

SAULT COLLEGE
of Applied Arts and Technology
Sault Ste. Marie

COURSE OUTLINE

BUDGETING & COST ACCOUNTING I

ACC 105-4

revised January 7, 1980

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Textbook: Cost Accounting; "A Managerial Emphasis", Charles T. Horgren

Reference Testbooks: Managerial Accounting, E. Ray Garrison
Fundamentals of Management Accounting, Anthony
and Welsch

Aims and Objectives:

To introduce the student to cost terms and the basic accounting procedures for a manufacturing business. Budgets and profit planning will be studied in detail.

Pre-Requisite: Successful completion of ACC 101

Student Evaluation:

There will be four regular tests and one final comprehensive test at the end of the semester. The weighting of the tests is as follows:

Regular Tests	50%
Final Test	50%

Grading will be based on the following criteria:

80 and over	A
70 - 79	B
55 - 69	C
40 - 55	I (Incomplete)
Below 40	R (Repeat Course)

Students receiving an "Incomplete" grade will be required to attend a make-up period at the conclusion of the semester.

Table of Contents

<u>Week No.</u>	<u>Unit</u>	<u>Topic</u>
1	1	<u>Voucher System for Internal Control</u> - purchasing routine for a medium to large size business - the voucher system for payments - recording purchases at gross and net amounts - the use of the voucher register and the cheque register - preparing the schedule of the voucher's payable - other methods of internal control procedures

<u>Week No.</u>	<u>Unit</u>	<u>Topic</u>
2&3	1	<u>Manufacturing Accounting</u> <ul style="list-style-type: none">- elements of manufacturing costs- types of inventories associated with a manufacturing firm- the manufacturing statement- problems associated with inventory valuation for a manufacturing firm- the role of the accountant in a manufacturing environment- the accountant as a decision-maker TEST
4	2	<u>Cost Terms & Purposes</u> <ul style="list-style-type: none">- variable and fixed costs- mixed costs- unit and total costs- direct and indirect costs- perpetual and periodic inventories
5&6	2	<u>Cost-Volume-Profit Relationships</u> <ul style="list-style-type: none">- breakeven point- relevant range of fixed costs- target profit before and after taxes- contribution margin in decision making TEST
7&8	3	<u>Budgeting</u> <ul style="list-style-type: none">- purpose and advantages of budgeting- human aspects in budgeting- operational budgets- financial budgets- procedures used in budget preparation- preparation of performance reports
9	3	<u>Flexible Budgeting</u> <ul style="list-style-type: none">- comparison of the flexible budget to the static budget- preparing and using a flexible formula in budgets- the use of standard costs as a base- control of costs through flexible budgets- preparation of performance reports using a flexible budget TEST

<u>Week No.</u>	<u>Unit</u>	<u>Topic</u>
10&11	4	<u>Inventory Planning & Control</u> <ul style="list-style-type: none">- inventory records and control procedures- relevant costs- selection of economic order quantities- safety stocks, stock out costs, carrying costs- ABC classification method
12&13	4	<u>Accounting for Payroll</u> <ul style="list-style-type: none">- preparation of a payroll- withholding taxes and other withholdings- employer's payroll taxes- employee's earnings record- methods of timekeeping- accounting for incentive plans TEST
14		REVIEW