

SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

SAULT STE. MARIE, ONTARIO



Sault College

COURSE OUTLINE

| | | | |
|-------------------------|---------------------------------------|--------------------------------|----------------------|
| COURSE TITLE: | FINANCIAL & MANAGERIAL ACCOUNTING | | |
| CODE NO. : | ACC124 | SEMESTER: | |
| PROGRAM: | HUMAN RESOURCES PRACTICES CERTIFICATE | | |
| TEACHER: | Kaisa Manttari | | |
| DATE: | Aug 2009 | PREVIOUS OUTLINE DATED: | June 2006 |
| APPROVED: | "Penny Perrier" | | Sept/09 |
| | | _____ CHAIR | _____ DATE |
| TOTAL CREDITS: | 3 | | |
| PREREQUISITE(S): | | | |
| HOURS/WEEK: | 45 HOURS (3 HOURS PER WEEK) | | |

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*For additional information, please contact Penny Perrier
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I. COURSE DESCRIPTION:

Accounting and finance, the financial information system of the organization, serve to summarize organizational plans and the results of actual operations. Because these are too pervasive in the organization, it is necessary for the Human Resources Manager to understand the measurement bases and the underlying methodologies used. Many of the decisions faced by the H.R. Manager have an accounting or finance aspect. This may require a detailed knowledge of the procedure. This would be the case, for example, where the H.R. Manager is called upon to prepare an operating budget for their area of responsibility. Alternatively it may require a familiarity, without necessarily requiring the ability to carry out the calculations, as such. This would be the case, for example, where the H.R. Manager is called upon to interpret, or react, to standard costing variances in respect of their area of responsibility, or the effect of their decisions on the overall results of the organization.

II. LEARNING OUTCOMES AND ELEMENTS OF THE PERFORMANCE:

Upon successful completion of this course, the student will demonstrate:

1. An understanding of the nature of financial accounting, management accounting and finance, how they relate to each other and how they relate to the rest of the organization.
2. An understanding of the conceptual foundations of financial accounting, management accounting and finance, and familiarity with the principle reports which they produce, with particular reference to reports likely to be used by H.R. Managers.
3. The ability to execute detailed calculations (with particular emphasis on applications in the H.R. area) in the following areas:
 - interpretation of the income statement, the balance sheet and the statement of cash flows
 - calculation and interpretation of financial ratios
 - calculation and interpretation of contribution margin and break-even analysis
 - preparation of operating budgets
 - calculation of net present value, payback and return on assets for investment proposals
4. Familiarity with the following:
 - understanding cost behaviour
 - understanding of the allocation of costs, including service department costs, and activity based costing
 - interpretation of budget variances
 - understanding of transfer pricing

- preparation of operating budgets
- understanding risk through sensitivity analysis
- debt and equity as sources of finance
- the use of cash and equity as part of compensation

III. TOPICS:

1. Financial Accounting: The Record Keeping and External Reporting System

- the purpose and objectives of financial and management accounting
- the concepts, techniques and conventions of financial accounting

Reading: Parkinson, John: "Accounting for Non-Financial Managers: Chapters 1 to 2"

- the main financial accounting reports
 - the balance sheet
 - the income statement
 - the cash flow statement
 - statement of retained earnings

Reading: Chapters 3 to 6

- analyzing financial statements:
 - liquidity ratios
 - profitability ratios
 - stability ratios
 - growth ratios
 - cash flow analysis

Reading: Chapter 13

2. Management Accounting: The Internal Information and Decision Support System: Cost Behaviour & Costs in Decision Making

- cost behaviour & cost-volume analysis
- other cost drivers
- variable costs
- fixed costs
- cost estimation
- contribution margin
- break-even point
- cost-volume-profit
- analyzing changes
- sensitivity analysis
- limitations of c-v-p
- activity based costing

Reading: Parkinson, John: "Accounting for Non-Financial Managers, Chapter 9"

- cost systems
 - variable costing
 - cost allocation

Reading: Parkinson, John: "Accounting for Non-Financial Managers, Chapter 9

- costs in decision making
 - service department costs
 - cost accuracy vs relevance
 - special orders
 - costs & pricing
 - make or buy decisions
 - irrelevant costs
 - costing collective
 - bargaining proposals
 - cost-benefit analysis
 - cost allocation

Reading: Parkinson, John: "Accounting for Non-Financial Managers, Chapter 10

3. Management Accounting: The Internal Information and Decision Support System: Budgets & Budgetary Control

- budget preparation
 - nature of budgets
 - relevant data for budgeting
 - cost & revenue forecasting
 - operating budget
 - budgeted income statement
 - budgeted balance sheet
 - cash flow budget
 - forecasting
 - budgets & behaviour

Reading: Parkinson, John: "Accounting for Non-Financial Managers, Chapter 7

- budgetary control & responsibility accounting
 - static vs flexible budgets
 - cost variances (materials, labour, overhead)
 - revenue variances
 - using variances in decisions
 - management control systems
 - motivation & control
 - measuring responsibility center performance
 - non-financial performance measures
 - the balanced scorecard
 - transfer pricing
 - cost centres & profit centres

Reading: Parkinson, John: "Accounting for Non-Financial Managers, Chapter 8

4. Finance: Sources & Uses of Long Term Capital

- sources of capital
 - equity capital
 - debt
 - cost of capital
 - using equity in compensation

Reading: Parkinson, John: "Accounting for Non-Financial Managers, Chapter 11

- uses of capital
 - programmes & projects
 - cash flow
 - depreciation
 - net present value
 - internal rate of return
 - payback
 - accounting rate of return
 - investment decisions
 - sensitivity analysis

Reading: Parkinson, John: "Accounting for Non-Financial Managers, Chapter 12

IV. REQUIRED RESOURCES/TEXTS/MATERIALS:

Parkinson, John: Accounting for Non-Financial Managers, Captus Press. Revised Second Edition.

V. EVALUATION PROCESS/GRADING SYSTEM:

The evaluation process will consist of:

1. Three tests

| | |
|---------|-----|
| Test #1 | 15% |
| Test #2 | 15% |
| Test #3 | 15% |
2. Assignment 15%
3. Final exam 40%

NOTE: A minimum grade of 70% is required to pass this course.

The following semester grades will be assigned to students:

| Grade | <u>Definition</u> | <i>Grade Point Equivalent</i> |
|--------------|--|-----------------------------------|
| A+ | 90 – 100% | |
| A | 80 – 89% | 4.00 |
| 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 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. | |

VI. SPECIAL NOTES:

Course Outline Amendments:

The professor 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:

There is no PLAR in Human Resource Practice Certificate courses.

Disability 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 your professor and/or the Disability Services office. Visit Room E1101 or call Extension 2703 so that support services can be arranged for you.

Communication:

The College considers **WebCT/LMS** 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 the **Learning Management System** communication tool.

Plagiarism:

Students should refer to the definition of “academic dishonesty” in *Student Code of Conduct*. A professor/instructor may assign a sanction as defined below, or make recommendations to the Academic Chair for disposition of the matter. The professor/instructor may (i) issue a verbal reprimand, (ii) make an assignment of a lower grade with explanation, (iii) require additional academic assignments and issue a lower grade upon completion to the maximum grade “C”, (iv) make an automatic assignment of a failing grade, (v) recommend to the Chair dismissal from the course with the assignment of a failing grade. In order to protect students from inadvertent plagiarism, to protect the copyright of the material referenced, and to credit the author of the material, it is the policy of the department to employ a documentation format for referencing source material.

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. Announcements, news, the academic calendar of events, class cancellations, your learning management system (LMS), and much more are also accessible through the student portal. Go to <https://my.saultcollege.ca>.

Electronic 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. With the exception of issues related to accommodations of disability, the decision to approve or refuse the request is the responsibility of the faculty member. Recorded classroom instruction will be used only for personal use and will not be used for any other purpose. Recorded classroom instruction will be destroyed at the end of the course. To ensure this, the student is required to return all copies of recorded material to the faculty member by the last day of class in the semester. Where the use of an electronic device has been approved, the student agrees that materials recorded are for his/her use only, are not for distribution, and are the sole property of the College.

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.