

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

COURSE OUTLINE

COURSE TITLE: BUDGETING AND COST ACCOUNTING II  
CODE NO.: ACC205-5 SEMESTER: FOUR  
PROGRAM: ACCOUNTING  
AUTHOR: J.W. MITCHELL  
DATE: JANUARY, 1994  
PREVIOUS OUTLINE DATED: JANUARY, 1993

New: \_\_\_\_\_ Revision: X

APPROVED: Rose M. Lavin  
DEAN, SCHOOL OF BUSINESS &  
HOSPITALITY

Dec 18/93  
DATE



BUDGETING & COST ACCTING II

ACC205

---

COURSE NAME

---

COURSE CODE

Prerequisite: ACC219

I. PHILOSOPHY/GOALS:

This course provides the student with an opportunity to continue their study in the area of budgeting and cost accounting. The areas of study are process-costing systems, cost allocation, and capital budgeting.

II. STUDENT PERFORMANCE OBJECTIVES:

Upon successful completion of this course, the student will be able to:

1. Demonstrate a working knowledge of cost allocation.
2. Demonstrate a working knowledge of process-costing.
3. Demonstrate a working knowledge of capital budgeting and cost analysis.

III. TOPICS TO BE COVERED:

1. Cost Allocation
2. Cost Allocation: Joint Products - Byproducts
3. Process-Costing System
4. Capital Budgeting - Cost Analysis
5. Operations Management

IV. TEXTBOOK:

"Cost Accounting", by Charles Horngren and George Foster  
Practice Set - "Process Costing"



V. METHOD OF EVALUATION

Tests (3 @ 30)	90%
Practice Set	10%
*Final Exam	30%

\*Final exam to be written by student who fails/misses one of the term tests provided the student has attended classes regularly (80%) and has completed all assignments. Mark on Final replaces the missed/failed term test.

GRADES

A+	90-100%
A	80- 89%
B	70- 79%
C	60- 69%
R	Below 60% (Repeat Course)



VI. LEARNING ACTIVITIES

REQUIRED RESOURCES

1. **Cost Allocation**

- terms and purposes
- general process of allocation
- allocating costs of departments
- allocation of common costs
  
- magnitude of factory-overhead costs
- choosing cost allocation bases
- contribution approach
- cost justification

Chapter 14

Chapter 15

2. **Cost Allocation - Joint Products**

- terms
- methods of allocating joint costs
- irrelevance of joint costs

Chapter 16

TEST #1

3. **Process-Costing System**

- nature of process costing
- 5 major steps
- method - inventory
- standard costs and process cash
  
- spoilage and process costing
- reworked units and scrap

Chapter 17

Chapter 18

TEST #2

**PRACTICE SET**

4. **Capital Budgeting**

- definition & stages
- cash flow
- analysis
- payback

Chapter 20,21



Capital Budgeting (cont'd)

- income tax factors
- rate of return
- administration of capital budgets

Chapter 22

5. Operations Management

- managing goods for sale
- accounting data
- just-in-time purchasing
- managing materials in manufacturing

Chapter 23

TEST #3

TEST #4