BAD 2 Course Outline as of Summer 2010

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 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.

Prerequisites/Corequisites:
Course Completion of BAD 1

Recommended Preparation:
Knowledge of spreadsheet software.

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 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. (Grade or P/NP)
Prerequisites/Corequisites: Course Completion of BAD 1
Recommended: Knowledge of spreadsheet software.
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. 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. Complete 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.
6. Describe 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-range and long-range planning and analytical tools and identify when each would be used.
9. Apply 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
- C. Emerging issues in business and non-business organizations
- D. Learn critical thinking skills, analytical skills, interpersonal and collaborative skills, and the ability to write 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
- E. Cost management in traditional and new manufacturing environments
- F. Introduction to Job Order and Process costing systems

III. Cost Behavior and Estimation
- 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. Multi-product profit planning and effects of sales mix
- E. Contribution format Income Statement and CVP analysis
- F. Effect of activity-based costing on CVP analysis

V. Variable Costing
- A. Absorption versus Variable Costing
- B. Traditional versus contribution format Income Statements
- C. Effect of change in production on income
- D. Internal versus 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. Standard costs and Product costs
- F. Advantages of standard costing systems
- G. Standard costing systems in the new mfg environment

VIII. Responsiblity 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. Decision Making
- A. Identifying relevant costs and benefits
- B. Special decisions: i.e. special orders, make/buy, add/drop

C. Behavioral issues in decision making
D. Use of qualitative facts 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

Assignment:

1. Read text and other written materials (20 to 30 pages per week)
2. Written homework involving problem solving and calculational skills
3. Group case research, report, analysis, and presentation
4. 3 to 5 Performance 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.

Written homework, essay exams, 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, quizzes, and group case problems	Problem solving 20 - 25%

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

Performance exams, group case assignments	Skill Demonstrations 20 - 30%

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

Multiple choice, true/false, matching items, completion, short answer	Exams 10 - 30%

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

Group participation and oral presentations	Other Category 5 - 10%

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