PROGRAM: ACCOUNTING

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DATE: June 2015 **PREVIOUS OUTLINE DATED:** June 2014

APPROVED: “Colin Kirkwood”

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	DEAN	DATE
TOTAL CREDITS:	5	
PREREQUISITE(S):	ACC107, ACC108	
HOURS/WEEK	5 Hours /Week for 15 Weeks	

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*For additional information, please contact Colin Kirkwood, Dean
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I. COURSE DESCRIPTION:

Upon successful completion of this course the student will demonstrate their ability to employ management accounting techniques in the three essential functions in an organization: (1) planning operations, (2) directing, and (3) controlling activities of an enterprise. 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 profit and non-profit 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 lean production and JIT (Just In Time) inventory systems

This learning outcome will constitute approximately 8% 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.

3. 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
- prepare an Income Statement using the contribution format

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

4. 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
- determine the level of sales needed to achieve a desired target profit
- explain the effects of shifts in the sales mix on contribution margin
- compute the margin of safety and explain its significance
- compute the degree of operating leverage at a particular level of sales, and explain how operating leverage can be used to predict changes to operating income

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

5. 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
- recognize the flow of costs through a job order costing system
- compute predetermined overhead rates and explain how and why estimated rates are used to apply overhead
- prepare journal entries to record the flow of direct materials cost, direct labour cost and manufacturing overhead cost in a job-order costing system
- prepare schedules of cost of goods manufactured and cost of goods sold
- compute any balance of under or over-applied cost for a period and prepare journal entries to close the balance to the proper accounts

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

6. 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
- assign costs to units using 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.

7. 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
- 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
- record the flow of costs in an activity-based costing system

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

8. Explain the differences under the variable and absorption costing methods and reconcile the reported results from using the two methods. Construct and interpret income statements prepare using information from various segments of an organization.

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.

III. Topics:

1. Managerial Accounting and the Business Environment
2. Cost Terms, Concepts and Classification
3. Cost Behaviour: Analysis and Use
4. Cost-Volume- Profit Relationships
5. Systems Design: Job- order Costing
6. Systems Design: Process Costing
7. Activity Based Costing: A Tool to Aid Decision Making
8. Variable Costing: A Tool for Management

IV. REQUIRED RESOURCES/TEXTS/MATERIALS:

Garrison, Libby , Webb Managerial Accounting
Tenth Canadian Edition
McGraw Hill Ryerson Publishers

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 - 20% This test will assess the students' ability to apply the GAAP as it relates to cost terms and format. It will also assess the students' knowledge in identifying variable and fixed costs and the preparation of contribution income statements. This assessment will use problem solving situations.

Test #2 – 20% This will be tested by assessing the students' ability to handle CVP relationships. This test will assess the students' ability to account for the flow of manufacturing cost in a job-order costing system. It will also. assess the students' ability to account for the flow of manufacturing cost in process costing system. This assessment will use problem solving situations.

Test #3 - 20% This test will assess the students in the areas of variable and absorption costing method, and their ability to account for the flow of manufacturing costs in an activity based costing system. This assessment will use problem solving situations and will test for understanding of cumulative course material .

A final exam will be given in the last week of the semester. It will cover the cumulative course material and will represent 30% of the final grade.

Assignments -10% These chapter ending problems will be used to reinforce the learning objectives of the varies topics discussed during the semester.

Grand Total	100%
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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:

Grade	<u>Definition</u>	<i>Grade Point Equivalent</i>
A+	90 – 100%	4.00
A	80 – 89%	
B	70 - 79%	3.00
C	60 - 69%	2.00
D	50 – 59%	1.00
F (Fail)	49% and below	0.00

CR (Credit) Credit for diploma requirements has been

	awarded.
S	Satisfactory achievement in field /clinical placement or non-graded subject area.
U	Unsatisfactory achievement in field/clinical placement or non-graded subject area.
X	A temporary grade limited to situations with extenuating circumstances giving a student additional time to complete the requirements for a course.
NR	Grade not reported to Registrar's office.
W	Student has withdrawn from the course without academic penalty.

If a faculty member determines that a student is at risk of not being successful in their academic pursuits and has exhausted all strategies available to faculty, student contact information may be confidentially provided to Student Services in an effort to offer even more assistance with options for success. Any student wishing to restrict the sharing of such information should make their wishes known to the coordinator or faculty member.

VI. SPECIAL NOTES:

Attendance:

Sault College is committed to student success. There is a direct correlation between academic performance and class attendance; therefore, for the benefit of all its constituents, all students are encouraged to attend all of their scheduled learning and evaluation sessions. This implies arriving on time and remaining for the duration of the scheduled session.

VII. COURSE OUTLINE ADDENDUM:

Course Outline Amendments:

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

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 postsecondary institutions.

Prior Learning Assessment:

Students who wish to apply for advance credit transfer (advanced standing) should obtain an Application for Advance Credit from the program coordinator (or the course coordinator regarding a general education transfer request) or academic assistant. Students will be required to provide an unofficial transcript and course outline related to the course in question. Please refer to the Student Key Dates Calendar for the deadline date by which application must be made for advance standing.

Credit for prior learning will also be given upon successful completion of a challenge exam or portfolio. Student Services, located in E1101, can provide information regarding the Prior Learning Assessment and Recognition policy or it can be viewed on the student portal.

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

Student Portal:

The Sault College portal allows you to view all your student information in one place.

mysaultcollege gives you personalized access to online resources seven days a week from your home or school computer. Single log-in access allows you to see your personal and financial information, timetable, grades, records of achievement, unofficial transcript, and outstanding obligations, in addition to announcements, news, academic calendar of events, class cancellations, your learning management system (LMS), and much more. Go to <https://my.saultcollege.ca>.

Communication:

The College considers **Desire2Learn (D2L)** as the primary channel of communication for each course. Regularly checking this software platform is critical as it will keep you directly connected with faculty and current course information. Success in this course may be directly related to your willingness to take advantage of this Learning Management System (LMS) communication tool.

Accessibility Services:

If you are a student with a disability (e.g. physical limitations, visual impairments, hearing impairments, or learning disabilities), you are encouraged to discuss required accommodations with the Accessibility Services office. Visit Room E1101, call Ext. 2703 or email studentsupport@saultcollege.ca so that support services can be arranged for you.

Audio and Video Recording Devices in the Classroom:

Students who wish to use electronic devices in the classroom will seek permission of the faculty member before proceeding to record instruction. Students with disabilities who require audio or visual recording devices in the classroom as an accommodation will receive approval from their counsellor once the Audio and Video Recording Devices in the Classroom Policy has been reviewed by the student. Recorded classroom instruction will be used only for individual academic use and will not be used for any other purpose. Recordings may only be used for individual study of materials presented during class and may not be published or distributed. Intentional misuse of audio and video recordings or intentional misrepresentation when requesting the use of a device for recording shall constitute a violation of this policy and laws protecting intellectual property.

Academic Dishonesty:

Students should refer to the definition of “academic dishonesty” in the Student Code of Conduct. Students who engage in academic dishonesty will be issued a sanction under the Student Code of Conduct which could lead to and include expulsion from the course/program. In order to protect students from inadvertent plagiarism, to protect the copyright of the material referenced, and to credit the author of the material, students must use a documentation format for referencing source material.

Tuition Default:

Students who have defaulted on the payment of tuition (tuition has not been paid in full, payments were not deferred or payment plan not honoured) as of the first week of November (fall semester courses), first week of March (winter semester courses) or first week of June (summer semester courses) will be removed from placement and clinical activities due to liability issues. This may result in loss of mandatory hours or incomplete course work. Sault College will not be responsible for incomplete hours or outcomes that are not achieved or any other academic requirement not met as of the result of tuition default. Students are encouraged to communicate with Financial Services with regard to the status of their tuition prior to this deadline to ensure that their financial status does not interfere with academic progress.