JEFFERSON COLLEGE

COURSE SYLLABUS

BUS 241

MANAGERIAL ACCOUNTING

3 Credit Hours

Prepared by:
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Ms. Shirley Davenport, Dean, Arts & Science Education
BUS 241 MANAGERIAL ACCOUNTING

I. CATALOGUE DESCRIPTION

A. Course pre-requisites/co-requisites:
   BUS 240 (Financial Accounting) with a grade of “C” or better
   Reading proficiency

B. 3 semester credit hours

B. Description: Managerial Accounting continues the study of accounting but from the standpoint of management. This course is required of students who wish to transfer to a four-year college, majoring in any field of business, leading to a Bachelor’s degree (F, S)

II. EXPECTED LEARNING OUTCOMES / CORRESPONDING ASSESSMENT MEASURES

<table>
<thead>
<tr>
<th>Expected Learning Outcomes</th>
<th>Assessment Measures</th>
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<tr>
<td>Demonstrate an understanding of product and non-product costs, and the effects of these different costs on the financial statements</td>
<td>In-class exercises, quizzes, midterm exam, final exam</td>
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<tr>
<td>Demonstrate an understanding of cost behavior and the effects of different types of cost behavior on company profitability</td>
<td>In-class exercises, quizzes, midterm exam, final exam</td>
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<td>Conduct cost-volume-profit analyses using the contribution margin formatted income statement</td>
<td>In-class exercises, quizzes, midterm exam, final exam</td>
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<td>Conduct cost/benefit analyses associated with various types of special decisions (e.g., special order, outsourcing, segment elimination, etc.)</td>
<td>In-class exercises, quizzes, midterm exam, final exam</td>
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<td>Apply cost allocation techniques to the allocation of various indirect costs</td>
<td>In-class exercises, quizzes, midterm exam, final exam</td>
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<td>Prepare all of the schedules comprising a company's master (operations) budget, and they will compute and interpret different types of budget variances</td>
<td>In-class exercises, quizzes, final exam</td>
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<td>Apply the time value of money concept in conducting net present value analyses associated with capital investment decisions</td>
<td>In-class exercises, quizzes, final exam</td>
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<td>Demonstrate an understanding of accounting concepts associated with job-order and process costing systems within a manufacturing environment</td>
<td>In-class exercises, quizzes, final exam</td>
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Calculate and interpret various financial ratios associated with assessing company liquidity, solvency, profitability, and position in the stock market

In-class exercises, financial statement analysis project

III. OUTLINE OF TOPICS

A. Management accounting and corporate governance
   1. Managerial versus financial accounting
   2. Product versus non-product costs, and effects of product and non-product costs on financial statements
   3. Cost classification

B. Cost behavior, operating leverage, and profitability analysis
   1. Fixed, variable and mixed cost behavior
   2. Effects of operating leverage on profitability
   3. Contribution margin formatted income statement
   4. Magnitude of operating leverage

C. Analysis of cost, volume, and pricing to increase profitability
   1. Break-even analyses
   2. Cost-volume-profit analyses
   3. Margin of safety

D. Cost accumulation, tracing, and allocation
   1. Direct versus indirect costs
   2. Allocation of indirect costs to cost objects
   3. Selection of cost drivers for cost allocation
   4. Allocation of joint product costs using two different allocation bases

E. Cost management in an automated business environment
   1. Importance of activity-based costing (ABC) in determination of product cost
   2. Cost centers and cost drivers in activity-based costing environment
   3. Use of traditional costing (i.e., single cost driver) and activity-based costing in allocation of product overhead
   4. Components of quality costs

F. Relevant information for special decisions
   1. Characteristics associated with relevant information
   2. Effects of unit-level, batch-level, product-level and facility-level costs on decision making
   3. Quantitative analyses and qualitative considerations associated with special order, outsourcing and segment elimination decisions
G. Planning for profit and cost control
   1. Benefits associated with budgeting process
   2. Sales budget and schedule of cash receipts
   3. Inventory purchases budget and schedule of cash payments for inventory purchases
   4. Selling and administrative expense budget and schedule of cash payments for selling and administrative expenses
   5. Cash budget
   6. Pro forma financial statements

H. Performance evaluation
   1. Static and flexible budgets
   2. Classification of variances as favorable or unfavorable
   3. Sales and variable cost volume variances, flexible budget variances, fixed cost variances, and price and quantity variances

I. Planning for capital investments
   1. Time value of money concept and application to capital investment decisions
   2. Net present value of investment opportunity
   3. Internal rate of return of investment opportunity
   4. Comparison of capital investment alternatives
   5. Techniques that ignore time value of money (e.g., payback method, unadjusted rate of return method, etc.)

J. Product costing in service & manufacturing entities
   1. Flow of materials, labor and overhead costs in a manufacturing environment
   2. Estimation of overhead costs
   3. Schedule of cost of goods manufactured and sold
   4. Financial statements in manufacturing environment
   5. Absorption versus variable costing

K. Job-order, process, and hybrid costing systems
   1. Job-order versus process costing systems
   2. Job-Order costing system: journal entries, schedule of cost of goods manufactured and sold, and financial statements
   3. Process costing system: journal entries, schedule of cost of goods manufactured and sold, and financial statements
   4. Calculation of equivalent units

L. Financial statement analysis
   1. Horizontal versus vertical analysis
   2. Calculation and interpretation of ratios in assessment of company's liquidity, solvency, profitability, and position in stock market
   3. Limitations of financial statement analysis
IV. METHODS OF INSTRUCTION
   A. Lecture
   C. Class discussion
   D. In-class exercises
   C. Textbook

V. REQUIRED TEXTBOOK

VI. REQUIRED MATERIALS
   Notes, in-class exercises, and handheld calculator

VII. SUPPLEMENT REFERENCES
   Solution Manual

VIII. METHODS OF EVALUATION
   A. In-class, closed-book chapter quizzes for each chapter
   B. In-class, closed-book midterm examination
   C. In-class, closed-book comprehensive final examination
   D. Assignments (e.g., Financial Statement Analysis Project, etc.).

IX. ADA AA STATEMENT
   Any student requiring special accommodations should inform the instructor and the Coordinator of Disability Support Services (Library phone 636-481-3169)

X. ACADEMIC HONESTY STATEMENT
   All students are responsible for complying with campus policies as stated in the Student Handbook (see College Website, http://www.jeffco.edu/jeffco/index.php?option=com_weblinks&catid=26&Itemid=84)

XI. ATTENDANCE STATEMENT
Students earn their financial aid by regularly attending and actively participating in their coursework. If a student does not actively participate, he/she may have to return financial aid funds. Consult the College Catalog or a Student Financial Services representative for more details.