# Business Administration

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| Course Number: | **BUAD 264** |
| Course Title: | **MANAGEMENT ACCOUNTING** |
| Credits: | 3 |
| Calendar Description: | This course refines and extends the range of financial models developed in BUAD 111 with changes from the past to the future. The budget replaces the balance sheet, performance and analysis replaces the income statement and the cash flow forecast replaces the cash flow statement. Costing methods, make-or-buy, pricing and capital investment decisions are studied *(also offered by Distance Education).* |
| Semester and Year: | **FALL 2023** |
| Prerequisite(s): | BUAD 111, BUAD 128 and MATH 114<br>or<br>BUAD 111 and admission to any Business Administration Post-Baccalaureate Diploma<br>or<br>BUAD 111, BUAD 128 and successful completion of the Accounting/Bookkeeping Certificate |
| Corequisite(s): | No |
| Prerequisite to: | BUAD 305, 340, 360, 365, 382, 461 |
| Corequisite to: | BUAD 272, 293 |
| Final Exam: | Yes |
| Hours per week: | 3 |
| Graduation Requirement: | BBA and Diploma - Required |
| Substitutable Courses: | No |
| Transfer Credit: | CPA, CIB, PMAC credit |
| Special Notes: | No |
| Originally Developed: | 1978 |
| EDCO Approval: | May 2021 |
| Chair's Approval: | |

## Professors

| Name | Phone number | Office | Email |
|---|---|---|---|
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## Learning Outcomes

Upon completion of this course students will be able to:

- prepare a basic manufacturing income statement.
- calculate and record costs for products or services using appropriate costing methods
- prepare a comprehensive master budget.
- calculate and interpret material price and quantity variances, labour rate and efficiency variances and variable overhead spending and efficiency variances.
- apply the relevant cost framework to managerial decisions regarding equipment replacement, outsourcing, special orders, constrained resource and addition or deletion of products.

## Course Objectives

This course will cover the following content:

- The work of management and the need for management accounting information
- Cost classifications by behaviour, traceability, relevance and function
- Estimation methods for calculating mixed costs
- Standard costing and computation of standard costs
- Differentiation between static and flexible budgets
- Computation and interpretation of key financial performance metrics related to decentralized operations
- Evaluation of capital budgeting options using net present value, profitability index, internal rate of return, payback method and simple rate of return methods

## Evaluation Procedure

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| Project – Master Budget | 10% |
| Term Work | 25% |
| Mid-term Exam | 25% |
| Final Exam | 40% |
| Total | 100% |

## Notes

**Project – MASTER BUDGET**

Students will individually complete a project worth 10% of their total grade. The project will involve using Microsoft Excel to prepare an integrated master budget. This gives students an opportunity to apply the skills learned in Chapter 7 of the text, skills that embody a key concept in managerial accounting.

**Exams – Midterm & a Final**

The midterm exam covers chapters 1, 2, 3, 5 and 6

The final exam is comprehensive, covering all chapters taught in the course.

Students are expected to write exams at the scheduled times and dates. Out-of-Time Exams will not be granted for vacations, trips or reasons other than those satisfying the criteria stated in the OC Policies for Examinations published in the OC Calendar. Medical certificate or other supporting documentation will be required for Out-of-Time Exams.

## Required Texts/Resources

Introduction to Managerial Accounting, 7th Canadian Ed., Brewer, Garrison, Noreen, Kalagnanam, Vaidyanathan

A calculator will be necessary for most of the course. In certain chapters, a financial calculator (Texas Instruments BA II Plus recommended) will be useful.

**Course Schedule**

| Date | | Topic | Textbook |
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| **2023** Week of | | Wednesday September 6, First day of class<br>Friday September 15, Last day to register for Fall 2023<br>Monday October. 2, Statutory Holiday (no classes)<br>Monday October. 9, Statutory Holiday (no classes)<br>Friday October 27, Last day to withdraw from class without academic penalty<br>Monday November 13, Statutory Holiday (no classes)<br>Thursday December 7, Last day of class | **Chapter(s):** |
| **1** | Sep. 6 | An Introduction to Managerial Accounting | Ch. 1 |
| **2** | Sep. 11 | Cost Concepts | Ch. 2 |
| **3** | Sep. 18 | Cost Concepts<br>Systems Design: Job-Order Costing | Ch. 2<br>Ch. 3 |
| **4** | Sep. 25 | Systems Design: Job-Order Costing | Ch. 3 |
| **5** | Oct. 2 | Activity-Based Costing | Ch. 5 |
| **6** | Oct. 9 | Cost Behaviour: Analysis and Use | Ch. 6 |
| **7** | Oct. 16 | **Midterm** | **Ch. 1-3, 5-6** |
| **8** | Oct. 23 | Budgeting | Ch. 7 |
| **9** | Oct. 31 | Budgeting<br>Organizational Structure and Performance Measurement | Ch. 7<br>Ch. 12 |
| **10** | Nov. 6 | Organizational Structure and Performance Measurement<br>Relevant Costs: The Key to Decision Making | Ch. 12<br>Ch. 9 |
| **11** | Nov. 13 | Relevant Costs: The Key to Decision Making | Ch. 9 |
| **12** | Nov. 20 | Standard Costs and Variance Analysis | Ch. 11 |
| **13** | Nov. 27 | Standard Costs and Variance Analysis<br>Capital Budgeting Decisions | Ch. 11<br>Ch. 10 |
| **14** | Dec. 4 | Capital Budgeting Decisions | Ch. 10 |
| | | **FINAL EXAM PERIOD** | **Ch. 1-3, 5-7, 9-12** |

## SKILLS ACROSS THE BUSINESS CURRICULUM

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

### 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. 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, 7$^{h}$ edition (2019). 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.