

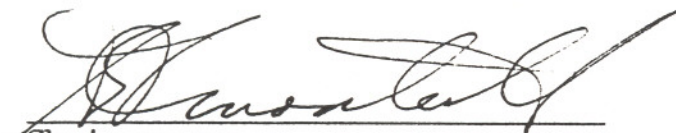
SAULT COLLEGE OF APPLIED ARTS & TECHNOLOGY
SAULT STE. MARIE, ONTARIO

COURSE OUTLINE

Course Outline: BUDGET & COST ACCOUNTING II
Code No.: ACC 205-5
Program: ACCOUNTING
Semester: IV
Date: JANUARY, 1985
Author: F. CASE

New: X Revision: _____

APPROVED:


Chairperson

85.02.05
Date

BUGET & COST ACCOUNTING II

ACC 205-5

Course Name

Course Number

PHILOSOPHY AND GOALS:

To familiarize students with additional aspects and styles of cost accounting: process accounting, standard costing, direct and absorption costing; also, to examine techniques and considerations used in helping management reach decisions involving expansion and/or acquisition of new equipment.

TEXTBOOKS:

"Cost Accounting", Mariarity, Allen; Harper & Row
Practice Set: All-Star Battery Co.; Metz and McMichael

EVALUATION: The final grade will be assigned as follows:

<u>Average</u>	<u>Grade</u>
85% - 100%	A
70% - 84%	B
55% - 69%	C
40% - 54% (with completed practice set)	I
under 40% or under 55% (without practice set)	R

The average mark will be based on the following formula:

Test 1 - 1 hour	15%
Test 2 - 1 hour	15%
Test 3 - 1 hour	15%
Practice Set	5%
Final Exam - 2 hours	50%
	<u>100%</u>

The mid-term grade will be based on results achieved on work done to date. The tests will be held at the end of each of the three sections.

A student achieving an "I" grade at the end of the course will be entitled to write a 2-hour supplemental examination. A mark of 55% or more on the supplemental will result in a final grade of "C".

BUDGET AND COST ACCOUNTING II

SECTION I - PROCESS COSTING - Chapters 14 and 15

- equivalent units
- FIFO
- weighted-average
- journal entries
- multiple departments
- work-in-process before and after inspection
- spoilage and rework
- Practice Set

SECTION II - THE INCOME STATEMENT - Chapter 16

- absorption costing
 - direct costing
 - the arguments
- Standard Costs - Chapters 17, 18, appendix 17
- setting standards
 - the flexible budget
 - variances for material, labour and overhead
 - record keeping for standard job costing and standard process costing
 - sales variances
 - selling and administrative variances

SECTION III - PROFIT PLANNING - Chapters 3 and 4

- Estimating Cost Behaviour - relevant range
- cost equations

- Cost-volume-profit analysis - breakeven
- cost changes
- taxes, bonuses

- Capital Budgeting - Chapter 8 - mathematics of interest
- net present value
- internal rate of return
- payback
- payback reciprocal
- average rate of return
- income tax