

# Business Administration

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| Course Number:        | BUAD 365  |
| Course Title:         | COST ACCOUNTING   |
| Credits:              | 3   |
| Calendar Description: | This course provides an in-depth analysis of management and cost accounting issues. Costing methods for manufacturing and service businesses are examined, including job costing, process costing, joint product and by-product costing, plus activity-based costing. Other topics include service department cost allocation, variance analysis and profitability analysis. (also offered by Distance Education) |
| Semester and Year:    | Winter 2016   |
| Prerequisite(s):      | BUAD 121, 264   |

Core

## Professors

| <b>Name</b>      | <b>Phone</b>   | <b>Office</b> | <b>Email</b>   |
|------------------|----------------|---------------|--|
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## Learning Outcomes

Upon completion of this course students will be able to

- calculate and record costs for products or services using activity-based costing, job costing, and process costing.
- allocate revenues, joint costs, indirect costs and period costs using appropriate costing methods.
- develop flexible budgets and perform extensive variance analysis of costs and revenues.
- account for byproducts, spoilage, rework, and scrap.
- prepare an income statement using absorption costing and variable costing.
- explain non-financial costs and benefits relevant to decision making.

## Course Objectives

This course will cover the following content:

- Track the flow of costs in a job-costing system
- Cost products or services using activity-based costing
- Develop flexible budgets
- Perform extensive variance analysis
- Prepare an income statement using absorption costing and variable costing
- Examine different cost allocation methods
- Allocate costs for joint products and by-products
- Prepare journal entries for process-costing systems

## Evaluation Procedure

|                          |      |
|--------------------------|------|
| Assignments              | 5%   |
| Quizzes                  | 5%   |
| Mid-term Exams #1 and #2 | 45%  |
| Final Exam               | 45%  |
| Total                    | 100% |

## Notes

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| Lesson notes including homework assignments are posted for each chapter. Solutions are posted separately and should only be used after completing each chapter's assignments.                              |
| Students are expected to write mid-term and final examinations at the scheduled times and dates; medical certificate or other supporting documentation will be required for approval of out-of-time exams. |
| The final exam is 20% comprehensive.   |

## Required Texts/Resources

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| Cost Accounting: A Managerial Emphasis, Horngren, Datar, Foster, Rajan, Ittner, Gowing, Janz 7th Canadian Ed. Pearson Prentice Hall. 2015. |
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## Course Schedule

| Date     |        | Topic   | Textbook                           |
|----------|--------|---|------------------------------------|
| Week of: |        | Mon. Jan 4 Classes begin<br>Family Day Feb 8 & Feb 9 to 12 Reading Break – no classes<br>Good Fri. Mar 25 & Easter Mon. Mar 28 – no classes<br>Tues. Apr 12 Last day of regularly scheduled classes |                                    |
| Jan      | 4      | The Accountant's Vital Role in Decision Making<br>An Introduction to Cost Terms and Purposes  | Ch 1,<br>Ch 2                      |
|          | 11     | Job Costing   | Ch 4                               |
|          | 18     | Activity-based Costing  | Ch 5                               |
|          | 25     | Flexible Budgets, Variances and Management Control I  | Ch 7<br>Appendix 7a<br>Appendix 7b |
| Feb      | 1      | Review<br>Mid-term Exam #1 (Chapters 1, 2, 4, 5, & 7)   |                                    |
|          | 8 - 12 | READING BREAK (Feb 8 to 12 – no classes)  |                                    |
|          | 15     | Flexible Budgets, Variances & Management Control II   | Ch 8                               |
|          | 22     | Revenues and Customer Profitability Analysis  | Ch 16                              |
|          | 29     | Income Effects on Inventory Valuation   | Ch 9<br>Appendix 9a<br>Appendix 9b |
| Mar      | 7      | Period Cost Application   | Ch 14                              |
|          | 14     | Review<br>Mid-term Exam #2 (Chapters 8, 9, 14, 16)  |                                    |
|          | 21     | Cost Allocation: Joint Products and By-products   | Ch 15                              |
|          | 28     | Process Costing   |                                    |

