

**SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY**

**SAULT STE. MARIE, ONTARIO**



**COURSE OUTLINE**

**COURSE TITLE:** Managerial Accounting II

**CODE NO. :** ACC233

**SEMESTER:** 4

**PROGRAM:** ACCOUNTING

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**DATE:** June 2015 **PREVIOUS OUTLINE DATED:** June 2014

**APPROVED:** "Colin Kirkwood"

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DEAN

\_\_\_\_\_  
DATE

**TOTAL CREDITS:** 4

**PREREQUISITE(S):** ACC222

**LENGTH OF COURSE:** 4 Hours/Week  
for 15 Weeks

**TOTAL CREDIT HOURS:** 60

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*For additional information, please contact Colin Kirkwood, Dean*  
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*(705) 759-2554, Ext. 2688*

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Code No.**I. COURSE DESCRIPTION:**

Upon successful completion of this course the student will demonstrate knowledge of information needed to carry out the three essential functions in an organization: (1) planning operations, (2) controlling activities and (3) making decisions. This course enables the student to continue to develop techniques in the internal use of accounting data used by managers in directing the affairs of business and non-business organizations.

**II. LEARNING OUTCOMES AND ELEMENTS OF THE PERFORMANCE:****A. Learning Outcomes:**

- 1) Prepare a flexible budget and explain the advantages of the flexible budget approach over the static budget approach. Define Profit Planning and apply the techniques used in drafting Profit Plans.
- 2) Distinguish between ideal standards and practical standards in regards to standard cost systems.
- 3) Analyze organizational performance and extend performance assessments to non-monetary areas. Calculate a firm's Return on Investment. Describe a balanced scorecard approach to extend performance measures beyond non-monetary areas.
- 4) Apply cost data in decision making in regards to relevant costs.
- 5) Apply cost data in decision making in regards to capital budgeting decisions.
- 6) Apply cost data in decision making in regards to financial statement analysis.

**B. Learning Outcomes and Elements of the Performance:**

Upon successful completion of the course, the student will demonstrate the ability to:

- 1) Define Profit Planning and apply the techniques used in drafting Profit Plans. Prepare a flexible budget and explain the advantages of the flexible budget approach over the static budget approach.

**POTENTIAL ELEMENTS OF THE PERFORMANCE:**

- 1.1 Explain why organizations budget and the processes they use to create budgets.
- 1.2 Prepare the supporting components of a master budget and the budgeted financial statements.
- 1.3 Prepare a flexible budget and explain the need for the flexible budget approach.
- 1.4 Prepare a performance report using the flexible budget approach.

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This learning outcome will constitute approximately 20% of the course's grade.

2) Distinguish between ideal standards and practical standards in regards to standard cost systems.

#### POTENTIAL ELEMENTS OF THE PERFORMANCE

- 2.1 Explain how direct material standards and direct labour standards are set.
- 2.2 Compute the direct materials price and quantity variances and explain their significance.
- 2.3 Compute the direct labour rate and efficiency variances and explain their significance.
- 2.4 Compute the variable manufacturing overhead spending and efficiency variances.
- 2.5 Explain the significance of the denominator activity figure in determining the standard cost of a unit of product.
- 2.6 Compute and interpret the fixed overhead budget and volume variances.

This learning outcome will constitute approximately 15% of the course's grade.

3) Analyze organizational performance and extend performance assessments to non-monetary areas. Calculate a firm's Return on Investment. Describe a balanced scorecard approach to extend performance measures beyond non-monetary areas.

#### POTENTIAL ELEMENTS OF THE PERFORMANCE

- 3.1 Prepare a segmented income statement using the contribution format, and explain the difference between traceable fixed costs and common fixed costs.
- 3.2 Differentiate among responsibility centres such as cost centres, profit centres, and investment centres, and explain how performance is measured in each.
- 3.3 Analyze the return on investment (ROI).
- 3.4 Compute residual income and describe the strengths and weaknesses of this method of measuring performance.

This learning outcome will constitute approximately 15% of the course's grade.

4) Apply cost data in decision making in regards to relevant costs.

#### POTENTIAL ELEMENTS OF THE PERFORMANCE

- 4.1 Distinguish between relevant and irrelevant costs in decision making.
- 4.2 Prepare analyses for various decision situations.

This learning outcome will constitute approximately 15% of the course's grade.

5) Apply cost data in decision making in regards to capital budgeting decisions.

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### POTENTIAL ELEMENTS OF THE PERFORMANCE

- 5.1 Evaluate the acceptability of an investment project using the net present value method.
- 5.2 Evaluate the acceptability of an investment project using the internal rate of return method.
- 5.3 Evaluate an investment project that has uncertain cash flows.
- 5.4 Rank investment projects in order of preference.
- 5.5 Determine the payback period for an investment.
- 5.6 Compute the simple rate of return for an investment.
- 5.7 Include income taxes in a capital budgeting analysis.

This learning outcome will constitute approximately 20% of the course's grade.

- 6) Apply cost data in decision making in regards to financial statement analysis

### POTENTIAL ELEMENTS OF THE PERFORMANCE

- 6.1 Explain the need for and limitations of financial statement analysis.
- 6.2 Prepare a trend and common-size balance sheet and income statement.
- 6.3 Compute and interpret the financial ratios used by the common shareholder.
- 6.4 Explain what is meant by the term financial leverage and show how financial leverage is measured.
- 6.5 Compute and interpret the financial ratios used by the short-term creditor.
- 6.6 Compute and interpret the financial ratios used by the long-term creditor.

This learning outcome will constitute approximately 15% of the course's grade.

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**III. TOPICS TO BE COVERED:**

- 1) Profit Planning through Budgeting
- 2) Standard Costs and Performance measures
- 3) Reporting for Control
- 4) Relevant Costs for Decision Making
- 5) Capital budgeting decisions
- 6) Financial statement analysis

**IV. REQUIRED RESOURCE/TEXT/MATERIALS:**

Managerial Accounting, Garrison, Libby, Webb, 10th Canadian Edition, McGraw Hill Ryerson Publishers  
 Fundamental Accounting Principles, Larson, Jensen 14<sup>th</sup> Canadian Edition, McGraw-Hill Ryerson Publishers

**EVALUATION PROCESS/GRADING SYSTEM:**

The final grade will be based on three term tests representing 90% of the marks, and a number of assignments drawn from daily homework assigned representing 10% of the marks as follows:

Test #1	30%
Test #2	30%
Test #3	30% including cumulative course material
Assignments	10%
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Grand Total	100%

An optional final exam will be made available at the end of the semester for those who have completed all assignments and wish to replace their mark on the exam for a failed or missed test. The grade received on the exam will replace the lowest failed or missed test. This exam is a comprehensive test drawing upon all of the material covered during the regular semester. This test is not for the purpose of bettering a grade obtained in the regular course program.

V. The following semester grades will be assigned to students:

<b>Grade</b>	<b>Definition</b>	<i>Grade Point Equivalent</i>
A+	90 – 100%	4.00
A	80 – 89%	
B	70 - 79%	3.00
C	60 - 69%	2.00
D	50 – 59%	1.00
F (Fail)	49% and below	0.00

CR (Credit) Credit for diploma requirements has been

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	awarded.
S	Satisfactory achievement in field /clinical placement or non-graded subject area.
U	Unsatisfactory achievement in field/clinical placement or non-graded subject area.
X	A temporary grade limited to situations with extenuating circumstances giving a student additional time to complete the requirements for a course.
NR	Grade not reported to Registrar's office.
W	Student has withdrawn from the course without academic penalty.

If a faculty member determines that a student is at risk of not being successful in their academic pursuits and has exhausted all strategies available to faculty, student contact information may be confidentially provided to Student Services in an effort to offer even more assistance with options for success. Any student wishing to restrict the sharing of such information should make their wishes known to the coordinator or faculty member.

## **VI. SPECIAL NOTES:**

### Attendance:

Sault College is committed to student success. There is a direct correlation between academic performance and class attendance; therefore, for the benefit of all its constituents, all students are encouraged to attend all of their scheduled learning and evaluation sessions. This implies arriving on time and remaining for the duration of the scheduled session.

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**VII. COURSE OUTLINE ADDENDUM:**Course Outline Amendments:

The faculty member reserves the right to change the information contained in this course outline depending on the needs of the learner and the availability of resources.

Retention of Course Outlines:

It is the responsibility of the student to retain all course outlines for possible future use in acquiring advanced standing at other postsecondary institutions.

Prior Learning Assessment:

Students who wish to apply for advance credit transfer (advanced standing) should obtain an Application for Advance Credit from the program coordinator (or the course coordinator regarding a general education transfer request) or academic assistant. Students will be required to provide an unofficial transcript and course outline related to the course in question. Please refer to the Student Key Dates Calendar for the deadline date by which application must be made for advance standing.

Credit for prior learning will also be given upon successful completion of a challenge exam or portfolio. Student Services, located in E1101, can provide information regarding the Prior Learning Assessment and Recognition policy or it can be viewed on the student portal.

Substitute course information is available in the Registrar's office.

Student Portal:

The Sault College portal allows you to view all your student information in one place. **mysaultcollege** gives you personalized access to online resources seven days a week from your home or school computer. Single log-in access allows you to see your personal and financial information, timetable, grades, records of achievement, unofficial transcript, and outstanding obligations, in addition to announcements, news, academic calendar of events, class cancellations, your learning management system (LMS), and much more. Go to <https://my.saultcollege.ca>.

Communication:

The College considers **Desire2Learn (D2L)** as the primary channel of communication for each course. Regularly checking this software platform is critical as it will keep you directly connected with faculty and current course information. Success in this course may be directly related to your willingness to take advantage of this Learning Management System (LMS) communication tool.

Accessibility Services:

If you are a student with a disability (e.g. physical limitations, visual impairments, hearing impairments, or learning disabilities), you are encouraged to discuss required accommodations with the Accessibility Services office. Visit Room E1101, call Ext. 2703 or email [studentsupport@saultcollege.ca](mailto:studentsupport@saultcollege.ca) so that support services can be arranged for you.

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**Audio and Video Recording Devices in the Classroom:**

Students who wish to use electronic devices in the classroom will seek permission of the faculty member before proceeding to record instruction. Students with disabilities who require audio or visual recording devices in the classroom as an accommodation will receive approval from their counsellor once the Audio and Video Recording Devices in the Classroom Policy has been reviewed by the student. Recorded classroom instruction will be used only for individual academic use and will not be used for any other purpose. Recordings may only be used for individual study of materials presented during class and may not be published or distributed. Intentional misuse of audio and video recordings or intentional misrepresentation when requesting the use of a device for recording shall constitute a violation of this policy and laws protecting intellectual property.

**Academic Dishonesty:**

Students should refer to the definition of “academic dishonesty” in the Student Code of Conduct. Students who engage in academic dishonesty will be issued a sanction under the Student Code of Conduct which could lead to and include expulsion from the course/program. In order to protect students from inadvertent plagiarism, to protect the copyright of the material referenced, and to credit the author of the material, students must use a documentation format for referencing source material.

**Tuition Default:**

Students who have defaulted on the payment of tuition (tuition has not been paid in full, payments were not deferred or payment plan not honoured) as of the first week of November (fall semester courses), first week of March (winter semester courses) or first week of June (summer semester courses) will be removed from placement and clinical activities due to liability issues. This may result in loss of mandatory hours or incomplete course work. Sault College will not be responsible for incomplete hours or outcomes that are not achieved or any other academic requirement not met as of the result of tuition default. Students are encouraged to communicate with Financial Services with regard to the status of their tuition prior to this deadline to ensure that their financial status does not interfere with academic progress.