



# Grande Prairie Regional College

## Department of Business

### COURSE OUTLINE – Winter 2010

#### BA2140 3(3-0-2)UT - Cost Accounting II

|                     |  |               |                                      |
|---------------------|--|---------------|--------------------------------------|
| <b>Instructor</b>   | Patrick D (Pat) Coristine CA                         | <b>Phone</b>  | 539-2895 (office)<br>538-3290 (home) |
| <b>Office</b>       | C208   | <b>E-mail</b> | pcoristine@gprc.ab.ca                |
| <b>Office Hours</b> | Tuesdays, Thursdays 10:00-11:30<br>or by appointment |               |                                      |

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#### **Prerequisite(s)/co requisite(s):**

BA2130 Cost Accounting I or equivalent

#### **Required Text/Resource Materials (new this year):**

*Cost Accounting—A Managerial Emphasis*, Fifth Canadian Edition, Horngren, Foster, Datar, Gowing, Pearson Education Canada, 2010.

*Managerial Applications of Cost Accounting, A Case Study of Bakerview Dairies*, Jeyakumar, Pearson Education Canada, 2007

**The text and case book will be used extensively and are the same required texts for BA 2130.**

#### **Description:**

This course is the second of a two part in-depth course examining the concepts of cost/managerial accounting. Major topics include the following: pricing decisions, product profitability, cost management, the balanced scorecard, cost allocation, joint products and byproducts, sales variances, customer profitability, spoilage scrap and rework, cost management, capital budgeting, management control systems and performance measurement.

#### **Credit/Contact Hours:**

This is a 3 credit course with 3 lecture and 2 lab hours per week. Students are expected to attend all lectures and labs and to be on time for all sessions.

#### **Delivery Mode(s):**

The course will be offered as three hours instruction and two hours lab per week for a total of five hours per week. The allocation of instructional time and lab time will be at the Instructor's discretion.

- For each topic listed, there will be a classroom lecture/discussion and a demonstration of related

accounting procedures. Relevant textbook readings and problems will be assigned, and your knowledge, understanding and application of the material will be tested. Chapter quizzes will be administered either on paper during the weekly lab or electronically.

- The Final Examination will consist of multiple choice questions, exercises and problems.
- Regular classroom attendance is expected. Each assigned reading should be studied both before and after it is discussed in class. Home work assignments, whether or not handed in should be completed to develop your understanding and application of the principles and practices.
- Assignments should be considered as professional submissions or presentations that would be prepared for either a supervisor or client. Therefore assignments should be neat (but not necessarily typed or computer generated), should contain proper spelling and grammar, should be in the appropriate format for accounting statements and should communicate the required information in an efficient effective manner. Marks may be deducted if an assignment does not meet the above criteria.
- This course requires a great deal of time and effort so plan your schedule accordingly. Do not fall behind in the assigned readings and problems because it will be difficult to catch up.
- **Blackboard/Moodle** is a Learning Management System used to improve communications between the Student and the Instructor. Important dates, documents and announcements will be posted on **Blackboard/Moodle**, and e-mails from the Instructor to the class will be sent using **Blackboard**.
- **PowerPoint** slides will be used, and will be available for down load from **Blackboard/Moodle**.
- Unofficial Student marks will posted on **Blackboard/Moodle**. Official Final Grades will communicated via Student Services.

### Objectives:

Upon completion of this course, the student will be able to:

- Contrast relevant and irrelevant costs and revenues
- Identify the differences among relevant costs for short term and long term decision
- Explain why opportunity cost is relevant and book value is irrelevant
- Contrast target costing, cost plus, life cycle costing
- Explain importance of non-cost factors
- Apply the Balanced Scorecard
- Analyze and select appropriate cost-allocation procedures to assign support costs
- Apply cost allocation methods to joint costs
- Account for byproducts using two different methods
- Analyze customer profitability
- Contrast process costing with product costing
- Distinguish among spoilage, rework and scrap and apply the appropriate methods to account for normal and abnormal costs
- Apply Supply-Chain strategies: JIT, MRP and Backflush costing
- Apply various Capital Budgeting concepts and strategies
- Explain Management Control Systems, Transfer Pricing and Multinational Considerations
- Analyze and evaluate alternative measures of financial performance

### **Transferability:**

Note that BA 2130 and BA 2140 **together** are required for university transfer, or for transfer to various professional organizations. Students should refer to the **Alberta Transfer Guide** at <http://www.acat.gov.ab.ca> for a list of post-secondary institutions to which these courses can be transferred. Students are ***strongly advised*** to check with the receiving institution of professional organization for more details and to ensure current transferability.

### **Grading Criteria:**

|  |     |
|--|-----|
| Professionalism, Participation<br>and Attendance | 10% |
| Quizzes & Assignments                            | 25% |
| Major Test 1                                     | 15% |
| Major Test 2                                     | 15% |
| Final Exam                                       | 35% |

Final examinations will be scheduled by the registrar's office during the period April 17-24, 2010. ***Do not plan any activities during this period!!!*** Dates for major tests, quizzes, and assignments will be announced in class as required during the semester.

Grades will be assigned on the Letter Grading System. Grades will be posted on **Blackboard/Moodle**.

### **Business Administration and Commerce Department**

#### **Grading Conversion Chart**

| Alpha Grade    | 4-point Equivalent | Percentage Guidelines | Designation          |
|----------------|--------------------|-----------------------|----------------------|
| A <sup>+</sup> | 4                  | 90 – 100              | EXCELLENT            |
| A              | 4                  | 85 – 89               |                      |
| A <sup>-</sup> | 3.7                | 80 – 84               | FIRST CLASS STANDING |
| B <sup>+</sup> | 3.3                | 76 – 79               |                      |
| B              | 3                  | 73 – 75               | GOOD                 |
| B <sup>-</sup> | 2.7                | 70 – 72               |                      |
| C <sup>+</sup> | 2.3                | 67 – 69               | SATISFACTORY         |
| C              | 2                  | 64 – 66               |                      |
| C <sup>-</sup> | 1.7                | 60 – 63               |                      |
| D <sup>+</sup> | 1.3                | 55 – 59               | MINIMAL PASS         |
| D              | 1                  | 50 – 54               |                      |
| F              | 0                  | 0 – 49                | FAIL                 |

**Generally a minimum grade of C+ is required for transfer credit to another institution or professional organization. It is the student's responsibility to ascertain the transfer criteria.**

**Course Schedule/Timeline:**

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| <b><u>Week</u></b> | <b><u>Required Reading</u></b> | <b><u>Topic</u></b>  |
|--------------------|--------------------------------|--|
| 1.                 | Chapter 11                     | Pricing Decisions, Product Profitability<br>Process Costing      |
| 2.                 | Chapter 12                     | Decision Making and Relevant Information                         |
| 3.                 | Chapter 13                     | Balanced Score Card  |
| 4.                 | Chapter 14 & 15                | Cost Allocations   |
| 5.                 | Chapter 16                     | Revenues, Sales Variances, Customer<br>Profitability             |
| 6.                 | Chapter 17                     | Process Costing  |
| 7.                 | Chapter 18                     | Spoilage, Rework and Scrap                                       |
| 8.                 | Chapter 19                     | Cost Management: Quality, Time, and the<br>Theory of Constraints |
| 9.                 | Chapter 20                     | Supply Chain Strategies: JIT, MRP and<br>Backflush Costing       |
| 10.                | Chapter 21& 22                 | Capital Budgeting  |
| 11.                | Chapter 23 & 24                | Management Control Systems                                       |

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**Statement on Plagiarism and Cheating:**

Please refer to pages 49-50 of the College calendar regarding Academic Dishonesty: Plagiarism, Cheating and the resultant penalties. These are serious issues and will be dealt with severely.

**Electronic Devices:**

1. Cell phones—as a basic courtesy, cell phones must be either turned off, or set to vibrate. **Text Messaging in class is an inappropriate use of such devices. DO NOT BE A “TOMMY OR TAMMY TEXTER!!!!!!”**
2. The calculator function of phones is not sufficient for the purposes of this course.
3. Translation devices—the use of these items shall be cleared with the instructor.
4. Computers—laptop computers may be used responsibly in class to take notes, to refer to **Powerpoint** slides or for completion of assignments in. Assignments may be completed using applicable software.
5. MP3 players etc.—the use of such devices must not interfere with the learning environment. Such devices **SHALL** not be used during lectures or examinations.