

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

COURSE OUTLINE

COURSE TITLE: MANAGERIAL ACCOUNTING II

CODE NO.: ACC233 SEMESTER: FOUR

PROGRAM: ACCOUNTING

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APPROVED: *Boce M. Cairns*
DEAN, SCHOOL OF BUSINESS &
HOSPITALITY

94/11/01
DATE

MANAGERIAL ACCOUNTING II

ACC233

COURSE NAME

COURSE CODE

PHILOSOPHY/GOALS:

This course continues the study of managerial accounting. It provides a more indepth look at management cost information systems. This includes cost allocation and decision making techniques for companies and departments within the company. It also deals with process costing in the manufacturing environment. It concludes with an overview of current managerial topics.

STUDENT PERFORMANCE OBJECTIVES:

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

1. Demonstrate the cost allocation methods of single vs dual, direct vs step-down, incremental vs stand-alone, and plantwide vs departmental.
2. Demonstrate the five key steps of process costing using equivalent units.
3. Demonstrate the weighted-average method of process costing.
4. Prepare journal entries for process-costing systems.
5. Demonstrate the six stages of capital budgeting for a project and its predicted outcomes.
6. Apply the six stages of capital budgeting using the discounted cash-flow methods.

TOPICS TO BE COVERED:

1. Cost allocation methods
2. Process costing systems
3. Capital budgeting

LEARNING OBJECTIVES

The student should be able to:

- .0 Cost allocation I
 - .1 Identify the four purposes for allocating costs to cost objects.
 - .2 Apply the single-rate and dual rate of cost-allocation methods.
 - 1.3 Apply the direct and step-down methods of cost-allocation.
 - 1.4 Distinguish between the incremental and stand-alone common cost allocation methods.
- 2.0 Cost allocation II
 - 2.1 Outline the three factors that affect the indirect costs allocated to individual products.
 - .2 Demonstrate the application of the plant-wide rate vs the departmental rate for indirect cost allocation.
- 3.0 Process costing system
 - 3.1 Define and calculate equivalent units.
 - 3.2 Describe the five key steps of process costing using the equivalent units.
 - 3.3 Demonstrate the weighted-average method of process costing.
 - 3.4 Prepare journal entries for process-costing systems.
 - 3.5 Demonstrate the FIFO method of process costing.
 - 3.6. Apply transferred-in costs to the weighted-average method.
 - 3.7 Apply transferred-in costs to the FIFO method.
- 4.0 Spoilage
 - 4.1 Define spoilage.
 - 4.2 Demonstrate the accounting procedures for spoilage.
 - .3 Apply the accounting procedure for spoilage to process costing using the weighted-average and FIFO methods.

- 5.0 Capital budgeting and cost analysis
 - 5.1 Define and illustrate the terms in capital budgeting.
 - 5.2 Identify and apply the six stages of capital budgeting for a project.
 - 5.3 Demonstrate the methods of discounted cash-flow (DCF).
 - 5.4 Identify relevant cash inflows and outflows for capital-budgeting decisions that use DCF methods.
 - 5.5 Describe and apply the payback method.
- 6.0 Capital budgeting and income tax
 - 6.1 Identify two major ways that income taxes affect business decisions.
 - 6.2 Demonstrate the effects of income taxes on cash flow.
- 7.0 Current managerial topics.
 - 7.1 Define Activity Based Costing system.
 - 7.2 Define Just in Time Purchasing.

REQUIRED RESOURCES:

Cost Accounting: A Managerial Emphasis
Horngren, Foster, and Datar
Prentice-Hall, 8th edition

METHOD OF ASSESSMENT:

A) Grading:	A+	90% - 100%
	A	80% - 89%
	B	70% - 79%
	C	60% - 69%
	R	Below 60% - Repeat the course

B) **Testing:** All students will be required to complete three tests during the course of the term. The total weighting of the three tests will represent 100% of the final term grade.

Test #1 - Evaluates the learning objectives under Unit 1 (Cost Allocation 1) and Unit 2 (Cost Allocation 2).

Test #2 - Evaluates the learning objectives under Unit 3 (Process costing systems) and Unit 4 (Spoilage).

Test #3 - Evaluates the learning objectives under Unit 5 (Capital budgeting), Unit 6 (Capital budgeting and tax), and Unit 7 (Managerial topics).

Supplementary

Test - Evaluates the learning objectives under Units 1 through 7. This test can be written by a student who fails or missed a test during the regular semester. The grade received on the supplementary test will replace the lowest failed test or a missed test.

NOTES TO STUDENTS

A) Attendance is critical to the participant's success in this course.

B) Your professor reserves the right to modify the course as he/she deems necessary to meet the needs of the students.