

Course Outline

Accounting and Finance
School of Business & Economics
ACCT 2250 - **3.00** - Academic
Management Accounting

Rationale

Annual update of standard course outlines in SOBE

Changed course description and prerequisites

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.

Credits/Hours

Course Has Variable Hours: No

Credits: 3.00

Lecture Hours: 3.00

Seminar Hours: 0

Lab Hours: 0

Other Hours: 0

Clarify:

Total Hours: 3.00

Delivery Methods: (Face to Face)

Impact on Courses/Programs/Departments: Not applicable

Repeat Types: A - Once for credit (default)

Grading Methods: (S - Academic, Career Tech, UPrep)

Educational Objectives/Outcomes

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 2210-Financial Accounting or
equivalent with minimum C-
ENGL 1100-Introduction to University Writing
or equivalent with a minimum C- or
ENGL 1110-Critical Reading and Writing
or equivalent with a minimum C- or
ENGL 1120-Introduction to Poetry
or equivalent with a minimum C-
or
ENGL 1140-Introduction to Drama
or equivalent with a minimum C-
or
ENGL 1210-Introduction To Drama & Poetry
or equivalent with a minimum C-

Co-Requisites

Recommended Requisites

Exclusion Requisites

ACCT 1010-Management Accounting
BBUS 2540-Management Accounting

BBUS 2541
ACCT 2251-Management Accounting

Texts/Materials

Textbooks

1. **Required** Hilton, Ronald W.. *Managerial Accounting: Creating Value in a Dynamic Business Environment*, 2nd Canadian ed. McGraw-Hill, 2013

Student Evaluation

The Course grade is based on the following course evaluations.

Students must pass the final exam to pass the course.

Midterms 30% - 50% (0.00%) Assignments and quizzes 0 - 30% (0.00%) Final exam 40 - 50% (0.00%)

Course Topics

1. The Role of Management Accounting

- Managing
 - Adding value
- 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

Methods for Prior Learning Assessment and Recognition

As per TRU Policy

Last Action Taken

Implement by Submission Preview Subcommittee Chair Joanne (Retired) Moores

Current Date: 27-Oct-20