

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

COURSE OUTLINE

Course Outline: BUDGETING AND COST ACCOUNTING II
Code No.: ACC 205
Program: ACCOUNTING
Semester: FOUR
Date: JANUARY, 1987
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New: X Revision:

APPROVED: *B. Campbell* Chairperson *1/1/87* Date

BUDGETING & COST ACCOUNTING II

ACC 205

Course Name

Course Number

PREREQUISTE: Budget & Cost Accounting I (ACC 219)

PHILOSOPHY AND GOALS:

To provide the student with an understanding of product costing procedures as they pertain to process costs, standard costing, and direct costing. Budgeting in a manufacturing setting will be studied with the emphasis being placed on cost controls and the planning process.

TEXTBOOK: "Cost Accounting", Moriarity and Allen
Practice Set - "All-Star Battery Co."

EVALUATION:

Evaluation for this course will be based on three tests, the practice set and a final examination. The weighting assigned will be as follows:

Tests (3)	-	45%
Practice Set	-	10%
Final Exam	-	45%

100%

The final grade will be based on the following criteria:

A	-	80% and over
B	-	70% - 79%
C	-	55% - 69%
*I	-	40% - 54% (Incomplete)
R	-	below 40% (Repeat Course)

*A supplemental examination will be offered to students who receive an "I" grade. The privilege to sit for this supplementary examination will be dependent upon regular class attendance (75%) and completion of assigned work. A student failing to meet these conditions will be denied the right to write a supplementary examination.

COST ACCOUNTING II (ACC 205)

UNIT	WEEKS	TOPICS & DESCRIPTION
1	1-5	<p><u>Product Costing - Process Cost Methods</u></p> <ul style="list-style-type: none">- the physical flow of units- calculation of the equivalent units produced- preparation of the production report using:<ul style="list-style-type: none">a) FIFO process costing,b) Weighted-Average process costing- journal entries associated with process costing- transfer costs in a multiple department setting- treatment of spoilage in process costing- determining spoilage when inspection points are at different stages of production- accounting treatment of scrap- accounting treatment of reworked units of output <p>TEST</p>

UNIT	WEEKS	TOPICS & DESCRIPTION
2	6-10	<ul style="list-style-type: none">- <u>Budgeting</u>- the relationship between budgets and standards- determining standards for direct materials, direct labour and manufacturing overhead- development of the formula for a flexible budget- the use of the economic order quantity formula for placing orders for direct materials- other costs associated with inventory planning and control- the advantages of preparing a master budget- steps in preparing a master budget:<ul style="list-style-type: none">a) sales forecastb) production budgetc) materials acquisition budgetd) prime costs budgete) overhead budgetf) cash budget- preparing the pro forma financial statements- zero-based budgeting
3	11-15	<p data-bbox="919 1480 992 1507">TEST</p> <ul style="list-style-type: none">- <u>Standard Costing</u>- the purpose of standard costs- developing cost standards- comparing actual costs with the flexible budgets- calculating cost variances for:<ul style="list-style-type: none">a) priceb) quantityc) volume- combined overhead variances- the income statement under a standard cost system- journal entries associated with a standard cost system

UNIT

WEEK

TOPICS & DESCRIPTION

Direct Costing

- distinction between absorption costing and direct costing
- income statement format under direct costing
- analyzing the difference between absorption costing and direct costing results
- comparing the two methods of income reporting

TEST

16

- Review and Final Examination