

MASTER COURSE SYLLABUS

ACC 202 Concepts of Managerial Accounting 3(3-0) F,Sp,Su

I. Bulletin Description:

Students gain an understanding of how the information provided by an accounting information system is used for managerial decision making.

II. Prerequisites:

Minimum grade of C- in ACC 201.

III. Rationale for Course Level:

This course provides managerial accounting concepts to all College of Business Administration students as well as other students in selected majors. It is designed as an introductory course that should be available to lower-division students.

IV. Textbooks and Other Materials to be Furnished by the Student:

Wygandt, Kieso, Kimmel, *Managerial Accounting: Tools for Decision Making*, 2nd edition, Wiley, 2002.

V. Special Requirements of the Course:

None

VI. General Methodology Used in Conducting the Course:

The course is taught using a mixture of teaching methodologies. Lecture, class discussion, individual and group problem solving, case studies, and cooperative learning techniques are all acceptable methods of instruction. However, faculty are encouraged to emphasize approaches that promote active student learning.

VII. Course Objectives:

The fundamental goal of the School of Accounting is to prepare students for professional accounting and business careers. This course will promote the following behavior objectives to achieve this goal:

1. This course will encourage students to become active participants in the learning process.
2. Students will learn problem solving techniques including obtaining, organizing, analyzing, synthesizing, and evaluating information.
3. Students will be given opportunities to communicate the results of their analysis and problem solutions.

4. Students will be able to solve managerial accounting problems given in an unstructured situation.

Upon completion of this course, students will be able to:

1. Identify the major differences and similarities between financial and managerial accounting.
2. Identify each of the basic cost elements in manufacturing, and explain the flow of these cost elements through the manufacturing process.
3. Describe activity-based costing, and explain how it differs from more conventional costing methods.
4. Identify variable and fixed costs, and explain how each is affected by a change in activity level.
5. Explain how changes in activity affect contribution margin and net income.
6. Identify the advantages of budgeting, and explain how budgeting aids planning and control.
7. Enumerate the principal advantages and disadvantages of using standard costs, and explain how standards are set.
8. Explain the advantages of flexible budgeting over static budgeting.
9. Explain the importance of decentralization in a responsibility accounting system.
10. Distinguish between relevant and irrelevant costs in decision-making situations.
11. Use capital budgeting concepts to understand risk-return trade-offs in business decisions.

VIII. Course Outline:

Week	Concepts Covered
1	Managerial Accounting and the Business Environment
2	Cost Terms, Concepts, and Classifications
3	Systems Design: Job Order
4	Systems Design: Job Order (second week)
5	Systems Design: Activity-Based Costing and Quality Management
6	Exam; Cost Behavior: Analysis and Use
7	Cost Behavior: Analysis and Use
8	Cost-Volume-Profit Relationships
9	Capital Budgeting
10	Profit Planning
11	Capital Budgeting
12	Exam; Standard Costs & Operating Performance Measures
13	Flexible Budgets and Overhead Analysis
14	Segment Reporting, Profitability Analysis, and Decentralization
15	Relevant Costs for Decision Making

IX. Evaluation:

Three exams	60%
Instructor Quizzes, Cases, Projects, Homework.	40%
Total	100%

X. Bibliography:

Ingram, Robert W., Albright, Thomas L., and Hill; John W., *Managerial Accounting: Information for Decisions*, South-Western Publishing Company, 3rd edition, 2003.

Folk, Jeannie M., Garrison, Ray H., Noreen, Eric W., *Introduction to Managerial Accounting*, McGraw-Hill Irwin, 2002.

Needles, Belverd E., and Crosson, Susan V., *Managerial Accounting*, Houghton Mifflin, 2002.

Horgen, Charles T., Sundem, Gary L., and Stratton, William O., *Introduction to Managerial Accounting*, Prentice Hall, 12th edition, 2002.

The following journals should be considered good resources for Accounting 202:

Barton, Thomas L., Shenkir, William G., and Hess, John E., "Wyatt Earp, Frontier Accountant (Cost-Volume Profit Analysis in Buffalo Hunting)," *The CPA Journal*, June 1995, pp. 48-50.

Block, Stanley, "Capital Budgeting Techniques Used by Small Business Firms in the 1990's," *The Engineering Economist*, Summer 1997, pp. 289-302.

Coburn, Steve, Grove, Hugh, and Cook, Tom, "How ABC Was Used in Capital Budgeting (Activity-Based Cost Accounting)," *Management Accounting*, May 1997, pp. 38-40.

Dorkey, Frank C., and Jarrell, Gregg A., "Calculating Proper Transfer Prices (public Utilities)," *Public Utilities Fortnightly*, January 1991, pp. 25-27.

Ellentuck, Albert B., "Allocating the Cost of a Business Purchase," *Nation's Business*, November 1993, pp. 70.

Ferrava, William L., "Cost/Management Accounting: The 21st Century Paradigm (Product Costing)," *Management Accounting*, December 1995, pp. 30-45.

Flynn, Thomas, "Getting a Grip on Costs," *United States Banker*, May 1996, pp. 83-85.

Gaffney, Dennis J. and Smith, Maureen H., "Tough Standard for Service Cost Allocations," *Taxation for Accountants*, November 1997, pp. 274-283.

Gibson, Richard, and Beatty, Sally, " Budget Bungle Puts McDonald's in a Pickle," *Wall Street Journal* (Eastern Edition), July 1997, pp. B6.

Goebel, Daniel J., Marshall, Greg W., and Locander, William B., "Activity-Based Costing: Accounting for a Market Orientation," *Industrial Marketing Management*, November 1998, pp. 497-510.

Goldberg, Bernard, "Convex-Envelope Method of Optimal Capital Budgeting," *Industrial Management*, January/February 1997, pp. 14-15.

Groth, John C., and Byers, Steven S., "Creating Value: Economics and Accounting-Perspectives for Managers," *Management Decision*, v. 34, no.10, 1996, pp. 56-64.

Krumwiede, Kip R., "ABC: Why It's Tried and How It Succeeds," *Management Accounting*, April 1998, pp. 32-34.

Metzger, Lawrence M., "The Power to Compete: The New Math of Precision Management (Using Activity-Based Costing Data in a Multiproduct Cost-Volume-Profit Analysis Model)," *National Public Accountant*, May 1993, pp. 14-16.

Nandakumar, P., Datar, S. M., and Akella, R., "Models for Measuring and Accounting for Cost of Conformance Quality," *Management Science*, January 1993, pp: 1-16.

O'Henry, Sheila, "Profitability Program: Improves Efficiency and Marketing (Fulton Bank)," *Bank Marketing*, August 1995, pp. 19-20.

West, Robert N., and Snyder, Amy M, "How to Set Up a Budgeting and Planning System (Penn Fuel Gas)," *Business Credit September*, 1997, pp. 18-20.

Wolosky, Howard W., " A Renewed Interest in Activity Based Costing," *The Practical Accountant*, February 1998, pp. 29-33.

JOURNALS

In addition to the articles listed above, the following journals should be good resources for teaching Accounting 202.

CPA Journal
Issues in Accounting Education

Journal of Accountancy

Management Accounting

The Practical Accountant

The Wall Street Journal

Syllabus Prepared by David Karmon
Name

Signature

4/4/03

Date