ACC 104 Managerial Accounting

Fall Term • 2015 • Wednesdays 6:00 - 10:30 PM

Instructor: Virgil Harden, MBA


OFFICE HOURS: I will arrive for class thirty minutes ahead of time and can be reached as follows;

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COURSE OBJECTIVE: An introduction to the use of accounting data by managers in directing the internal affairs of organizations. Topics include; cost relationship, statement analysis, management reports, and other accounting techniques and methodology used for management purposes. Upon completion of this course, students will: (1) analyze and interpret information conveyed in financial statements; (2) use standard accounting statements in decision making; (3) read and understand accounting terminology related to managerial accounting; and (4) work effectively with others in teams. Prerequisite: ACC 103 with a minimum grad of C-, or permission.

GRADE BREAKDOWN: Your grade will consist of 5 tests (one of which is to hand in a written copy of an audit report, on page 456) using the grading system below.

100-95% = A+  
94-90% = A  
89-85% = B+  
84-80% = B  
79-75% = C+  
74-70% = C  
69-65% = D+  
64-60% = D  
Below 60% = U

ATTENDANCE: Student attendance in each class session is required. It’s the responsibility of each instructor to take role in each session and record absences. How your attendance, or lack thereof, affects your grade is left to the discretion of each instructor. If you will be absent from a class session, for whatever reason, you may contact me prior to that class session by any of the methods listed above.

CLASS PARTICIPATION: Participation in each class session is required. A question on material indicates you’re seeking to gain understand which is essential to the learning process.

ASSESSMENTS: The purpose of each assessment is to assess your level of understanding concerning the text, lectures, and class session discussion. Contents will be announced prior to the assessment.

ASSIGNMENTS: You are expected to read and be prepared to discuss the appropriate text chapters prior to each class session.
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The schedule is as follows:

Aug 19 – Chapter 13 • Aug 26 – Chapter 14 • Sept 2 – Chapter 15 • Sept 9 – Chapter 16 • Sept 16 – Chapters 17 • Sept 23 – Chapters 18 • Sept 30 -Chapter 19 • Oct 7 – Chapter 20

The Doane Academic Integrity Policy will be adhered to in this class. All projects and test will present our own work. Any use of other ideas and words without proper citation of sources is plagiarism and will result in penalties to be determined by the instructor and/or dean of undergraduate studies.

Homework will be assigned weekly and become due the Tuesday (midnight) prior to the next class session (right to change due dates is reserved). A weekly quiz will be assigned and due the Saturday (midnight) following the homework due date for each chapter.

CURRICULUM

I. Managerial Accounting Concepts and Decision-Making Support
   a. Explaining the meaning of managerial accounting and contrast it to financial accounting.
   b. Identify and explain the current focus of managerial accounting and the role of managerial accountants in an organization.
   c. Explain the meaning of cost and how costs are assigned to products and services.
   d. Define the various costs of manufacturing products and providing services as well as selling and administration.
   e. Prepare income statements and for manufacturing and services organizations.
   f. Explain the importance of ethical behavior for managers and managerial accountants.

II. Cost Behavior
   a. Explain the meaning of cost behavior, and define and describe fixed and variable cost.
   b. Define and describe mixed and step costs.
   c. Separate mixed cost into their fixed and variable components using the high low method least squares.
   d. Use a PC spreadsheet program to perform the method of least squares.

III. Cost-Volume-Profit Analysis: A Managerial Planning Tool
   a. Determine the break-even point in number of units and in total sales dollars.
   b. Determine the number of units that must be sold, and the amount of revenue required, to earn a targeted profit.
   c. Prepare a profit-volume graph and a cost-volume-profit graph, and explain the meaning of each.
   d. Apply cost-volume-profit analysis in a multiple-product setting.
   e. Explain the impact of risk, uncertainty, and changing variables on a cost-volume-profit analysis.
IV. Making The Connection – I
   a. Cost Behavior and Cost-Volume-Profit Analysis for Many Glacier Hotel

V. Job-Order Costing
   a. Describe the differences between job-order costing and process costing, and identify the types of firms that would use each method.
   b. Compute the predetermined overhead rate, and use the rate to assign overhead to units or services provided.
   c. Identify and set up the source documents used in a job-order costing.
   d. Describe the cost flows associated with job-order costing.
   e. Prepare the journal entries associated with job-order.
   f. Allocate support department cost to producing departments.

VI. Process Costing
   a. Describe the basic characteristics and cost flows associated with process manufacturing.
   b. Define equivalent units and explain their role in process costing. Explain the difference between the weighted average method and the FIFO method of accounting for process costs.
   c. Prepare a departmental production report using the weighted average method.
   d. Explain how nonuniform inputs and multiple processing departments affect processing costing.
   e. Prepare a departmental production report using the FIFO method.

VII. Activity-Based Costing and Management
   a. Explain why functional (or volume)-based costing approaches may produce distorted costs.
   b. Explain how an activity-based costing system works for product costing.
   c. Describe activity-based customer costing and activity-based supplier costing.
   d. Explain how activity-based management can be used for cost reduction.

VIII. Profit Planning
   a. Define budgeting and discuss its role in planning, control, and decision making.
   b. Define and prepare the operating budget, identify its major components, and explain the interrelationships of its various components.
   c. Define and prepare the financial budget, identify its major components, and explain the interrelationships of its various components.
   d. Describe the behavioral dimension of budgeting.
IX. Standard Costing: A Managerial Control Tool
   a. Explain how unit standards are set and why standard cost systems are adopted.
   b. Explain the purpose of a standard cost sheet.
   c. Describe the basics concepts underlying variance analysis, and explain when variances should be investigated.
   d. Compute the materials variances, and explain how they are used for control.
   e. Prepare journal entries for materials and labor variances.

X. Making The Connection – II
   a. Cost system Choices, Budgeting, and Variance Analysis for Sacred Heart Hospital