

BUS 234E - Management Accounting II

3 credits, 16 weeks, 5 hours

The accounting function is examined as an information tool of management. The objective is to provide the necessary background so that students gain an appreciation of the corporate accounting system and learn how to weigh alternatives and make decisions concerning a wide variety of managerial problems. Topics covered may include: financial analysis of corporate annual reports, the master budget, various cost systems, standard costs and variance analysis, and short and long range planning and decision making.

Prerequisites and/or co-requisites BUS 233 with a minimum mark of C-

Instructor

Iggy Goremucheche

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Office hours

Tuesday 14:00 – 15:50

Wednesday 11:00 – 11:50

Thursday 11:00 – 12:50

Hours of Instruction

Monday 18:30 – 21:30

Required Resources

Cost Accounting: A Managerial Emphasis; Charles T. Horngren, George Foster, Srikant M. Datar, and Maureen P. Gowing; Fifth Canadian Edition; Pearson Canada Inc.; Toronto; 2010; ISBN 9780135084076

Texas Instruments BA II Plus or Texas Instruments BA II Plus Professional

Note: these are the only calculators acceptable for use in the exams.

Course Outcomes

The student will be able to apply the fundamentals of management accounting, including standard costs and operations management concepts, to business situations

Evaluation

Assignments 25%

Midterm Exam 35%

Final Exam 40%

Total 100%

The minimum standard for passing this course is a grade of D (50%).

Failure to achieve a weighted average of 50% on the exams will result in a failing grade (F).

This course is an equivalent for a course required for completion of the CGA program. A grade of C+ or more is required for this purpose.

This course is an equivalent for a course required to qualify for the CMA entrance exam. A grade of D or higher in this course and a GPA of 2.7 in all CMA prerequisites is required for this purpose.

Performance Requirements

CLASS POLICIES (Please also refer to pages 27 through 31 of the Credit Calendar)

1. **Cellular Phones** are a distraction to both your fellow students and the class instructor. All cellular phones are to be turned off, or at minimum set on silent mode prior to the beginning of class time.

If a student is observed using a cellular phone at any time during class, i.e. sending or reading text messages, they will be asked to leave the classroom for the remainder of class time.

2. **Class attendance** is useful for two reasons. First, class attendance maximizes a students' learning experience. Second, attending class is a good way to keep informed of matters relating the administration of the course (e.g., the timing of assignments and exams). Ultimately, you are responsible for your own learning and performance in this course.

It is the responsibility of each student to be prepared for all classes. Students who miss classes are responsible for the material covered in those classes and for ensuring that they are prepared for the next class, including the completion of any assignments and / or notes that may be due.

3. **Academic Misconduct Students** are considered to be responsible adults and should adhere to principles of intellectual integrity. Intellectual dishonesty may take many forms, such as:
 - Plagiarism or the submission of another person's work as one's own
 - The use of unauthorized aids in assignments or examinations (cheating)
 - Collusion or the unauthorized collaboration with others in preparing work
 - The deliberate misrepresentation of qualifications
 - The willful distortion of results or data
 - Substitution in an examination by another person

Penalties for academic offences may range from a verbal reprimand to dismissal from the College, and in certain circumstances may involve legal action.

4. **Accommodation for Students with Disabilities** - The College will provide reasonable accommodation to students with disabilities in order to promote academic success. If you require accommodation, contact the Learner Assistance Program Office at 792-5608 to initiate the process for documenting, assessing, and implementing your individual accommodation needs. In addition, tutoring services are available at the SKILL Centre (Room 119)

5. **Success Criteria** - To receive a passing grade (a grade score of D or higher) in this class, a total mark of 50% (on all work) and a weighted average mark of at least 50% on the examinations must be attained. That is, you must satisfy both final class mark and exam mark requirements to receive a passing grade.

Failure to meet either of these criteria will result in a maximum grade of F.

Proposed Schedule**TOPICS TO BE COVERED AND IMPORTANT DATES:**

DATE	TOPIC	REQUIRED READING
7 Jan	Introduction Master Budget & Responsibility Accounting	Chapter 6
14 Jan	Flexible Budgets, Variances, and Management Control: I	Chapter 7
21 Jan	Flexible Budgets, Variances, and Management Control: II	Chapter 8
28 Jan	Income Effects of Denominator Level on Inventory Valuation	Chapter 9
4 Feb	Decision Making and Relevant Information	Chapter 11
11 Feb	Decision Making and Relevant Information (continued) Mock Review	Chapter 11
18 Feb	Midterm Examination	Chapters 6 - 9, & 11
25 Feb	No Class - Reading Week	
4 Mar	Pricing Decisions, Product Profitability Decisions and Cost Management	Chapter 12
11 Mar	Capital Budgeting and Cost Analysis	Chapter 21
18 Mar	Capital budgeting: A Closer Look	Chapter 22
25 Mar	Control Systems, Transfer Pricing, and Multinational Considerations	Chapter 23
8 April	Control Systems, Transfer Pricing, and Multinational Considerations (continued)	Chapter 23
15 April	Mock Review	Chapters 12,21,22,23
22 April	Final	Chapters 12,21,22,23

NOTES:

- This proposed schedule may be subject to change to facilitate unforeseen time constraints and circumstances
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Assignments

DUE DATE	PROBLEM	CHECK FIGURES	MARKS
14-Jan	6-31	8: Cost of goods sold budget: £12,428,700	100%
			100%
28-Jan	7-37	2: Price variance: \$792 U	19%
	7-41	1: Labour efficiency variance: \$294,172 U	12%
	8-31	6: Actual number of mhrs used / output unit: 1.93	19%
	8-37	1: Budget fixed o/h cost rate: \$180 / mhr	19%
	8-41	1: Total standard manufacturing cost: \$1,248,000	31%
			100%
11-Mar	9-35	3: Inventory valuation 2009 - variable costing: \$84,000	15%
	11-31	2: They should sell more tables	20%
	11-35	1: Accept the special order.	15%
	11-41	1: Optimal total contribution margin \$787,500	22%
	12-23	2: Minimum acceptable price: \$1.238	14%
	12-31	2: Yes	14%
			100%
8-Apr	21-35	4: Gross receipts point of indifference: \$63,417 \$62,417	
	21-43	1: Income will increase: \$142,500	21%
	22-29	2: Net present value: \$31,796	46%
		NOTE: Tax shield \$973,469	
			100%

Assignments are due by the **BEGINNING** of the class on the date specified, unless arrangements have been made prior to that assignment's due date.

Fifteen (15) marks will be deducted for each day, or part thereof, that an assignment is late. Assignments will not be accepted more than three (3) days late, and a mark of zero will be given for that assignment.

All assignments are to be completed using EXCEL and uploaded to the appropriate box in MOODLE.

Begin each Case or Problem on a new page.

Wherever appropriate, show your work. Marks will be given for the process, not for just the answer. It is important to show **ALL** your calculations.

Format and presentation count.

ENGLISH, GRAMMAR AND NEATNESS ALWAYS COUNT!

It is understood that some students may work together on their assignments. This is an acceptable practice as long as all students are doing their own work. It is **NOT** acceptable for two or more students to hand-in assignments that do not represent individual work. A mark of zero will be given for all such assignments.

More specifically, a mark of zero will be given, without exception, for any two or more assignments that are:

- ☒ Both printed from the same computer file
- ☒ Word for word identical over 1 or more sentences
- ☒ Basically identical except for one or two words per sentence

Authorization

This course outline has been reviewed and approved by the Program Chair.

Iggy Goremucheche, Instructor

Gina Langager, Chair

Date Authorized

Guy Harmer, Dean

Date Authorized

Signed copies to be delivered to:

Instructor
Registrar's Office