

SAULT COLLEGE OF APPLIED ARTS & TECHNOLOGY

SAULT STE. MARIE, ONTARIO

COURSE OUTLINE

Course Outline: MANAGERIAL ACCOUNTING

Code No.: ACC 114

Program: 52-WEEK NON-SEMESTERED

Semester: TWO

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New: X Revision:           

APPROVED: *B. Campbell*  
Chairperson

*Jan 86*  
Date

MANAGERIAL ACCOUNTING

ACC 114

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Course Name

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**TEXTBOOK:** Fundamental Accounting Principles; 4th edition by  
Pyle, Larson and Zin

**REFERENCE TEXT:** Accounting - The Basics for Business Decisions, by  
Meigs, Meigs, and Lam

**COURSE OBJECTIVES:**

This course will examine the following areas:

- a) Accounting controls and procedures to safeguard the business' assets
- b) Accounting methods and basic records that should be maintained by a small and a medium size business
- c) Financial analysis and budgetary controls that are the basis for business decisions.
- d) Forms of business organizations and the tax implications associated with each type of business.

**METHOD OF ASSESSMENT:**

There will be four units of instruction with a test at the conclusion of each unit. Each test will have a weighing of 20% towards a final mark. The student will complete one practise set which will be 20% of the final mark. There will be a rewrite allowed for each test and there will be no final examination. The final grade will be based on the following criteria:

MARKS	GRADE
85 and over	"A"
70 to 84	"B"
55 to 69	"C"
Below 55	"R"

**UNIT**

**WEEKS**

**TOPIC AND DESCRIPTION**

1

1 & 2

Internal Control and Accounting  
For Cash

The student shall know:

- a) General procedures for internal control over all assets
- b) Specific procedures for control over cash handling
- c) The purpose and operation of imprest funds
- d) The method of handling petty cash
- e) The generally accepted method of preparing a bank reconciliation
- f) Alternate methods of preparing bank reconciliation
- g) The procedures for controlling purchases and cash disbursements
- h) The accounting procedures associated with a voucher system

3 & 4

Payroll

The student will have the knowledge of:

- a) Methods of and controls for timekeeping
- b) Government regulations regarding overtime, methods of pay, and withholdings
- c) The Employment Standards Act
- d) The preparation of the payroll register
- e) The accounting procedures associated with payroll
- f) The employer's cost of payroll taxes
- g) Other deductions and costs associated with union contracts or other agreements

<b>UNIT</b>	<b>WEEKS</b>	<b>TOPIC AND DESCRIPTION</b>
	3 & 4	h) The employer's cost of Workmen's Compensation i) Records associated with payroll
		<b>PAYROLL PRACTICE SET</b>
	5 & 6	<u>Inventory Control &amp; Procedures</u> a) Methods of taking physical inventory count b) Items to be included in inventory valuation c) Periodic Inventory System d) Perpetual Inventory System e) Estimating ending inventory valuation using a) the gross profit method; b) the retail method
		<b>TEST</b>
2	7 & 8	<u>Personal Income Tax &amp; Tax Planning</u> a) Deferred income plans b) Capital gains and losses c) Definition of employment income d) Other sources of taxable income e) Investment and rental income f) The various deductions from total income g) Personal exemptions, charitable donations, medical expenses, disability deductions h) Completing the personal income tax return
	9 & 10	<u>Tax Considerations in Business Decisions</u> a) Family income splitting b) Allowable expenses of a small business operating out of a private residence

**UNIT**

**WEEKS**

**TOPIC AND DESCRIPTION**

- c) The corporate income tax
- d) Timing factors associated with business income
- e) Capital cost allowances
- f) Carry back, carry forward of business losses for tax purposes
- g) Deferred taxes

**TEST**

3

11&12

Forms of Business Ownership

- a) Procedures for formation of a partnership
- b) Advantages and disadvantages of partnerships
- c) The division of partnership profits and losses
- d) Admission and withdrawal of partners from the partnership
- e) Advantages and disadvantages of the corporate form of business
- f) Procedures to be followed for incorporating a business
- g) Issuance of shares of a corporation
- h) The structure of a corporation and legal regulations associated with corporations

13&14

Responsibility Accounting

- a) The purpose of reporting on a departmental or segment basis
- b) The distinction between a profit centre and a cost centre
- c) The methods of allocating indirect costs and expenses
- d) The contribution form of income statement
- e) Factors involved in deciding if a department or a product line should be discontinued

UNIT	WEEKS	TOPIC AND DESCRIPTION
4	15&16	f) The problems of assigning responsibility and accountability g) The treatment of joint costs  <b>TEST</b>  <u>Financial Analysis</u> a) The purpose of comparative financial reports b) The significance of financial analysis c) Other factors involved in assessing growth, risks and stability of businesses d) Determining trends and change in financial structure of a business e) Analyzing financial information from the point of view of a short-term creditor, a long-term creditor and a potential investor f) Analyzing data for decision-making purposes for the owners and managers g) Limitations of financial analysis
	17&18	<u>Budgeting</u> a) The advantages and disadvantages of budgeting b) The budgeting procedure c) Preparing the master budget and pro forma financial statements d) The preparation of a cash forecast e) The capital expenditure budget f) The use of the budget for performance evaluation g) Short-term and long-term budgeting

**UNIT**

**WEEKS**

**TOPIC AND DESCRIPTION**

19&20

Cost/Volume/Profit Relationships

- a) The types of costs in a business
- b) Cost assumptions in doing cost/volume/profit analysis
- c) Determining the breakeven point
- d) Determining the sales required to meet a profit objective
- e) Determining the estimated income at various sales levels
- f) Evaluating results and limitations inherent in this type of analysis

**TEST**