

ACCOUNTING 2020

MANAGERIAL ACCOUNTING

SYLLABUS FALL 2011

Instructor: Derrick Esplin, CPA, CMA

Cell: 435-619-4460
Home: 435-635-2867
E-mail: derrickesplin@dixie.edu

Office Location and Hours:

By Appointment

A. TEXT

Introduction to Management Accounting, 15th Edition, Horngren, Sundem, Stratton, Burgstahler and Schatzberg, Pearson/Prentice Hall, 2011.

B. COURSE DESCRIPTION

Managerial Accounting is the second class in a series of two classes which constitute the basic course in accounting fundamentals. Completion of the entire series is required of all majors in Accounting, Business Management, Economics, Finance and Marketing. This is an introductory course to managerial accounting principles. Prerequisites: ACCT 2010, CIS 1200. 3 lecture hours per week. Monday, Wednesday, Friday. 11:00 am to 11:50 am.

B. COURSE OBJECTIVES

Chapter 1 – Managerial Accounting; the Business Organization, and Professional Ethics

1. Describe the major users and uses of accounting information
2. Describe the cost-benefit and behavioral issues involved in designing an accounting system
3. Explain the role of budgets and performance reports in planning and control
4. Discuss the role accountants play in the company's value-chain functions
5. Explain why accounting is important to a variety of career paths
6. Identify current trends in management accounting
7. Explain why ethics and standards of ethical conduct are important to accountants

Chapter 2 – Introduction to Cost Behavior and Cost-Volume Relationships

1. Explain how activity cost drivers affect cost behavior
2. Show how changes in cost driver levels affect variable and fixed costs
3. Calculate break-even sales volume in total dollars and total units
4. Create a cost-volume-profit graph and understand the assumptions behind it
5. Calculate sales volume in total dollars and total units to reach a target profit
6. Differentiate between contribution margin and gross margin

Chapter 3 – Measurement of Cost Behavior

1. Explain step and mixed-cost behavior
2. Explain management influences on cost behavior

3. Measure and mathematically express cost functions and use them to predict costs
4. Describe the importance of activity analysis for measuring cost functions
5. Measure cost behavior using the engineering analysis, account analysis, high-low and visual-fit

Chapter 4 – Cost Management Systems and Activity-Based Costing

1. Describe the purposed of cost management systems
2. Explain the relationship among cost, cost object, cost accumulation and cost assignment
3. Distinguish between direct and indirect costs
4. Explain the major reasons for allocating costs
5. Identify the main types of manufacturing costs: direct materials, direct labor, and indirect production costs
6. Explain how the financial statements of merchandisers and manufactures differ because of the types of goods they sell
7. Understand the main differences between traditional and activity-based costing (ABC) systems and why ABC systems provide value to managers

Chapter 5 – Relevant Information for Decision Making with a Focus on Pricing Decisions

1. Discriminate between relevant and irrelevant information for making decisions
2. Apply the decision process to make business decisions
3. Construct absorption and contribution-margin income statements, and identify their relevance for decision making
4. Decide to accept or reject a special order using the contribution-margin technique
5. Explain why pricing decisions depend on the characteristics of the market
6. Identify the factors that influence pricing decisions in practice
7. Compute a sales price by various approaches, and compare the advantages and disadvantages of these approaches
8. Use target costing to decide whether to add a new product

Chapter 6 – Relevant Information for Decision Making with a Focus on Operational Decisions

1. Use a differential analysis to examine income effects across alternatives and show that an opportunity-cost analysis yields identical results
2. Decide whether to make or buy certain parts or products
3. Choose whether to add or delete a product line using relevant information
4. Compute the optimal product mix when production is constrained by a scarce resource
5. Decide whether to process a joint product beyond the split-off point
6. Decide whether to keep or replace equipment
7. Identify irrelevant and misspecified costs
8. Discuss how performance measures can affect decision making

Chapter 7 – Introduction to Budgets and Preparing the Master Budget

1. Explain how budgets facilitate planning and coordination
2. Anticipate possible human relations problems caused by budgets
3. Explain potentially dysfunctional incentives in the budget process
4. Explain the difficulties of sales forecasting
5. Explain the major features and advantages of a master budget
6. Follow the principal steps in preparing a master budget
7. Prepare the operating budget and the supporting schedules
8. Prepare the financial budget

Chapter 8 – Flexible Budgets and Variance Analysis

1. Distinguish between flexible budgets and static budgets
2. Use flexible budget formulas to construct a flexible budget based on the volume of sales
3. Prepare an activity-based flexible budget
4. Explain the performance evaluation relationship between static budgets, flexible budgets and actual results
5. Compute activity-level variances and flexible-budget variances
6. Compute and interpret price and quantity variances for materials and labor
7. Compute variable overhead spending and efficiency variances
8. Compute the fixed overhead spending variance

Chapter 9 – Management Control Systems and Responsibility Accounting

1. Describe the relationship of management control systems to organizational goals
2. Explain the importance of evaluating performance and describe how it impacts motivation, goal congruence and employee effort
3. Develop performance measures and use them to monitor the achievements of an organization
4. Use responsibility accounting to define an organizational subunit as a cost center, a profit center or an investment center
5. Prepare segment income statements for evaluation profit and investment centers using the contribution margin and controllable-cost concepts
6. Measure performance against non-financial performance measures such as quality, cycle time and productivity
7. Use a balanced scorecard to integrate financial and non-financial measures of performance
8. Describe the difficulties of management control in service and nonprofit organizations

Chapter 10 – Management Control in Decentralized Organizations

1. Define decentralization and identify its expected benefits and costs
2. Distinguish between responsibility centers and decentralization
3. Explain how the linking of rewards to responsibility-center performance metrics affects incentives and risk
4. Compute ROI, economic profit, and economic value added (EVA) and contrast them as criteria for judging the performance of organization segments
5. Compare the advantages and disadvantages of various bases for measuring the invested capital used by organizational segments
6. Define transfer prices and identify their purpose
7. State the general rule for transfer pricing and use it to assess transfer prices based on total costs, variable costs and market prices
8. Identify the factors affecting multinational transfer prices
9. Explain how controllability and management by objectives (MBO) aid the implementation of management control systems

Chapter 11 – Capital Budgeting

1. Describe capital-budgeting decisions and use the net-present-value (NPV) method to make such decisions
2. Evaluate projects using sensitivity analysis
3. Calculate the NPV difference between two projects using both the total project and differential approaches
4. Identify relevant cash flows for NPV analysis
5. Compute the after-tax effect on cash received from the disposal of assets
6. Explain the after-tax effect on cash received from the disposals of assets

7. Use the payback model and the accounting rate-of-return model and compare them with the NPV model
8. Reconcile the conflict between using an NPV model for making decisions and using accounting income for evaluating the related performance

Chapter 12 – Cost Allocation

1. Describe the general framework for cost allocation
2. Allocate the variable and fixed costs of service departments to other organizational units
3. Use the direct and step-down methods to allocate service department costs to user departments
4. Allocate costs from producing departments to products or services using the traditional approach
5. Allocate costs associated with customer actions to customers
6. Allocate the central corporate costs of an organization
7. Allocate joint costs to products using the physical-units and relative-sales-value methods

D. CLASS HOURS

Accounting 2020 meets three days a week, Monday, Wednesday and Friday, 11:00 A.M. - 11:50 A.M. These periods will be devoted to introductory lectures of new material, review of homework problems and chapter quizzes.

E. EXAMINATIONS

Four examinations are given in Managerial Accounting 2020. The first three exams will be taken in the Testing Center on the scheduled days and the last exam will be taken in class on the day of the final.

Except under very unusual circumstances, no early or late quizzes and/or exams will be allowed!

F. HOMEWORK

Homework is to be typed using a word processor or spreadsheet application. Homework will be randomly called for and points assigned. We will correct homework each day so as to give instant feedback. Preparation and review of homework will be most beneficial as students prepare for exams.

G. GRADING

Grading is not on a curve. Your grade will be based on the percentage of total points earned.

1.	EXAMS	80%
2.	HOMEWORK*	20%
TOTAL		100%

***Homework will not be graded on its accuracy. It will be graded on the effort made. If you could do all the homework correctly, you would not need the course.**

The course grading scale for all learning assessments is as follows:

A	93.0 – 100.0%	C	73.0 – 76.9%
A-	90.0 – 92.9%	C-	70.0 – 72.9%
B+	87.0 – 89.9%	D+	67.0 – 69.9%
B	83.0 – 86.9%	D	63.0 – 66.9%
B-	80.0 – 82.9%	D-	60.0 – 62.9%
C+	77.0 – 79.9%	F	BELOW 60%

The final grade in the course also may be increased based on a subjective evaluation by the instructor based on the individual student's overall performance including factors such as attendance and participation that contributes to the overall learning environment.

Please note: If you are a student with a medical, psychological or a learning difference and requesting reasonable academic accommodations due to the disability, you must provide an official request of accommodations to your Professor from the Disability Resource Center within the first two weeks of the beginning of classes. Students are to contact the center on the main campus to follow through with, and receive assistance in the documentation process to determine appropriate accommodations related to their disability. You may call 652-7516 for an appointment and further information regarding the American with Disabilities Act (ADA) of 1990 per Section 504 of the Rehabilitation Act of 1973.

DMAIL Statement

Important class and college information will be sent to your Dmail email account. This information includes your DSC bill, financial aid/scholarship notices, notification of dropped classes, reminders of important dates and events, and other information critical to your success in this class and DSC. All DSC students are automatically assigned a Dmail email account. If you don't know your user name and password, go to www.dixie.edu choose MyDSC & Logins and then Login to Student-Mail. And follow the instructions. You will be held responsible for information sent to your Dmail email. So please check it often.

ACCOUNTING 2020 – MANAGERIAL ACCOUNTING SCHEDULE OF ASSIGNMENTS AND READINGS

DAY	DATE	CLASS
MON	AUG 22	INTRODUCTION
WED	AUG 24	CHAPTER 1, A3, 32, 33, 34, 52
FRI	AUG 26	FINISH CHAPTER 1
MON	AUG 29	CHAPTER 2, 3, 8, 18
WED	AUG 31	CHAPTER 2, 28, 29, 30, 31
FRI	SEP 2	CHAPTER 2, 37, 39, 52
MON	SEP 5	NO SCHOOL
WED	SEP 7	FINISH CHAPTER 2
FRI	SEP 9	CHAPTER 3, A1
MON	SEP 12	CHAPTER 3, A3, 38
WED	SEP 14	FINISH CHAPTER 3, EXAM REVIEW
FRI	SEP 16	EXAM – CHAPTERS 1,2,3
MON	SEP 19	CHAPTER 4, 31-34, 39
WED	SEP 21	CHAPTER 4, 38, 45
FRI	SEP 23	CHAPTER 4, A3, 42, 43
MON	SEP 26	FINISH CHAPTER 4
WED	SEP 28	CHAPTER 12, 1,4,17,B2
FRI	SEP 30	CHAPTER 12, A2, 34, 58
MON	OCT 3	FINISH CHAPTER 12
WED	OCT 5	CHAPTER 5, A2, A4, 46
FRI	OCT 7	CHAPTER 5, 59
MON	OCT 10	FINISH CHAPTER 5, EXAM REVIEW
WED	OCT 12	EXAM – CHAPTERS 4,12,5
FRI	OCT 14	NO SCHOOL
MON	OCT 17	CHAPTER 6, A1, 29
WED	OCT 19	CHAPTER 6, A3, 33, 37
FRI	OCT 21	FINISH CHAPTER 6
MON	OCT 24	CHAPTER 7, 27, 28, 30
WED	OCT 26	CHAPTER 7, 32, 34, 36
FRI	OCT 28	FINISH CHAPTER 7
MON	OCT 30	CHAPTER 8, A1, B2,
WED	NOV 2	CHAPTER 8, 24, 29, 30
FRI	NOV 4	FINISH CHAPTER 8, EXAM REVIEW
MON	NOV 7	EXAM – CHAPTERS 6,7,8
WED	NOV 9	CHAPTER 9
FRI	NOV 11	CHAPTER 9
MON	NOV 14	CHAPTER 9
WED	NOV 16	FINISH CHAPTER 9
FRI	NOV 18	CHAPTER 10
MON	NOV 21	CHAPTER 10, A1, 27
WED	NOV 23	NO SCHOOL
FRI	NOV 25	NO SCHOOL
MON	NOV 28	CHAPTER 10, B2, 30
WED	NOV 30	FINISH CHAPTER 10
FRI	DEC 2	CHAPTER 11
MON	DEC 5	CHAPTER 11, A2, 29, 46
Wed	DEC 7	CHAPTER 11, 39, 40
FRI	DEC 9	FINISH CHAPTER 11, EXAM REVIEW
Dec 12 – Dec 16 Finals Week		FINAL EXAM – CHAPTERS 9,10,11

Problems assigned are due the following class period.

This schedule is subject to change.