SYLLABUS
ACC 335 – MANAGERIAL COST ACCOUNTING

MEETING TIME: Thursdays: 6:00 p.m. - 10:00 p.m.

INSTRUCTOR: Britt Blackwell, MBA

OFFICE HOURS: I will try to arrive one half hour before scheduled class time. Other times arranged as needed.

PHONE: 308-398-7483
CELL: 308-550-0705
(Until 10:00 PM)

E-MAIL britt.blackwell@doane.edu

Use for class related e-mails ONLY

CATALOG DESCRIPTION: This course contains the concepts and techniques of managerial cost accounting, including cost analysis and estimation, cost management systems, and management control systems. Upon successful completion, students will: 1) identify and analyze cost information for decision-making, 2) understand cost management systems and create reports for internal use, 3) create budgets, 4) analyze actual results (compared to budgets) and identify sources of variances, and 5) recommend action plans as variances are identified.

COURSE OBJECTIVE: Students will be able to use the Contribution Margin approach to make business assessments and decisions.

- Students will able to evaluate performance using ROI, Residual Income, and Internal Rate of Return.
- Students will be able to use Capital Budgeting techniques to evaluate investment opportunities.
- Students will be able to use Standard Costs, and to calculate and journalize variances.

PREREQUISITE: ACC 232 with a C- or higher or permission from instructor.


Establishment of an account at McGraw-Hill Connect to access homework and Test assignments and submissions is required.

http://connect.mcgraw-hill.com/class/b_blackwell_summer_session_2014

CALCULATORS: Basic 6 function calculators may be used for any class activity including Exams
METHODS OF INSTRUCTION: Primarily through lecture, demonstration, and homework review. Questions are encouraged and participation is expected.

ATTENDANCE: Most chapters in this course build upon the foundation of earlier chapters. Absences impair ability to master new material; the result will be lower grades without an imposed penalty. If the student expects to learn, (s)he must attend class.

METHODS OF LEARNING: Reading for the chapter should be done prior to the scheduled lecture on that chapter. This initial reading should be done in order to become familiar with the issues and to identify potential problem areas. After the lecture over the chapter, reread for mastery. For the majority of students, failure to do homework results in failure to master the course content. Be prepared to solve assigned problems in class when called upon. It is best to try to do the assignments without referring to the text unless absolutely necessary. As problems are discussed, make corrections in a different color; this will help identify problem areas to study for exams. Each chapter begins with a list of “Learning Objectives.” At the conclusion of each chapter, refer back to these objectives and confirm that you have mastered each of them. I encourage you to form study groups to prepare for in-class activities and exams.

EXAMS: There will be 6 unit exams. Exams will be on line. Be advised – On line exams are more challenging than in-class exams. On-Line exams must be submitted as announced. Make-up of an exam is allowed at the sole discretion of the instructor and only under the most extreme circumstances, (and then requires the signatures of three physicians, the governor of Utah, and the Archbishop of Canterbury). In other words, don’t miss scheduled exams.

GRADES: The final grade will be determined as follows: 6 exams 80 % of Grade (@ 100) 600 plus 7 Homework Assignments 20% of Grade (@100) 

Grading Scale

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ACADEMIC DISHONESTY: The Doane College Academic Integrity Policy will be adhered to in
this class. All projects and tests will represent your own work. Any use of others’ ideas and words without proper citation is plagiarism and will result in penalties to be determined by the instructor and/or the dean of undergraduate studies. Students may work together to complete homework assignments, but work should be substantially one’s own. In-class exams are to be the work of each individual only.

**STUDENT INFORMATION:** The Family Educational and Privacy Rights Act (FERPA), places strict restrictions upon school personnel, including instructors, regarding disclosure of personal information, including grades. Students may request exam results or grades by e-mailing a request from their Doane e-mail account. **Please do not ask to receive exam results or grades via phone or another e-mail address. The instructor reserves the right to revise the schedule and/or assignments as the term develop. I am in the process of reviewing the chapters and assignments which may well change. It is the student's responsibility to keep up to date with any revisions.**

**CURRICULUM**

**Chapter 1  Managerial Accounting and the Business Environment**
- Understand the role of management accountants in an organization.
- Understand the basic concepts underlying Lean Production, the Theory of Constraints (TOC), and Six Sigma.
- Understand the importance of upholding ethical standards.

**Chapter 2  Managerial Accounting and Cost Concepts**
- Identify the major differences and similarities between financial and managerial accounting.
- Identify and give examples of each of the three basic manufacturing cost categories.
- Distinguish between product costs and period costs and give examples of each.
- Prepare an income statement including calculation of the cost of goods sold.
- Prepare a schedule of cost of goods manufactured.
- Understand the differences between variable costs and fixed costs.
- Understand the differences between direct and indirect costs.
- Understand cost classifications used in making decisions: differential costs, opportunity costs, and sunk costs.
- Properly account for labor costs associated with idle time, overtime, and fringe benefits.
- Identify the four types of quality costs and explain how they interact.

**Chapter 5  Cost-Volume-Profit Relationships**
- Explain how changes in activity affect contribution margin and net operating income.
Prepare and interpret a cost-volume-profit (CVP) graph and a profit graph.

Use the contribution margin ratio (CM ratio) to compute changes in contribution margin and net operating income resulting from changes in sales volume.

Show the effects on contribution margin of changes in variable costs, fixed costs, selling price, and volume.

Determine the level of sales needed to achieve a desired target profit.

Determine the break-even point.

Compute the margin of safety and explain its significance.

Compute the degree of operating leverage at a particular level of sales and explain how it can be used to predict changes in net operating income.

Compute the break-even point for a multiproduct company and explain the effects of shifts in the sales mix on contribution margin and the break-even point.

Chapter 6  
Variable Costing: A Tool for Management

Explain how variable costing differs from absorption costing and compute unit product costs under each method.

Prepare income statements using both variable and absorption costing.

Reconcile variable costing and absorption costing net operating incomes and explain why the two amounts differ.

Understand the advantages and disadvantages of both variable and absorption costing.

Chapter 7  
Activity Based Costing

Designing an ABC Costing System

Explain the mechanics of ABC

Comparison of Traditional versus ABC Product Costs

Targeting Improvements

Chapter 9  
Flexible Budgets and Performance Analysis

Prepare a flexible budget.

Prepare a report showing activity variances.

Prepare a report showing revenue and spending variances.

Prepare a performance report that combines activity variances and revenue and spending variances.

Prepare a flexible budget with more than one cost driver.

Understand common errors made in preparing performance reports based on budgets and actual results.

Chapter 10  
Standard Costs and Operating Performance Measures

Explain how direct materials standards and direct labor standards are set.

Compute the direct materials price and quantity variances and explain their significance.
o Compute the direct labor rate and efficiency variances and explain their significance.
o Compute the variable manufacturing overhead rate and efficiency variances.
o Compute delivery cycle time, throughput time, and manufacturing cycle efficiency (MCE).
o (Appendix 11A) Compute and interpret the fixed overhead budget and volume variances.
o (Appendix 11B) Prepare journal entries to record standard costs and variances.

Chapter 11  Performance Measurement in Decentralized Organizations

o Compute return on investment (ROI) and show how changes in sales, expenses, and assets affect ROI.
o Compute residual income and understand its strengths and weaknesses.
o Compute delivery cycle time, throughput time, and manufacturing cycle efficiency (MCE).
o Understand how to construct and use a balanced scorecard.
o (Appendix 11A) Determine the range, if any, within which a negotiated transfer price should fall.
o (Appendix 11B) Charge operating departments for services provided by service departments.

Chapter 12  Segment Reporting, Decentralization, and the Balanced Scorecard

o Prepare a segmented income statement using the contribution format, and explain the difference between traceable fixed costs and common fixed costs.
o Compute return on investment (ROI) and show how changes in sales, expenses, and assets affect ROI.
o Compute residual income and understand its strengths and weaknesses.
o Understand how to construct and use a balanced scorecard.
o (Appendix 12A) Determine the range, if any, within which a negotiated transfer price should fall.
o (Appendix 12B) Charge operating departments for services provided by service departments.