

BAD 2 Course Outline as of Fall 2013**CATALOG INFORMATION**

Dept and Nbr: BAD 2 Title: MANAGERIAL ACCOUNTING
 Full Title: Managerial Accounting
 Last Reviewed: 10/12/2020

Units		Course Hours per Week		Nbr of Weeks	Course Hours Total	
Maximum	4.00	Lecture Scheduled	4.00	17.5	Lecture Scheduled	70.00
Minimum	4.00	Lab Scheduled	0	6	Lab Scheduled	0
		Contact DHR	0		Contact DHR	0
		Contact Total	4.00		Contact Total	70.00
		Non-contact DHR	0		Non-contact DHR	0

Total Out of Class Hours: 140.00

Total Student Learning Hours: 210.00

Title 5 Category: AA Degree Applicable

Grading: Grade or P/NP

Repeatability: 00 - Two Repeats if Grade was D, F, NC, or NP

Also Listed As:

Formerly:

Catalog Description:

This course focuses on the use of accounting information by managers in making internal decisions relating to product/service costing, pricing, cost analysis and control, operational and capital budgeting and responsibility reporting. Students use decision making techniques and models which assist managers in planning and controlling operations. These objectives comply with the California Core Competency Model developed by the California Society of Certified Public Accountants' Committee on Accounting Education. This course will prepare the transfer degree and certificate students for business or accounting programs.

Prerequisites/Corequisites:

Course Completion of BAD 1

Recommended Preparation:**Limits on Enrollment:****Schedule of Classes Information:**

Description: This course focuses on the use of accounting information by managers in making internal decisions relating to product/service costing, pricing, cost analysis and control,

operational and capital budgeting and responsibility reporting. Students use decision making techniques and models which assist managers in planning and controlling operations. These objectives comply with the California Core Competency Model developed by the California Society of Certified Public Accountants' Committee on Accounting Education. This course will prepare the transfer degree and certificate students for business or accounting programs. (Grade or P/NP)

Prerequisites/Corequisites: Course Completion of BAD 1

Recommended:

Limits on Enrollment:

Transfer Credit: CSU;UC.

Repeatability: Two Repeats if Grade was D, F, NC, or NP

ARTICULATION, MAJOR, and CERTIFICATION INFORMATION:

AS Degree:	Area	Effective:	Inactive:
CSU GE:	Transfer Area	Effective:	Inactive:
IGETC:	Transfer Area	Effective:	Inactive:
CSU Transfer:	Transferable	Effective: Fall 1981	Inactive:
UC Transfer:	Transferable	Effective: Fall 1981	Inactive:

CID:

CID Descriptor: ACCT 120 Managerial Accounting
 SRJC Equivalent Course(s): BAD2

Certificate/Major Applicable:

Certificate Applicable Course

COURSE CONTENT

Outcomes and Objectives:

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. List the different types of ethical codes of conduct and acts such as those adopted by IMA (Institute of Management Accountants) individual companies, International Federation of Accountants (IFAC) codes at the international level, and the Sarbanes-Oxley Act of 2002 explaining the necessity of each in light of recent financial scandals.
3. Define various cost terms and explain their use for different decision purposes.
4. Compare job-order costing and process costing system designs for manufacturing or service departments with cost flows, overhead cost applications, equivalent unit cost, etc.
5. Explain cost behavior and perform cost-volume-profit analysis and use as a predictive tool.
6. Contrast variable and absorption costing related to internal and external reporting and decision making.
7. Examine segment reporting and decentralization as major determinates in responsibility accounting for wide applications in making decisions.
8. Complete operational budgets including the flexible budget and explain their roles in planning and controlling operational costs.
9. Describe the development and use of standard costs.

10. Identify and use relevant costs in making decisions including capital budgeting decisions which incorporate the use of time value of money techniques.
11. Apply financial analysis tools and demonstrate understanding of financial statement information.
12. Apply analytical, interpersonal, and communication skills in problem solving.

Topics and Scope:

I. Introduction to Management Accounting

- A. Role of financial vs. managerial accounting
- B. Careers in managerial accounting including certification
- C. Emerging issues such as use of technology and risk management in business and non-business organizations
- D. Importance of ethics for individuals as well as national and international companies
- E. Critical thinking skills, analytical skills, interpersonal and collaborative skills,
- F. Business reports

II. Basic Cost Terms and Concepts

- A. Product and service costing
- B. Cost classifications - different costs for different purposes
- C. Financial statement cost classifications
- D. Economic cost classifications

III. Systems Design: Job-Order Costing

- A. Process and overview
- B. Flow of cost
- C. Overhead application considerations
- D. Cost management in service and manufacturing environments
- E. Changes in using information technology

IV. Systems Design: Process Costing

- A. Comparison of job-order vs. process costing
- B. Flow of cost
- C. Equivalent units and computing and applying costs
- D. Operation costing

V. Cost Behavior and Estimation

- A. Cost behavior patterns and definitions
- B. Cost estimation methods
- C. Cost predictions using behaviors

VI. Cost Volume Profit (CVP) Analysis

- A. Break-even point
- B. Contribution margin
- C. Target profit planning
- D. Multi-product profit planning and effects of sales
- E. Contribution format income statement and CVP Analysis
- F. Effect of activity-based costing on CVP analysis

VII. 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 Just-In-Time (JIT) methods

VIII. 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
- IX. Standard Costing and Variance Analysis
 - A. Setting standards and controlling manufacturing costs
 - B. Standards use in nonmanufacturing organizations
 - C. Cost variance analysis: materials, labor & overhead
 - D. Controllability of variances
 - E. Standard costs and product costs
 - F. Advantages of standard costing systems
 - G. Standard costing systems in the new manufacturing environment
- X. Segment Reporting and Decentralization
 - A. Responsibility accounting: cost, profit and investment centers
 - B. Segmental income reports: preparation and use
 - C. Additional issues: Proper cost assignment, Return on investment (ROI), and residual income
 - D. Behavioral effects of responsibility accounting reports
- XI. Decision Making
 - A. Identifying relevant costs and benefits
 - B. Special decisions: special orders, make/buy, add/drop
 - C. Behavioral issues in decision making
 - D. Use of qualitative facts in decision making
 - E. Risk aversion
- XII. 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

Assignment:

1. Read text and other written materials (20 to 30 pages per week)
2. Homework involving problem solving and calculation skills
3. Group case research, report, analysis, and presentation
4. 3 to 5 exams, mid-term(s) and final exam

Methods of Evaluation/Basis of Grade:

Writing: Assessment tools that demonstrate writing skills and/or require students to select, organize and explain ideas in writing.

Group case reports

Writing 25 - 30%

Problem Solving: Assessment tools, other than exams, that demonstrate competence in computational or non-computational problem solving skills.

Homework problems, and group case analysis

Problem solving
20 - 25%

Skill Demonstrations: All skill-based and physical demonstrations used for assessment purposes including skill performance exams.

Group case assignments

Skill Demonstrations
20 - 30%

Exams: All forms of formal testing, other than skill performance exams.

3 to 5 exams, mid-term(s) and final exam

Exams
10 - 30%

Other: Includes any assessment tools that do not logically fit into the above categories.

Participation and group case presentations

Other Category
5 - 10%

Representative Textbooks and Materials:

Managerial Accounting, by Garrison and Noreen; Irwin McGraw-Hill Publications, 13th Edition, copyright 2010.