



# Business Administration

Course Number:	<b>BUAD 365</b>
Course Title:	<b>COST ACCOUNTING</b>
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. <i>(also offered by Distance Education)</i>
Semester and Year:	<b>Winter 2015</b>
Prerequisite(s):	BUAD 121, 264
Corequisite(s):	No
Prerequisite to:	BUAD 466
Final Exam:	Yes
Hours per week:	3
Graduation Requirement:	Elective – BBA and Diploma
Substitutable Courses:	No
Transfer Credit:	CA, CGA, CMA, CPA
Special Notes:	Students with credit for BUAD 274 cannot take BUAD 365 for further credit.
Development Date:	January 2004
Revision Date:	
Chair's Approval:	

**Professors**

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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
- Calculate transfer prices and explain potential impact on performance evaluation
- Explain non-financial costs and benefits relevant to decision making

**Course Objectives**

This course will cover the following content including:

- 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
- Account for spoilage, rework, and scrap
- Determine transfer prices
- Calculate revenue and sales variances

**Evaluation Procedure**

Assignments	5%
Mid-term Exams #1 and #2	50%
Final Exam	45%
Total	100%

**Notes**

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**

Cost Accounting: A Managerial Emphasis, Horngren, Datar, Foster, Rajan, Ittner, Gowing, Janz 6<sup>th</sup> Canadian Ed. Pearson Prentice Hall. 2013.

## Course Schedule

Date		Topic	Textbook
Week of:		Mon. Jan 5 Classes begin Family Day Feb 9 & Feb 10 to 13 Reading Break – no classes Good Fri. Apr 3 & Easter Mon. Apr 6 – no classes Tues. Apr 14 Last day of regularly scheduled classes	
Jan	5	The Accountant's Role An Introduction to Cost Terms and Purposes	Ch 1, 2
	12	Job Costing	Ch 4
	19	Activity-based Costing	Ch 5
	26	Flexible Budgets, Variances and Management Control I	Ch 7
Feb	2	Flexible Budgets, Variances & Management Control II	Ch 8
	9 - 13	READING BREAK ( <i>Feb 9 to 13 – no classes</i> )	
	16	Review Mid-term Exam #1 (Chapters 1, 2, 4, 5, 7, & 8)	
	23	Revenues and Customer Profitability Analysis Absorption and Variable Costing of Inventory	Ch 16 Ch 9
Mar	2	Absorption and Variable Costing of Inventory	Ch 9
	9	Period Cost Allocation	Ch 14
	16	Cost Allocation: Joint Products and By-products	Ch 15
	23	Mid-term Exam #2 (Chapters 9, 14, 15, 16) Transfer Pricing	Ch 23
	30	Process Costing	Ch 17
Apr	6	Spoilage, Rework and Scrap	Ch 18
	13	Review (Tuesday April 14 – last class)	
Apr	17 - 25	Final Exam Period	

## **SKILLS ACROSS THE BUSINESS CURRICULUM**

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The Okanagan School of Business promotes core skills across the curriculum. These skills include reading, written and oral communications, computers, small business, and academic standards of ethics, honesty and integrity.

## **STUDENT CONDUCT AND ACADEMIC HONESTY**

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### **What is the Disruption of Instructional Activities?**

At Okanagan College (OC), disruption of instructional activities includes student “conduct which interferes with examinations, lectures, seminars, tutorials, group meetings, other related activities, and with students using the study facilities of OC”, as well as conduct that leads to property damage, assault, discrimination, harassment and fraud. Penalties for disruption of instructional activities include a range of sanctions from a warning and/or a failing grade on an assignment, examination or course to suspension from OC.

### **What is Cheating?**

“Cheating includes but is not limited to dishonest or attempted dishonest conduct during tests or examinations in which the use is made of books, notes, diagrams or other aids excluding those authorized by the examiner. It includes communicating with others for the purpose of obtaining information, copying from the work of others and purposely exposing or conveying information to other students who are taking the test or examination.”

Students must submit independently written work. Students may not write joint or collaborative assignments with other students unless the instructor approves it in advance as a group/team project. Students who share their work with other students are equally involved in cheating.

### **What is Plagiarism?**

Plagiarism is defined as “the presentation of another person’s work or ideas without proper or complete acknowledgement.” It is the serious academic offence of reproducing someone else’s work, including words, ideas and media, without permission for course credit towards a certificate, diploma, degree and/or professional designation. The defining characteristic is that the work is not yours.

“Intentional plagiarism is the deliberate presentation of another’s work or ideas as one’s own.” Intentional plagiarism can be a copy of material from a journal article, a book chapter, data from the Internet, another student, work submitted for credit in another course or from other sources.

“Unintentional plagiarism is the inadvertent presentation of another’s work or ideas without proper acknowledgement because of poor or inadequate practices. Unintentional plagiarism is a failure of scholarship; intentional plagiarism is an act of deceit.”

### **What are the Students’ Responsibilities to Avoid Plagiarism?**

Students have a responsibility to read the OC Plagiarism Policy and Procedures outlined in the OC calendar, which is available in online format [www.okanagan.bc.ca](http://www.okanagan.bc.ca). Students must acknowledge the sources of information used on all their assignments. This usually involves putting the authors’ name and the year of publication in parentheses after the sentence in which you used the material, then at the end of your paper, writing out the complete references in a Reference section.

“Students are responsible for learning and applying the proper scholarly practices for acknowledging the work and ideas of others. Students who are unsure of what constitutes plagiarism should refer to the UBC publication “*Plagiarism Avoided; Taking Responsibility for your Work*”. This guide is available in OC bookstores and libraries.

Students are expected to understand research and writing techniques and documentation styles. The Okanagan School of Business requires the use of the APA or MLA style, but suggests that students cite references using the APA guidelines (see Publication Manual of the American Psychological Association, 6<sup>th</sup> edition (2009)). A copy of the APA manual is available in the reference section and also available for circulation from OC libraries. The library website has access to these two major citing styles.

### **What are the Penalties for Plagiarism and Cheating?**

The Okanagan School of Business does not tolerate plagiarism or cheating. All professors actively check for plagiarism and cheating and the Okanagan School of Business subscribes to an electronic plagiarism detection service. All incidents of plagiarism or cheating are reported and result in a formal letter of reprimand outlining the nature of the infraction, the evidence and the penalty. The Dean of the Okanagan School of Business and the Registrar record and monitor all instances of plagiarism and cheating. Penalties for plagiarism and cheating reflect the seriousness and circumstances of the offence and the range of penalties includes suspension from OC.