

## Course Outline

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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