JEFFERSON COLLEGE
COURSE SYLLABUS

BUS 241
MANAGERIAL ACCOUNTING
3 Credit Hours

Prepared by:
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Arts & Science Education
Dr. Mindy Selsor, Dean
BUS241 Managerial Accounting

I. CATALOG DESCRIPTION

A. Prerequisite: BUS240 with a grade of "C" or better.

B. 3 semester hours credit.

C. 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 school, majoring in any field of business, leading to a bachelor’s degree. (F,S)

II. EXPECTED LEARNING OUTCOMES / ASSESSMENT MEASURES

<table>
<thead>
<tr>
<th>Students will be able to distinguish product costs from non-product costs, and they will be able to explain the effects of product costs and non-product costs on the financial statements.</th>
<th>In-class exercises, quiz, midterm exam and final exam on which students demonstrate their ability to distinguish product costs from non-product costs, and their ability to explain the effects of product and non-product costs on the financial statements.</th>
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<tr>
<td>Students will be able to identify and describe different types of cost behavior, and they will be able to explain the effects of these different types of cost behavior on company profitability.</td>
<td>In-class exercises, quiz, midterm exam and final exam on which students demonstrate their ability to identify and describe these different types of cost behavior, and their ability to explain the effects of these different types of cost behavior on company profitability.</td>
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<tr>
<td>Students will be able to conduct cost-volume-profit analyses using the contribution margin formatted income statement.</td>
<td>In-class exercises, quiz, midterm exam and final exam on which students demonstrate their ability to conduct cost-volume-profit analyses using the contribution margin formatted income statement.</td>
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<td>Students will be able to conduct cost/benefit analyses associated with various types of special decisions (e.g., special order, outsourcing, segment elimination, etc.).</td>
<td>In-class exercises, quiz, midterm exam and final exam on which students demonstrate their ability to conduct cost/benefit analyses associated with various types of special decisions (e.g., special order, outsourcing, segment elimination, etc.).</td>
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<td>Students will be able to allocate indirect costs to cost objects, and they will be able to allocate joint product costs using different allocation bases.</td>
<td>In-class exercises, quiz, midterm exam and final exam on which students demonstrate their ability to allocate indirect costs to cost objects, and their ability to allocate joint product costs using different allocation bases.</td>
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<td>Students will be able to prepare all of the schedules comprising a company's master (operating) budget.</td>
<td>In-class exercises, quiz and final exam on which students demonstrate their ability to prepare all of the schedules comprising a company's master (operating) budget.</td>
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<td>Students will be able to compute and interpret different types of budget variances.</td>
<td>In-class exercises, quiz and final exam on which students demonstrate their ability to compute and interpret different types of budget variances.</td>
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<td>Students will be able to apply the time value of money concept in conducting net present value analyses associated with capital investment decisions.</td>
<td>In-class exercises, quiz and final exam on which students demonstrate their ability to apply the time value of money concept in conducting net present value analyses associated with capital investment decisions.</td>
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<td>Students will be able to distinguish between the job-order and process cost systems and prepare journal entries for companies that have adopted each of these systems. Students will also be able to prepare financial statements and a schedule of cost of goods manufactured and sold for a manufacturing company.</td>
<td>In-class exercises, quiz and final exam on which students demonstrate their ability to distinguish between the job-order and process cost systems, their ability to prepare journal entries for companies that have adopted each of these systems, and their ability to prepare financial statements and a schedule of cost of goods manufactured and sold for a manufacturing company.</td>
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<tr>
<td>Students will be able to calculate various financial ratios associated with assessing company liquidity, solvency, profitability and position in the stock market.</td>
<td>In-class exercises and quiz on which students demonstrate their ability to calculate various financial ratios associated with assessing company liquidity, solvency, profitability and position in the stock market.</td>
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### III. COURSE OUTLINE WITH UNIT OBJECTIVES

**A. Managerial Accounting and Corporate Governance (Chapter 1)**
1. Distinguish between managerial and financial accounting.
2. Distinguish between product and non-product costs and evaluate the effects of product and non-product costs on the financial statements.
3. Understand the importance of cost classification.

**B. Cost Behavior, Operating Leverage, and Profitability Analysis (Chapter 2)**
1. Identify and describe fixed, variable and mixed cost behavior.
2. Demonstrate the effects of operating leverage on profitability.
3. Prepare an income statement using the contribution margin approach.
C. Analysis of Cost, Volume, and Pricing to Increase Profitability (Chapter 3)
   1. Use the contribution margin per unit, contribution margin ratio and equation approaches to calculate the sales volume required to break even or to earn a target profit.
   2. Use the contribution margin per unit, contribution margin ratio and equation approaches to conduct cost-volume-profit analyses.
   3. Draw and interpret a cost-volume-profit graph.
   4. Calculate margin of safety.

D. Relevant Information for Special Decisions (Chapter 5)
   1. Identify the characteristics associated with relevant information.
   2. Distinguish among unit-level, batch-level, product-level and facility-level costs, and understand how these different costs affect decision making.
   3. Prepare quantitative analyses associated with special order, outsourcing and segment elimination decisions.
   4. Discuss qualitative considerations associated with various types of special decisions.
   5. Prepare a quantitative analysis associated with an equipment replacement decision. *(Optional)*

E. Cost Accumulation, Tracing, and Allocation (Chapter 4)
   1. Distinguish direct costs from indirect costs.
   2. Allocate indirect costs to cost objects.
   3. Select appropriate cost drivers for allocating indirect costs.
   4. Allocate joint product costs using two different allocation bases.

F. Cost Management in an Automated Business Environment (Chapter 6)
   1. Explain how activity-based costing (ABC) improves accuracy in determining the cost of products and services.
   2. Identify cost centers and cost drivers in an activity-based costing system.
   3. Use traditional costing (i.e., a single cost driver) and activity-based costing to allocate product overhead.
   4. Identify the components of quality costs.

G. Planning for Profit and Cost Control (Chapter 7)
   1. Describe the budgeting process and the benefits associated with it.
   2. Prepare a sales budget and related schedule of cash receipts.
   3. Prepare an inventory purchases budget and related schedule of cash payments for inventory purchases.
   4. Prepare a selling and administrative expense budget and related schedule of cash payments for selling and administrative expenses.
   5. Prepare a cash budget.
   6. Prepare the pro forma financial statements.
H. Performance Evaluation (Chapter 8)
1. Prepare static and flexible budgets.
2. Classify variances as favorable or unfavorable.
3. Compute and interpret sales volume variances, flexible budget variances, and price and usage variances.

I. Responsibility Accounting (Chapter 9) (Optional)
1. Describe the decentralization concept.
2. Describe the differences among cost, profit and investment centers.
3. Prepare and use responsibility reports.
4. Evaluate investment opportunities using return on investment (ROI) and residual income.

J. Planning for Capital Investments (Chapter 10)
1. Explain the time value of money concept and apply it to capital investment decisions.
2. Determine the present value of future cash flows.
3. Determine and interpret the net present value of an investment opportunity.
5. Use techniques that ignore the time value of money (e.g., payback method, unadjusted rate of return method, etc.) in evaluating an investment opportunity.

K. Product Costing in Service and Manufacturing Entities (Chapter 11)
1. Understand and demonstrate the flow of materials, labor and overhead costs for a manufacturing company.
2. Prepare a schedule of cost of goods manufactured and sold.
3. Prepare financial statements for a manufacturing company.
4. Distinguish between absorption and variable costing.

L. Job-order, Process and Hybrid Cost Systems (Chapter 12)
1. Distinguish between job-order and process cost systems.
2. Prepare journal entries, a schedule of cost of goods manufactured and sold, and financial statements for a company that has adopted a job-order cost system.
3. Prepare journal entries, a schedule of cost of goods manufactured and sold, and financial statements for a company that has adopted a process cost system.
4. Calculate equivalent units.

M. Financial Statement Analysis (Chapter 13)
1. Distinguish between horizontal and vertical analysis.
2. Calculate ratios for assessing a company's liquidity, solvency, profitability, and position in the stock market.
3. Explain limitations associated with financial statement analysis.
N. Statement of Cash Flows (Chapter 14) (Optional)
   1. Identify the types of business activities that are reported in the three sections of the statement of cash flows.
   2. Convert account balances from accrual to cash basis.
   3. Explain how the indirect method differs from the direct method in reporting cash flow from operating activities.

IV. METHODS OF INSTRUCTION
   A. Lecture
   B. Class Discussion, In-class Exercises
   C. Textbook

V. REQUIRED TEXTBOOK WITH PUBLICATION INFORMATION


VI. REQUIRED MATERIALS (STUDENT)
   Work Papers for Demonstration Problems

VII. SUPPLEMENT REFERENCES
   Solution Manual

VIII. METHOD OF EVALUATION (BASIS FOR DETERMINING GRADE)
   A. Closed-book, In-class, Chapter Quizzes (for each chapter)
   B. Closed-book, In-class, Midterm Exam (Chapters 1-6)
   C. Closed-book, In-class, Final Exam (Comprehensive)

IX. ADA STATEMENT

Any statement requiring special accommodations should inform the instructor and the Coordinator of Disability Support Services (Library; phone 636-797-3000, ext. 169).

X. ACADEMIC HONESTY STATEMENT

All students are responsible for complying with campus policies as stated in the Student Handbook (see College Website).