

Course Outline

Department of Accounting and Finance
School of Business and Economics

ACCT 3250-3
Intermediate Management Accounting (3,0,0)

Calendar Description

Building on ACCT 2250: Management Accounting, students further develop their ability to use quantitative and non-quantitative information to make effective planning and control decisions. Topics include an in-depth study of the balanced scorecard and profitability analysis; interdepartmental cost allocation; cost allocation for joint products and byproducts; revenue and customer profitability analysis; process costing including spoilage, rework and scrap; cost management and the theory of constraints; capital budgeting; and transfer pricing and multinational management control systems.

Educational Objectives/Outcomes

Upon completing this course, students will be able to:

1. Explain competitive forces and relate these to strategic decision frameworks.
2. Evaluate strategic success using Balanced Scorecard measures and apply these concepts to quality analysis.
3. Select between a single and dual-rate cost method to apply period costs of support activities.
4. Use the three most common cost allocation methods to allocate support department or period overhead costs.
5. Apply the physical measure, sales value at split-off and net realizable value cost allocation methods to joint products and by-products.
6. Allocate revenue from a product bundle to its distinct components.
7. Calculate and interpret revenue variances.
8. Generate a customer profitability profile.
9. Apply process costing techniques using the weighted average and FIFO methods incorporating transferred-in costs, spoilage, rework and scrap.
10. Analyze quality control problems.
11. Demonstrate an understanding of time as a competitive tool.
12. Apply the concept of time value of money to capital budgeting decisions using the net present value and internal rate of return methods.
13. Demonstrate an understanding of the effects of capital cost allowance, income tax, and inflation on capital budgeting decisions.
14. Apply transfer pricing methods to products.
15. Discuss the effects of income tax when establishing transfer pricing policies in multinational organizations.

Prerequisites

CMNS 1290; ACCT 2250 (grade of C+ or better)

Co-requisites

None

Texts/Materials

Hornngren, Datar, Foster, Rajan, Ittner, Gowing & Janz, Cost Accounting: A Managerial Emphasis, Sixth Canadian Edition, Pearson Canada, 2013.

Student Evaluation

Midterms	20-40%
Case studies, assignments, quizzes	20-40%
Final exam	40-50%

Students must pass the final exam to pass the course.

Course Topics

1. Balanced Scorecard and Profitability Analysis
 - The balanced scorecard
 - Business evaluation using the balanced scorecard
 - Improving productivity
2. Interdepartmental Cost Allocation
 - Single and dual rate cost measures
 - Variance analysis
 - Cost allocation methods: direct, step down, reciprocal
 - Allocating common costs
3. Cost Allocation: Joint Products and Byproducts
 - Methods of joint cost allocation
 - Decision to sell at split-off or process further using NRV
 - Accounting for byproducts
4. Revenue and Customer Profitability Analysis
 - Revenue allocation and bundled products
 - ABC customer profitability analysis
 - Customer mix analysis
5. Process Costing and Spoilage, Rework and Scrap Direct Costs
 - Weighted average process costing with spoilage, rework, and scrap
 - FIFO process costing with spoilage, rework, and scrap

- Accounting for reworked units and scrap
6. Cost Management: Quality, Time and the Theory of Constraints
- Quality as a competitive tool
 - Analysis of quality
 - Costs and benefits of quality improvement
 - Time as a competitive tool
 - Theory of constraints and throughput contribution
7. Capital Budgeting
- Time value of money applications
 - Discounted cash flow methods; net present value, internal rate of return
 - Non-discounted cash flow methods; payback
 - Income tax and capital budgeting
 - Implementing capital budgeting
8. Transfer Pricing and Multinational Management Control Systems
- Management control systems
 - Transfer pricing alternatives
 - Market based
 - Cost based
 - Negotiated
 - Multinational transfer pricing and tax considerations

Methods for Prior Learning Assessment and Recognition

As per TRU policy

Attendance Requirements – Include if different from TRU Policy

As per TRU policy

Special Course Activities – Optional

Use of Technology – Optional