

SAULT COLLEGE OF APPLIED ARTS & TECHNOLOGY

SAULT STE. MARIE, ONTARIO

COURSE OUTLINE

COURSE TITLE: INTRO TO MANAGERIAL ACCOUNTING

CODE NO.: ACC222 SEMESTER: THREE

PROGRAM: ACCOUNTING

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APPROVED: DEAN, SCHOOL OF BUSINESS & HOSPITALITY DATE _____

INTRO TO MANAGERIAL ACCTING

ACC222

COURSE NAME

COURSE CODE

Total Credit Hours: 5

Prerequisites: Accounting 107
Accounting 108

PHILOSOPHY/GOALS:

This course provides the student with the basic knowledge of managerial accounting principles and techniques in the areas of cost allocation, costing systems and budgeting.

STUDENT PERFORMANCE OBJECTIVES:

Upon successful completion of this course the participant will be able to:

1. Identify and correctly apply the Generally Accepted Accounting Principles which relate to the preparation of managerial reports.
2. Demonstrate the three methods for determining the breakeven point.
3. Apply the five-step approach to job costing to a service, and manufacturing concern.
4. Prepare and journalize the entries to handle job-costing.
5. Prepare a master budget with supporting schedules.
6. Prepare a flexible budget and analysis through variances.

TOPICS TO BE COVERED:

1. Managerial terms and principles
2. Cost terms and principles
3. Cost volume profit equation
4. Job costing system for service and manufacturing concerns
5. Master and flexible budgets
6. Variances in actual vs budget information

LEARNING OBJECTIVES

The student should be able to:

- 1.0 Introduction to Accounting Systems
 - 1.1 Identify the four purposes of an accounting system.
 - 1.2 Explain how accounting can facilitate planning, control, and decision making.
 - 1.3 Distinguish among the storekeeping, attention-directing, and problem-solving functions of the accountant.
- 2.0 Introduction to Managerial Accounting Terms
 - 2.1 Define and illustrate the cost terms of cost object, cost accumulation, cost allocation, and cost drivers.
 - 2.2 Distinguish between the service sector, merchandising sector, and manufacturing sector.
 - 2.3 List and define the three categories of inventories commonly found in manufacturing sector companies.
 - 2.4 Design and prepare income statements for the three types of business sectors described in 2.2 above.
- 3.0 Introduction to cost and revenue drivers
 - 3.1 Define the cost-volume-profit analysis.
 - 3.2 Identify the benefits of CVP analysis on cost planning.
 - 3.3 Demonstrate the two methods for calculating breakeven point as discussed in class.
- 4.0 Costing Systems in the service and merchandising sectors
 - 4.1 Distinguish between job costing and process costing.
 - 4.2 Outline and demonstrate the five-step approach to job costing in the service sector.
 - 4.3 Compute actual and budgeted rates for direct and indirect costs.

- 4.4 Outline and demonstrate among actual costing, normal costing, and budgeted costing methods.

- 5.0 Costing Systems in the manufacturing sector
 - 5.1 Outline and demonstrate the five-step approach to job-costing in the manufacturing sector.
 - 5.2 Identify and explain the three key source documents used in job-costing system.
 - 5.3 Prepare journal entries for typical transactions of a job-costing system.
 - 5.4 Explain alternative methods of disposing of year-end underallocated or overallocated indirect costs.

- 6.0 Introduction to budgets
 - 6.1 Define a master budget and describe its major benefits to an organization.
 - 6.2 Distinguish various components of the master budget.
 - 6.3 Prepare a budgeted incomes statement and its supporting schedules.

- 7.0 Introduction to flexible budgets and variances
 - 7.1 Distinguish between a static budget and a flexible budget.
 - 7.2 Prepare a flexible budget.
 - 7.3 Use the flexible-budget approach to compute flexible-budget variances and sales-volume variances.
 - 7.4 Compute the price and efficiency balances for direct cost categories.

- 8.0 Introduction to overhead variances
 - 8.1 Explain the computation and meaning of spending and efficiency variances for variable overhead.
 - 8.2 Compute the budgeted fixed manufacturing overhead rate.

- 8.3 Explain how a 4-variance analysis can provide an integrated overview of overhead cost variances.

REQUIRED RESOURCES:

Cost Accounting: A Managerial Emphasis
Horngren, Foster, and Datar
Prentice-Hall, 8th edition

METHOD OF ASSESSMENT:

- A) Grading:
- | | |
|----|-------------------------------|
| A+ | 90% - 100% |
| A | 80% - 89% |
| B | 70% - 79% |
| C | 60% - 69% |
| R | Below 60% - Repeat the course |
- B) Testing: All students will be required to complete three tests during the course of the term. The total weighting of the three tests will represent 100% of the final term grade.
- Test #1 - Evaluates the learning objectives under Unit 1 (Introduction to Accounting Systems), Unit 2 (Introduction to Managerial Accounting Terms), and Unit 3 (Introduction to cost and revenue drivers)
- Test #2 - Evaluates the learning objectives under Unit 4 (Costing Systems in service and merchandising sectors) and Unit 5 (Costing Systems in the manufacturing sector)
- Test #3 - Evaluates the learning objectives under Unit 6 (Intro to Budgets), Unit 7 (Intro to flexible budgets and variances), and Unit 8 (Intro to overhead variances)
- Supplementary
- Test - Evaluates the learning objectives under Units 1 through 8. This test can be written by a student who fails or missed a test during the regular semester. The grade received on the supplementary test will replace the lowest failed test or a missed test.

NOTES TO STUDENTS

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

B) Your professor reserves the right to modify the course as he/she deems necessary to meet the needs of the students.