Managerial Accounting ACC104
3 credit hours
Autumn term 2016, Instructor: Theresa Powell, CPA, Mondays 6:00 – 10:00 p.m.

Textbook (Required): Cornerstones of Financial and Managerial Accounting, 6th Edition
Authors: John Wild, Ken Shaw, Barbara Chiappetta

Note: If you choose to purchase the book on your own, you may purchase the access for Connect for $130 from the publisher.

Please Note: You do not need to purchase a new textbook if you took ACC103 during the 16SUM term. Your text and website access will continue into ACC104.

Required: Students must establish an account at McGraw Hill to access homework and tests.
http://connect.mheducation.com/class/t-powell-library-course

OFFICE HOURS: By appointment
Phone: 402-984-8988 until 9 pm.
Email: theresa.powell@doane.edu

Class Start Date: August 16, 2016.
End Date: October 4, 2016 will be our final class meeting. The term ends October 15, 2016.

Course Description
This course is an introduction to the use of accounting data by managers in directing the internal affairs of organizations. Topics include cost relationship, statement analysis, managerial reports, and other accounting techniques and methodology used for management purposes.

Prerequisites
ACC103 Financial Accounting with a minimum grade of C- or permission.

Supplies Required: Calculator

Course Grade Information:
90 – 100 = A
80 - 89 = B
70 – 79 = C
60 – 69 = D
Below 60 = F
Other Grading Information:
24 interactive presentations @ 25 points each
12 assignments @ 50 points each
12 quizzes @ 100 points each

The Doane Academic Integrity Policy will be adhered to in this class. All projects and tests will represent your 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.

STUDENT INFORMATION: The Family Educational and Privacy Rights Act (FERPA), places restrictions upon school personnel, including instructors, regarding disclosure of personal information, including grades. Students may request exam results or grades by emailing a request from the Doane email account. Please do not ask to receive exam results or grades via phone or another email address. The instructor reserves the right to revise the schedule and/or the assignments as the term develops. 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

A) Managerial Accounting Concepts and Principles
Learning Objectives:
- Explain the purpose and nature of ethics in managerial accounting.
- Describe accounting concepts useful in classifying costs.
- Define product and period costs and explain how they impact financial statements.
- Explain how balance sheets and income statements for manufacturing, merchandising, and service companies differ.
- Explain manufacturing activities and the flow of manufacturing costs.
- Describe trends in managerial accounting.
- Assess raw materials inventory management using raw materials inventory turnover and days’ sales in raw materials inventory.
- Compute cost of goods manufactured and explain its purpose and links to the financial statements.

B) Job Order Costing and Analysis
Learning Objectives:
- Describe important features of job order production.
- Explain job cost sheets and how they are used in job order costing.
- Apply job order costing in pricing services.
- Describe and record the flow of materials costs in job order costing.
- Describe and record the flow of labor costs in job order costing.
- Describe and record the flow of overhead costs in job order costing.
- Determine adjustments for overapplied and underapplied factory overhead.
C) Process Costing and Analysis
Learning Objectives:
Explain process operations and the way they differ from job order operations.
Define and compute equivalent units and explain their use in process costing.
Describe accounting for production activity and preparation of a process cost summary using weighted average.
Compare process costing and job order costing.
Explain and illustrate a hybrid costing system.
Record the flow of materials, labor, and factory overhead costs in process costing.
Record the transfer of goods across departments, to Finished Goods Inventory, and to Cost of Goods Sold.

D) Activity-Based Costing and Analysis
Learning Objectives:
Distinguish between the plant-wide overhead rate method, the departmental overhead rate method, and the activity-based costing method.
Explain cost flows for activity-based costing.
Describe the four types of activities that cause overhead costs.
Identify and assess advantages and disadvantages of the plant-wide overhead and departmental overhead rate methods.
Allocate overhead costs to products using the plant-wide overhead rate method.
Allocate overhead costs to products using the departmental overhead rate method.
Allocate overhead costs to products using activity-based costing.

E) Cost Behavior and Cost-Volume-Profit Analysis
Learning Objectives:
Describe different types of cost behavior in relation to production and sales volume.
Describe several applications of cost-volume-profit analysis.
Compute the contribution margin and describe what it reveals about a company’s cost structure.
Analyze changes in sales using the degree of operating leverage.
Determine cost estimates using the scatter diagram, high-low, and regression methods of estimating costs.
Compute the break-even point for a single product company.
Compute the break-even point for a multiproduct company.

F) Variable Costing and Analysis
Learning Objectives:
Describe how absorption costing can result in overproduction.
Use variable costing in pricing special orders.
Compute unit cost under both absorption and variable costing.
Prepare and analyze an income statement using absorption costing and using variable costing.
Convert income under variable costing to the absorption cost basis.
Determine product selling price based on absorption costing.
G) Master Budgets and Performance Planning
Learning Objectives:
Describe the benefits of budgeting, and the process of budget administration.
Describe a master budget and the process of preparing it.
Analyze expense planning using activity-based budgeting.
Prepare the operating budget components of a master budget for a manufacturing company.
Prepare a cash budget.
Prepare budgeted financial statements.

H) Flexible Budgets and Standard Costs
Learning Objectives:
Define standard costs and explain how standard cost information is useful for management by exception.
Describe cost variances and what they reveal about performance.
Analyze changes in sales from expected amounts.
Prepare a flexible budget and interpret a flexible budget performance report.
Compute materials and labor variances.
Compute overhead controllable and volume variances

I) Performance Measurement and Responsibility Accounting
Learning Objectives:
Distinguish between direct and indirect expenses and identify bases for allocating indirect expenses to departments.
Analyze investment centers using return on investment and residual income.
Analyze investment centers using profit margin, investment turnover, and balanced scorecard.
Compute cycle time and cycle efficiency, and explain their importance to production management.
Prepare a responsibility accounting report using controllable costs.
Allocate indirect expenses to departments.
Prepare departmental income statements and contribution reports.

J) Relevant Costing for Managerial Decisions
Learning Objectives:
Describe the importance of relevant costs for short-term decisions.
Evaluate short-term managerial decisions using relevant costs.
Determine product selling price based on total costs.
Identify relevant costs and apply them to managerial decisions.

K) Capital Budgeting and Investment Analysis
Learning Objectives:
Analyze a capital investment project using break-even time.
Compute payback period and describe its use.
Compute accounting rate of return and explain its use.
Compute net present value and describe its use.
Compute internal rate of return and explain its use.