

**ACCOUNTING 2020-Section 50 (44935)**  
**Managerial Accounting**  
**Wednesday 5:15-7:45 p.m., Hazy Room 242**  
**Fall 2011**

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Office Hours:	MWF 9:00 a.m. – 10:00 a.m. TTH 10:00 a.m. – 10:30 a.m. And by Appointment

### *Course Syllabus*

**Course Description:** Required of students pursuing majors and emphases in the School of Business, and open to other interested students. Introduction to managerial accounting principles, including product costing, cost-volume-profit analysis, profit planning, capital budgeting, and financial statement analysis.

**Prerequisites:** ACCT 2010 and CIS 1200. *FA, SP, SU*

#### **Required Course Materials**

**Text:** **Introduction to Management Accounting**, 15<sup>th</sup> Edition (version with Chapters 1-14), Horngren, Sundem, Stratton, Burgstahler, and Schatzberg, Pearson/Prentice Hall, 2011. *This text is required to be obtained by each student and to be brought to each class – no exceptions.*

#### **Learning Objectives**

General learning objectives are listed in Exhibit A. These objectives are achieved via the study of various topics. Three levels of competency apply to the major topics covered in this course: awareness, recognition, and near-working level. Some concepts and issues in business require an awareness of their importance and relevance relative to a career that has a significant requirement of business knowledge. For example, we need to be aware that there are different product-costing systems such as job order and process-costing. However, in this course, we do not need to master these variations in treatment.

Other concepts and issues require accountants to recognize proper accounting treatment, definitions, and applications but not necessarily the ability to perform at a near working level. An example is designing activity-based costing systems. We need to recognize a properly-designed system but do not develop the competency to design one.

For the major topics covered in this course, it is expected that students achieve a near-working-level mastery. This is interpreted as the ability to apply proper accounting treatment in simplified real-world settings. Students who desire to achieve working-level competencies in the various management-accounting tools should consider taking the Cost Accounting course (3300). To measure the achievement of these competencies, several methods will be used including classroom inquiry by the instructor, homework, examinations, and judgment. A student who misses class on a regular basis should expect less than hoped for results.

The designation of the appropriate competency level for topics covered will be made as the topic is covered in class. A general rule of thumb is to assume that any topic that is assigned related “exercises, problems, or cases” from the text require a near-working level mastery. That is, if you can work the assigned or class-demonstrated exercises, problems, and cases correctly without the aid of a solution, you should feel comfortable with your level of knowledge.

*Exhibit A*  
*General Learning Objectives*

**Understand the importance of ethical behavior as a key success factor in businesses**  
**Perform cost-volume-profit analysis**



Understand cost-management's role in businesses  
 Understand how activity-based costing systems add value to businesses  
 Perform activity-based management to make strategic decisions and operational control improvements  
 Apply relevant cost and revenue information to marketing and pricing decisions  
 Develop a master budget  
 Develop a flexible budget  
 Perform variance analysis including direct-cost variances and indirect-cost variances  
 Understand performance measurement including balanced scorecard systems  
 Perform investment justification analysis to evaluate long-term investment proposals

Specific learning objectives related to each chapter of the text are too numerous to list here but in general, you should treat ALL stated learning objectives (see the beginning page of each chapter of the text) as applicable for the course. Exceptions to this general rule will be announced in class at the beginning of the discussion of a chapter.

### Learning Activities

Learning activities for which student performance is measured and included as part of the course grade include:

- Assigned work
- Term examinations

**Assigned Work (15%)** Assignments will be collected and graded. Exhibit B is a tentative schedule that lists assigned work to be collected each week. This work will be turned in at the end of class, graded, and returned the following week. For example, at the end of class on September 14, the following assigned work will be collected for grading: Chapter 3 – A1, A3, 38; Chapter 4 – 31-34, 39, A1. No credit is given for work that is turned in late. What should you do if you miss class? You can submit your homework via email or have someone turn it in for you, but it must be available for grading prior to the end of class.

What is the cost if you fail to turn in your assigned work?

Example: Suppose you fail to turn in your homework due on September 21 (5 problems). Since there a total of about 50 assigned problems (includes questions, exercises, problems, and cases), the cost to your grade is  $5/50 * 15%$  or 1.5%. The means that the maximum score you can achieve for the course is now 98.5% (assuming a perfect score on all exams and other homework).

Assigned work may be prepared using Word, Excel, PowerPoint, or by hand (pen or pencil). It is unacceptable to turn in a copy in full or in any part from a solution manual. Benefits of doing assigned work on time include enhanced understanding of the material and better performance on examinations. Questions from homework serve as one of the bases for each term exam.

**Term Examinations (85%)** There are four term exams. Term exams are closed book. Make ups for term exams are permitted only for unusual circumstances and never because a student is "not prepared." If a makeup is permitted, it most often will not be the same exam taken by peers and will be of a different format (oral exams are a distinct possibility). Also, most make up exams will not be curved. For example, do not expect that a makeup exam for an exam that has a 10% curve will also have a 10% curve (remember – the makeup exam is not the same exam so the level of difficulty is also different as well as any imputed curve.

Weighting of learning activities:

Assigned work	15%
Four Term Examinations	<u>85%</u>
	<u>100%</u>

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

94.5- 100%	89.5 – 94.4%	87.5 – 89.4%	82.5 – 87.4%	79.5 – 82.4%	77.5 – 79.4%	72.5 – 77.4%	69.5 – 72.4%	66.5 – 69.4%	62.5 – 66.4%	59.5 – 62.4%	0 – 59.4%
A	A-	B+	B	B-	C+	C	C-	D+	D	D-	F

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.



**Important Dates to Remember**

Aug 22 Class work starts  
 Aug 24 Last day to add without instructor permission  
 Aug 29 Drop/Audit fee begins (\$10 per class)  
 Sep 6 \$50 Late registration/payment fee  
 Sep 12 Last day for refund  
 Sep 12 Last day to drop without a "W" grade  
 Sep 16 Last day to add classes with instructor permission  
 Oct 17 Last day to drop or audit classes  
 Oct 13-14 Semester break  
 Nov 11 Last day for complete withdrawal  
 Dec 9 Last day of classes

**Other Useful Information****Disability Statement:**

Students with medical, psychological, learning or other disabilities desiring reasonable academic adjustment, accommodations, or auxiliary aids to be successful in this class will need to contact the DISABILITY RESOURCE CENTER Coordinator (Baako Wahabu) for eligibility determination. Proper documentation of impairment is required in order to receive services or accommodations. DRC is located at the ground floor of the Financial Aid Office. Visit or call 652-7516 to schedule appointment to discuss the process. DRC Coordinator determines eligibility for and authorizes the provision of services.

**Dmail:** You are required to frequently check your dmail account. Important class and college information will be sent to your Dmail account. This information includes your DSC bill, financial aid/scholarship notices, notices of cancelled classes, notification of dropped classes, reminders of important dates and events, and other information critical to your success in this class and at DSC. All DSC students are automatically assigned a Dmail account. If you don't know your user name and password, go to [www.dixie.edu](http://www.dixie.edu) and select "Dmail," for complete instructions. To locate your dmail username and password, go to [www.dixie.edu](http://www.dixie.edu), and click on "Log into student services" or the "My Dixie" button. You will be held responsible for information sent to your Dmail email, so please check it often.

**College resources:** Several college resources are available to help you succeed. Check out the links for each one to get more information.

Tutoring Center - <http://dsc.dixie.edu/tutoring/>

Testing Center – <http://dixie.edu/testing>

Writing Center – [http://dixie.edu/english/dsc\\_writing\\_center.php](http://dixie.edu/english/dsc_writing_center.php)

Computer Labs – located in the basement of the library, the Smith Computer Center, Hazy Building room 200, and the accounting lab on the first floor of Hazy Building.

The Library has all kinds of information and resources. Visit the Val Browning Library or go to the library website at <http://library.dixie.edu/>

**Policy Links:**

- Policy for Absences Related to College Function. The policy can be found at: <http://www.dixie.edu/humanres/policy/sec5/523.html>
- Policy for Disruptive Behavior/Classroom Expectations. This policy can be found at <http://dixie.edu/humanres/policy/sec3/334.html>
- Policy for Academic Dishonesty/Academic Integrity. This policy can be found at <http://dixie.edu/humanres/policy/sec3/334.html>

**Changes to Syllabus**

Changes to this syllabus, other than grading scale, weighting of learning activities, and policies and procedures may be made with advance notice as deemed appropriate by the instructor. The most likely changes will be to the tentative class meeting and examination schedule. Students are responsible for awareness of any such changes announced in class or via e-mail to the class.



**Exhibit B: Tentative Class Meeting and Examination Schedule**

Date	Readings, Preparation	Assignment & Activity	Comments
8/24	Introduction and Overview	None	<u>Attendance required to keep space in class.</u>
	Ch. 1	A3, 32, 33, 44, 52 [Due on 8/31]	<u>For the first week only, the assigned homework will be collected on August 31. Focus on Exhibits 1, 2, 5, and 7 along with related text materials. Search Nike's 10K (Appendix C on page A11) for the various components of the value chain listed in Exhibit 1-5 on page 10.</u>
	Ch. 2	Read Chapter 2 (see comments column)	<b>Chapter 2 is a very important chapter!</b> YOU SHOULD SPEND EXTRA TIME LEARNING THIS MATERIAL AS IT WILL BE A FOUNDATION FOR MUCH OF THE WORK TO FOLLOW DURING THE COURSE – I.E. A CRITICAL SUCCESS FACTOR! Focus on Exhibits 1 – 6 the Summary Problem for Your Review on pages 39-40, and the section Computing the Break-even Point beginning on page 43. Pay special attention to the symbols introduced on page 38 and in Exhibit 4. The definitions on pages 55 and 56 are important. The operating leverage concept on page 53 is also important. We will spend extra effort on problem A1 so you should study this problem prior to class on August 31.
8/31	Ch. 2 and Ch... 4, from the bottom of page 133 to the end of the section on page 134 (def. of process maps)	A1 Including new added requirements 3. to 6. given in class (see comment), A2, 27	For problem A1, add the following additional requirements. 3. Prepare a process map for the cleaning activity showing the activity, resources used, cost driver(s), and costs. 4. Assume the relevant range is between 160,000 – 332,100 square feet cleaned. Which of the two cost amounts vary with changes in the cost driver within the relevant range? Which of the two cost amounts do not vary with changes in the cost driver within the relevant range? 5. How does knowledge of the capacity of a fixed cost resource help managers control costs (see class notes related to A1 for answer)? 6. Prepare an analysis for a process improvement that shows the potential costs associated with the fixed costs of cleaning. The data for this improvement is given on the class handout titled "Boeing Plant Cleaning Analysis."
	Ch. 2	29, 30, 31, 32,	
	Ch. 2	42, 44, 52	Read Appendix 2B before attempting 42
9/7 & 9/8 Wednesday or Thursday	Prepare for First Term Exam	Term Examination 1	Exam in Testing Center; 16% of grade
9/14	Ch. 3	Read Chapter 3	Focus on the sections MIXED COSTS (Pages 82-83) and Form of Cost Functions and Developing Cost Functions on pages 86-87.
	Ch. 3	A1	
	Ch. 3	A3, 38	Focus attention on learning the hi-low and visual-fit methods. Also study how to interpret results from a least-squares regression analysis. Pages 92-96 and Appendix 3 cover this material with illustrations. You will be given a duplicate of the charts for problem 3-38 on page 107.
9/21	Ch. 4	Read Chapter 4 up to page 129 31-34, 39, A1	<b>This chapter contains the most difficult concepts to master in the course - ABC costing. Spend extra time on the Lopez Plastics Illustration.</b> Careful study is critical so reread these pages as necessary to become familiar with the concepts <i>prior to class</i> . Focus especially on understanding the Li Company illustration (beginning on page 127) and Exhibit 4-3.
	Ch. 4	Read pages 133-142	The section Traditional and Activity-based Cost Accounting Systems is the central focus of this chapter. The illustration Lopez Plastics Company (beginning on page 134) is especially important to study.
	Ch. 4	40, B4	Exercise 40 refers to the Lopez example on pp. 134-138 and Exhibit 7.





			Problem B4 also refers to the Lopez example. You should carefully study the posted solution to unassigned problem 47 that is very similar to B4. Also note that B4 and 47 are very challenging problems.
	Ch. 4	A3, 42, 43	Problems A3, 42, and 43 are an application of ABC to the banking industry – a service-sector illustration.
9/28	Ch. 12	Read Chapter 12, pages 472-476 and 489-490	<b>We will complete any remaining work on the banking problems and then begin the topic Customer Profitability from Chapter 12. In Ch. 12 read only the section A General Framework for Cost Allocation and the section Allocation of Costs to Customer Cost Objects to Determine Customer Profitability to page 490. If you have mastered the cost allocation material from Chapter 4, the extension to customer profitability should not be too difficult.</b>
	Ch. 12	1, 4, 17, B2 Read pages 490-497	<b>Study carefully the section Measuring and Managing Customer Profitability and the Cedar City Distributors illustration on pages 491-495.</b>
	Ch. 12	Review the capacity planning example we did in Chapter 2. A2, 34, 58 (see comments for the extra requirement for 58)	<b>The remaining assigned work in this chapter follows the Cedar City Distributors illustration closely. Use this as guide. We will revisit the topic capacity planning via a class work assignment.</b> Extra requirement for Nike 10-K problem: a sketch of a process map showing profitability model assuming that Nike chooses to separately allocate the cost to serve its customers is in the class handout labeled Exhibit 12-58.
10/5 & 10/6 Wednesday or Thursday	Prepare for Second Term Exam	Term Examination 2	Exam in Testing Center; 18% of grade
10/12	Ch. 5	Read pages 179 – 180 and 184-189	<b>Focus on the sections The Concept of Relevance (pages 179-180) and Pricing Special Sales Orders (pages 184-189). Also, focus on the section Target Costing (pages 198-201)</b>
	Ch. 5	A2, A4, 46 Read pages 198-201 and Exhibit 13	<b>Problem 60 is a favorite of mine. The related extensive PowerPoint presentation augments the discussion in the text and lends a flavor of real-world complexity. This presentation is posted to the class e-room for your study.</b>
	Ch. 5	60	<b>Continued discussion of target costing.</b>
	Ch. 6	Read Chapter 6, pages 225-230	<b>Focus on the section Make-or-Buy Decisions</b>
	Ch. 6	A1	
10/19	Ch. 7	Read pages 271-283 A1	<b>Focus on the illustration The Cooking Hut beginning on page 273. We begin developing a master budget for the assigned problem A1. This is a lengthy problem and will take most of the class to complete. It is an important learning activity since it is a comprehensive treatment of the master budgeting process.</b>
	Ch. 7		<b>Read the section on activity-based budgets on pages 283-284, studying Exhibit 7-8 on page 284.</b>
10/26	Ch. 8	Read pages 304-308 A1	<b>We will develop and use a model for evaluation of financial performance during class. Then, we will use this model instead of the one presented on pages 309 onward.</b>
	Ch. 8	B2, 43	<b>While not assigned, problem 8-44 is another favorite. Time allowing, we will work on problem 44 in class.</b>
11/2 & 11/3 Wednesday or Thursday	Prepare for Third Term Exam	Term Examination 3	Exam in Testing Center; 23% of grade
11/9	Ch. 9	Read pages 346-353	
	Ch. 9	B3, 35 Read pages 364-365	<b>Carefully read the section The Balanced Scorecard on pages 364-365</b>
	Ch. 9	42	<b>We begin an analysis of a more thorough treatment of performance management using a case to be handed out in class.</b>



	Ch. 9	47, Handout Case Analysis	<b>Problem 47 demonstrates an important concept in management control – act to reduce variability in customer-facing activities. In this case, variability in the time for delivery of products to the customer.</b>
11/16	Ch. 10	Read pages 390-397	<b>Focus on the computation of ROI and EVA. Understand the key differences in these aggregate, company-wide performance measures.</b>
	Ch. 10	A1	
	Ch. 10	B2, 30	
11/23	Ch. 10	Ch. 10 Handout Case Analysis	
	Ch. 11	Read pages 426-432	<b>Although you should study the text pages assigned carefully to gain the necessary background for capital budgeting, we will develop an Excel-based approach to perform investment justification analysis.</b>
11/30	Ch. 11	A1 (solutions in the text)	
	Ch. 11	62	<b>The text says to assume all cash flows are at the end of each period. You should only assume this when computing the net present value metric. For the payback period and the breakeven time, assume cash flows occur evenly throughout the period.</b>
12/7 – 12/8 Wednesday, Thursday	Prepare for Fourth Term Exam	Term Examination 4	Exam in Testing Center; 28% of grade

