LogoHbwTRU

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| **Course Outline**  Department of Management  School of Business and Economics |

**ACCT 2250-01**

**Management Accounting (3, 0, 0)**

**Winter 2020**

**Instructor: Name: Tony Bell Phone/Voice Mail: 250-377-6092 Office: OM 3791 E-Mail:** [**tbella@gmail.com**](mailto:tbella@gmail.com)

**Office Hours: See Schedule on Office Door and Moodle**

### CALENDAR DESCRIPTION

Students develop the skills necessary to collect, analyze, and communicate quantitative and non-quantitative information to assist management in making more effective planning and control decisions. Topics include the role of managerial accounting; basic cost management concepts; job, process, hybrid and activity-based costing; cost behaviour and estimation; cost-volume-profit analysis; profit planning and activity-based budgeting; standard costing, flexible budgeting and variance analysis; cost management tools including the balanced scorecard, benchmarking and reengineering; and relevant costs for decision making such as make or buy, special orders, joint products and outsourcing.

### COURSE/LEARNING OUTCOMES

Upon completion of this course, students will be able to:

1. Explain a management accountant’s role within an organization.
2. Classify costs and prepare a schedule of cost of goods manufactured.
3. Determine product cost using job order costing, process costing and activity-based costing.
4. Explain when it is appropriate for companies to adopt job-order, process, or activity-based costing systems.
5. Compare and contrast activity-based costing to traditional costing systems.
6. Analyze cost classifications and behaviours.
7. Use cost-volume-profit techniques to determine optimal managerial decisions.
8. Prepare a comprehensive master budget.
9. Employ standard costs, flexible budgeting and variance analysis.
10. Apply management tools and techniques such as the balanced scorecard, operational performance measures, quality and environmental-cost management.
11. Analyze various special decisions using relevant costs and benefits.

## PREREQUISITES

ACCT 1000 or ACCT 1211/1221 or ACCT 2210 or ACCT 2211; ENGL 1100 or ENGL 1101

Note: Students cannot receive credit for both ACCT 2250 and ACCT 2251.

#### COREQUISITES

None

## REQUIRED TEXTS/MATERIALS

Brewer, Garrison, Noreen, Kalagnanam, and Vaidyanathan, Introduction to Managerial Accounting – Fifth Edition, 2016.

## RECOMMENDED TEXTS/MATERIALS

Lecture Notes

## STUDENT EVALUATION

Midterms… 40%

Homework Assignments. 10%

Final exam 50%

**No Translators or other electronic devices (e.g. cell phones, IPODs, programmable calculators, blackberries) are permitted during tests or exams.**

**Students who miss a term exam without prior approval of the instructor will receive a mark of zero. Make-up exams or alternate sitting dates for exams will not be provided.**

## COURSE TOPICS

1. The Role of Management Accounting

* Managing
* Adding value
* Management accounting
* The value chain

2. Basic Cost Concepts

* Period and product costs
* Manufacturing costs and cost flows
* Cost drivers
* Distinguishing between different types of costs
* Schedule of cost of goods manufactured

3. Job costing

* Product and service costing
* Product costing systems
* Job order costing
* Cost of goods manufactured
* Cost of goods sold
* Overhead rates and application

4. Process and Hybrid Costing

* Equivalent units
* Weighted average method
* Spoilage
* Hybrid costing and batch manufacturing

5. Activity Based Costing

* Traditional costing versus ABC costing
* ABC key issues
* Cost drivers
* Customer profitability analysis
* ABC in the service sector

6. Cost Behaviour and Cost Estimation

* Variable costs and step-variable costs
* Fixed costs and step fixed costs
* Mixed costs
* Four methods of cost estimation

7. Cost-Volume-Profit Analysis

* Breakeven point
* Contribution margin
* Target net profit
* Safety margin
* Changes in key variables
* Absorption and variable costing

8. Profit Planning and Activity-Based Budgeting

* Master budget
* Sales budget
* Direct labour budget
* Production budget
* Manufacturing overhead budget
* Cash budget
* Budgeted income statement and balance sheet

9. Standard Costing and Flexible Budgeting

* Standards
* Variance analysis
* Flexible budget
* Flexible budget variance

10. Cost Management Tools

* The balanced scorecard
* Benchmarking
* Reengineering
* Theory of constraints

11. Decision Making: Relevant Costs and Benefits

* Decision making process
* Relevant information
* Sunk costs
* Opportunity costs
* Analysis of special situations
  + Make or buy
  + Special orders
  + Joint products
  + Outsource or not

**ATTENDANCE**

As per TRU Policy

**METHODS FOR PRIOR LEARNING ASSESSMENT AND RECOGNITION**

As per TRU Policy

**Course Schedule**

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| --- | --- | --- | --- | --- | --- |
| **Week** | **Monday** | **Tuesday** | **Wednesday** | **Thursday** | **Friday** |
| **6-Jan** | Intro/CH1 |  | Chapter 2 |  |  |
| **13-Jan** | Chapter 2 |  | Chapter 3 |  |  |
| **20-Jan** | Chapter 3 |  | Chapter 4 |  |  |
| **27-Jan** | Chapter 4 |  | **MT 1** |  |  |
| **3-Feb** | Chapter 5 |  | Chapter 5 |  |  |
| **10-Feb** | Chapter 6 |  | Chapter 6 |  |  |
| **17-Feb** | **READING BREAK** | | | | |
| **24-Feb** | Chapter 7 |  | Chapter 7 |  |  |
| **2-Mar** | Chapter 8 |  | Chapter 8 |  |  |
| **9-Mar** | Chapter 9 |  | Chapter 9 |  |  |
| **16-Mar** | **MT 2** |  | **TBA** |  |  |
| **23-Mar** | CH 10 |  | CH 10 |  |  |
| **30-Mar** | CH 11 |  | CH 12 |  |  |
| **6-Apr** | CH 12 |  | Wrap up |  |  |

**Instructor's Mandatory Requirements**

1. **THIS CLASS GOES AT A VERY FAST PACE – YOUR COMMITMENT IS CRITICAL.**
2. At the university level, it is expected that you are responsible for your own learning.
3. **I don’t lecture twice**! If you miss classes, it is your responsibility to catch up. If you miss class and there are handouts, it is your responsibility to get copies from your classmates or from moodle. I keep no extra copies.
4. Cellular phones are to be turned off during classes and examinations.
5. **IF YOUR CELL PHONE GOES OFF DURING CLASS, YOU WILL BE PENALIZED!**
6. Dictionaries, cellular phones, pagers, handheld computers, electronic translators and programmable calculators are NOT permitted during examinations.
7. Harassment, threats and intimidation (of any type) will not be tolerated and will be dealt with **severely.**
8. My examination-marking scheme is generous – please do not “negotiate” for additional marks.
9. Cheating is a serious issue. To ensure exam integrity, I have the authority to arrange seating as I see fit. Please do not take it personally.
10. **If you are caught cheating, an “F” in the class will only be the beginning of your problems.**
11. A Doctor’s Note does not guarantee that you will be able to miss an exam and have the opportunity to re-write it.
12. **PLEASE NOTE THE FINAL EXAM DATE. DO NOT MAKE TRAVEL ARRANGEMENTS ON THIS DATE!**