Managerial Accounting

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| **C-ID Number** | ACCT 120 |
| **Discipline** | Accounting |
| **Date Approved** | June 21, 2012 |

## General Course Description

This is the study of how managers use accounting information in decision-making, planning, directing operations and controlling.  Focuses on cost terms and concepts, cost behavior, cost structure and cost-volume-profit analysis.  Includes issues relating to cost systems, cost control, profit planning, and performance analysis in manufacturing and service environments.

## Minimum Units

3.0

## Any rationale or comments

None

## Advisories/Recommendations

None

## Course Content

(Representing at least 80% of course coverage)

Decision making: relevant costs and benefits
Basic cost management concepts
Cost-volume-profit analysis
Job-order and process costing
Activity-based costing
Profit planning and budgeting
Standard costing and flexible budgeting
Responsibility accounting, segment reporting, and performance analysis
Absorption and variable costing
Capital expenditure decisions
Ethical issues

## Laboratory Activities

## Course Objectives

At the conclusion of this course, the student should be able to:

Identify and illustrate the primary activities and information needs of managers and explain the role of the managerial accountant as a member of the management team; compare and contrast financial and managerial accounting;
Define and illustrate various cost terms, concepts, and behaviors, and evaluate their relevancy for different decision-making purposes;
Distinguish between product and period costs and prepare and evaluate a Schedule of Cost of Goods Manufactured, Schedule of Cost of Goods Sold, and Income Statement;
Prepare traditional and contribution-margin income statements and define related terms;
Explain cost-volume-profit analysis, degree of operating leverage, and safety margin and employ each as an analytical tool;
Describe the traditional types of product costing systems (including job-order and process), illustrate the flow of costs in each, and prepare related accounting records and reports;
Discuss the impact of technology on the business environment, its implications for product and service costs, and the development of activity-based costing and management;
Explain the purposes of budgeting, prepare a master budget and its component schedules, and relate the budget to planning and control;
Explain the development and use of standard costs and flexible budgets, prepare and interpret variance analysis reports and relate them to responsibility accounting and control;
Explain the nature of and need for segment reporting and the relationship with cost, revenue, profit, and investment centers; prepare and analyze related segment reports;
Compare and contrast absorption costing and variable costing, prepare income statements using both methods, and reconcile the resulting net incomes;
Define relevant costs and benefits and prepare analyses related to special decisions;
Explain the nature of capital expenditure decisions and apply and evaluate various methods used in making these decisions; including the time value of money and
Identify the ethical implications inherent in managerial accounting and reporting and be able to apply strategies for addressing them.

## Prerequisites

ACCT 110 Financial Accounting

## Corequisites

None

## Methods of Evaluation

Problem solving exercises; oral and written assignments; quizzes and examinations, which include problem solving, essay and/or analysis interpretation and presentation. Topics included in the course, such as job order costs systems, cost-volume-profit analysis, activity based costing, capital budgeting, investment decision making, will be assessed using multiple methods, as described.

## Sample Textbooks

A college level textbook supporting the learning objectives of this course and content within 5 years must be considered when matching courses to this descriptor.
Garrison, Noreen, and Brewer. Managerial Accounting. McGraw-Hill Irwin.
Warren, Reeve, and Duchac. Managerial Accounting. Cengage Learning.
Wild and Shaw. Managerial Accounting. McGraw-Hill Irwin.

## Notes