

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

COURSE OUTLINE

Course Outline: BUDGET AND COST ACCOUNTING II
Code No.: ACC205-5
Program: ACCOUNTING
Semester: FOUR
Date: JANUARY, 1988
Author: BRUCE CAMPBELL

New: X Revision:

APPROVED:


Chairperson

88-01-08
Date

BUDGET & COST ACCOUNTING II

ACC205-5

Course Name

Course Number

Prerequisite: ACC219-5

Textbook: "Cost Accounting - A Managerial Emphasis", Horngren & Foster,
Sixth Edition

Practice Set: Sunriser Corporation
Process Cost Accounting
McGraw-Hill

Case Book: "Managerial Accounting and Control", Mimick & Kantor,
Prentice-Hall

AIMS AND OBJECTIVES:

Further studies in cost allocation, product costing procedures, and methods of financial reporting. Process costing methods will be studied and the direct costing approach to income recognition will be covered. Continued emphasis will be given to cost controls and planning.

STUDENT EVALUATION:

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

Tests (3)	-	45%
Case Study	-	5%
Pratice Set	-	5%
Final Exam	-	45%

100%

The final grade will be based on the following criteria:

A+	-	90% and over
A	-	80% - 90%
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.

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BUDGET AND COST ACCOUNTING II

UNIT	WEEKS	TOPICS AND DESCRIPTION
1	1-4	<p><u>Direct Costing</u></p> <ul style="list-style-type: none">- distinction between absorption costing and direct costing- income statement format under direct costing- analyzing the difference between absorption costing and direct costing results- comparison of standard variable and standard absorption costing- breakeven points and absorption costing <p><u>Materials and Inventory Control</u></p> <ul style="list-style-type: none">- defining the costs associated with carrying an inventory- calculating the economic order quantity (EOQ)- determining (a) the reorder point (b) the safety stock (c) the lead time- calculating the cost of a prediction error- just-in-time purchasing- inventory management <p>TEST</p>
2	5 - 9	<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: 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>

UNITS	WEEKS	TOPICS AND DESCRIPTION
3	10-14	<p data-bbox="892 514 1177 548"><u>Cost Allocation</u></p> <ul data-bbox="892 548 1658 890" style="list-style-type: none">- the purpose of cost allocation and the basis on which costs are assigned- allocation of service department costs- direct method of cost allocation- step method of cost allocation- reciprocal method of cost allocation- plantwide cost allocation versus departmental cost allocation- choosing cost allocation bases- the contribution approach to cost allocation <p data-bbox="892 925 1575 959"><u>Joint Product and By Product Costing</u></p> <ul data-bbox="892 959 1575 1271" style="list-style-type: none">- definitions of joint products and by-products- methods of allocating joint costs:<ul data-bbox="934 1051 1575 1148" style="list-style-type: none">a) sales value at split-offb) physical units methodc) net realizable value method- decision-making involving further processing alternatives- accounting methods associated with by-products