

CATALOG INFORMATION

Dept & Nbr: BUS 201 Title: MANAGERIAL ACCOUNTING
Full Title: Managerial Accounting

Units	Course Hours	Per Week	Nbr of Weeks	Course Hours	Total
Max: 4.0	Lecture	4.0	17	Lecture	68.0
Min: 4.0	Lab	0.0		Lab	0.0
	Contact DHR	0.0		Contact DHR	0.0
	Contact Total	4.0		Contact Total	68.0
	Non-contact DHR	0.0		Non-contact DHR	0.0

Title 5 Category: 01 AA Degree Applic
Grading: GC Credit course for grade or CR/NC
Repeatability: 00 No repeatability allowed or defined
Also listed as:

CATALOG DESCRIPTION:

This course will focus on the use of accounting information by managers in making internal decisions relating to product costing, pricing, cost differential analysis and control, budgeting and responsibility reporting. Students use decision-making techniques and models which assist managers in planning and controlling operations.

PREREQUISITES:

Completion of BUS 200.

RECOMMENDED PREPARATION:

BUS 50 and knowledge of spreadsheet software, and ENG 80 or placement into ENG 200 through the assessment process

LIMITS ON ENROLLMENT:

SCHEDULE OF CLASSES INFORMATION:

Prerequisites: Completion of BUS 200.
Recommended: BUS 50 and knowledge of spreadsheet software, and ENG 80 or placement into ENG 200 through the assessment process
This course will focus on the use of accounting information by managers in making internal decisions relating to product costing, pricing, cost differential analysis and control, budgeting and responsibility reporting. Students use decision-making techniques and models which assist managers in planning and controlling operations. (Grade or CR/NC)
Transfer Credit: CSU; UC.

ARTICULATION and CERTIFICATE INFORMATION

ASSOCIATE DEGREE: Effective: Inactive:
Area:
CSU GE: Effective: Inactive:
Transfer area:

IGETC: Effective: Inactive:
Transfer area:

CSU TRANSFER: TRANSFERABLE Effective: FALL 1981 Inactive:

UC TRANSFER: TRANSFERABLE Effective: FALL 1981 Inactive:

CAN:

CERTIFICATE APPLICABLE: C CERTIFICATE APPLICABLE COURSE

APPROVAL AND DATES

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Version 02 Submitted by: JULIE FINNEGAN Date: 05/06/2008
Department approved: Debra Polak Date: 05/15/2008
Curriculum approved: 06/01/1981 Version approved: 05/02/2008
Prerequisites approved: 04/22/2005 Last reviewed: 05/02/2008
Term effective: FALL 2008 Last taught: Inactive:

COURSE CONTENT

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OUTCOME AND OBJECTIVES:

These objectives comply with the Calif. Core Competency Model developed by the Calif. Society of Certified Public Accountants' Committee on Accounting Education.

This course will prepare the transfer degree and certificate students for business or accounting programs. Upon successful completion of the course the student will be able to:

1. Explain the difference between financial and managerial accounting, the role of managerial accounting and the primary informational needs of managers.
2. Define various cost terms and explain their use for different decision purposes.
3. Explain cost behavior and perform cost-volume-profit analysis and use it as a predictive tool.
4. Prepare operational budgets including the flexible budget and explain their role in planning and controlling operations and costs.
5. Identify and use relevant costs in making decisions including capital budgeting decisions which incorporate the use of time value of money techniques (i.e. NPV, IRR, ROR).
6. Discuss the development and use of standard costs.
7. Prepare and interpret variance reports and relate it to responsibility accounting and cost controls.
8. Explain the difference between short-run and long-run planning.
9. Use financial analysis tools and demonstrate understanding of financial statement information.
10. Apply analytical, interpersonal, and communication skills in problem solving.

TOPICS AND SCOPE:

- I. Introduction to Management Accounting
 - A. Role of financial versus managerial accounting
 - B. Careers in managerial accounting and professional ethics
- II. Basic Cost Terms and Concepts
 - A. Product and service costing
 - B. Cost classifications
 - C. Financial statement cost classifications

- D. Introduction to Job Order and Process costing systems
- III. Cost Behavior
 - A. Cost behavior patterns and definitions
 - B. Cost estimation methods
 - C. Cost predictions using behaviors
- IV. Cost Volume Profit Analysis
 - A. Break-even point
 - B. Contribution margin
 - C. Target profit planning
 - D. Profit planning and effects of sales mix
- V. Variable Costing
 - A. Absorption vs Variable Costing
 - B. Traditional vs contribution format Income Statements
 - C. Effect of change in production on income
 - D. Internal vs External reporting
 - E. Impact of JIT methods
- VI. Operational budgets: The Master Budget
 - A. Purposes and types of budgets
 - B. The master budget as a planning tool
 - C. Assumptions and predictions used in the master budget
 - D. Behavioral impact of budgets
 - E. Preparing and using flexible budgets for the control of over-head costs
- VII. Standard Costing and Variance Analysis
 - A. Setting standards and controlling mfg costs
 - B. Standards use in nonmanufacturing organizations
 - C. Cost variance analysis: materials, labor & overhead
 - D. Controllability of variances
 - E. Flexible standards and cost variance
- VIII. Responsibility Accounting and Performance Evaluation
 - A. Performance reports: cost, profit and investment centers
 - B. Segmental income reports preparation and use
 - C. Behavioral effects of responsibility accounting reports
- IX. Differential Decision-making
 - A. Identifying relevant costs and benefits
 - B. Special decisions: lease/purchase, make/buy, add/drop
 - C. Behavioral issues in decision-making
 - D. Use of qualitative factors in decision-making
 - E. Risk aversion
- X. Capital Budgeting Decisions
 - A. Discounted cash flow analysis
 - B. Choosing the hurdle rate
 - C. Comparing two investment projects
 - D. Post audit procedures
 - E. Effect of income taxes on capital budget decisions
 - F. Other investment decision methods
 - G. Ranking investment projects
- XI. Financial analysis
 - A. Statement of Cash Flows: Preparation and Interpretation
 - B. Comparative and common-size financial statements
 - C. Ratio analysis: The common stockholder
 - D. Ratio analysis: The short-term creditor
 - E. Ratio analysis: The long-term creditor

ASSIGNMENTS:

READING ASSIGNMENTS:

Chapters from the text and other outside business, professional, and career focused literature.

WRITING ASSIGNMENTS:

Homework and Exam written problems and exercises, essay question

exams, and team case reports.

OUTSIDE ASSIGNMENTS:

Written/spreadsheet homework involving problem solving and quantitative analysis and group case research, analysis, and presentation.

METHOD OF INSTRUCTION:

Interactive lecture, individual and team problem-solving demonstration

METHODS OF EVALUATION:

Exams (50-75% - multiple choics, true/false, matching items, completion, short answer), and quizzes/homework and lab exercises (25-50% - written or spreadsheet problems involving complex multiple step analysis).

BASIS FOR GRADING:

The assignment of a grade is based on the level of achievement of the outcomes and objectives of the course outline and is reflected in quantifiable terms in the course syllabus.

REPRESENTATIVE TEXTBOOKS:

Financial & Managerial Accounting, Warren Reeve et al, 2007