



MASTER COURSE OUTLINE

A. ACCT 2012 Principles of Managerial Accounting

B. COURSE DESCRIPTION:

This course is an introduction to managerial accounting concepts and principles, including a study of: cost behavior; cost-volume-profit analysis; relevant costs for decision-making; budgetary planning; cost management (Activity-Based Costing (ABC), Just-In-Time (JIT), and Total Quality Management (TQM); standard costing and variance analysis; planning for capital investments; product and service costing; performance evaluation; and cost accounting systems. This course is part of the Associate in Applied Science Accounting degree which is accredited by the Accreditation Council for Business Schools and Programs (ACBSP). Prerequisites: ACCT 2011.

(4 Cr – 4 lect, 0 lab)

C. **Core Theme: Critical Thinking

D. MAJOR CONTENT AREAS:

- Management accounting as a discipline
- Cost behavior, operating leverage, and profitability analysis
- Cost, volume and pricing to increase profitability
- Relevant information for special decisions
- Cost accumulation, tracing and allocation
- Cost management in an automated environment
- Profit and cost control planning (budgeting)
- Performance evaluation
- Responsibility accounting
- Capital investment planning
- Product cost flow in manufacturing companies

E. GOAL TYPES, OBJECTIVES, AND OUTCOMES:

<u>GOAL TYPE</u>	<u>OBJECTIVES</u>	<u>OUTCOMES</u>
	Students will be able to	The student will successfully
** <u>Critical Thinking</u>	gather factual information and apply it to a given problem in a manner that is relevant, clear, comprehensive, and conscious of possible bias in the information selected.	1. gather appropriate accounting information for various managerial decisions.

<u>CS</u>	understand the role of management accounting and the different elements of cost in business organizations.	<ol style="list-style-type: none"> 1. identify differences between managerial and financial accounting. 2. identify the cost components of a product made by a manufacturing company 3. demonstrate how manufacturing product costs affect financial statements. 4. demonstrate how product costing differs in service, merchandising, and manufacturing companies. 5. list ways just-in-time inventory can increase profitability.
<u>CS</u>	understand cost behavior, operating leverage, and profitability analysis and apply concepts to support managerial planning and control.	<ol style="list-style-type: none"> 1. identify and describe fixed, variable, and mixed cost behavior. 2. demonstrate the effects of operating leverage on profitability and calculate the magnitude of operating leverage. 3. prepare an income statement using the contribution margin approach.
<u>CS</u>	analyze cost, volume, and pricing to increase profitability.	<ol style="list-style-type: none"> 1. calculate the sales volume required to break even or earn a target profit. 2. demonstrate how a change in sales price, sales volume, variable cost or fixed cost affects profitability. 3. set selling prices by using cost-plus, prestige, and target pricing. 4. calculate and interpret margin of safety measure.
<u>CS</u>	understand cost accumulation, tracing, and allocation and apply concepts to determine costs.	<ol style="list-style-type: none"> 1. identify appropriate cost drivers. 2. identify direct costs from indirect costs. 3. allocate indirect costs to cost objects. 4. allocate joint product costs. 5. recognize the effect of cost allocation on employee motivation.
<u>CS</u>	analyze various special decisions using relevant information to support decision making and analyze implications of decisions.	<ol style="list-style-type: none"> 1. identify the characteristics of relevant information. 2. make appropriate special order decisions. 3. make appropriate outsourcing decisions. 4. make appropriate segment elimination decisions. 5. make appropriate asset replacement decisions. 6. summarize the conflict

		between short-term and long-term profitability.
<u>CS</u>	understand cost management (including quality costs) in an automated business environment and analyze results.	<ol style="list-style-type: none"> 1. demonstrate how activity-based costing improves accuracy in determining the cost of products and services. 2. identify cost centers and cost drivers in an activity-based cost system. 3. use activity-based costing to calculate costs of products and services. 4. identify the components of quality costs. 5. prepare and interpret quality costs reports.
<u>CS</u>	understand purpose of budgets and apply budgeting techniques to plan for profit and cost control.	<ol style="list-style-type: none"> 1. outline the budgeting process and list the benefits it provides. 2. prepare a sales budget and related schedule of cash receipts. 3. prepare an inventory purchases budget and related schedule of cash payments. 4. prepare a selling and administrative expense budget and related schedule of cash payments. 5. prepare a cash budget. 6. prepare a pro forma incomes statement, balance sheet, and statement of cash flows.
<u>CS</u>	understand development and use of standard costs and variance analysis reports and analyze them in support of cost management.	<ol style="list-style-type: none"> 1. classify variances as being favorable or unfavorable. 2. compute and interpret sales and variable cost volume variances. 3. compute and interpret flexible budget variances and fixed cost variances. 4. use standard cost systems. 5. calculate price and usage variances.
<u>CS</u>	apply concepts of responsibility accounting and decentralization and apply management performance evaluation tools to measure performance.	<ol style="list-style-type: none"> 1. illustrate the primary features of decentralization. 2. prepare and use responsibility reports. 3. evaluate investment opportunities using return on investment. 4. evaluate investment opportunities using residual income. 5. illustrate the balanced scorecard approach. 6. determine transfer prices.
<u>CS</u>	apply capital budgeting tools to plan for capital investments.	<ol style="list-style-type: none"> 1. summarize the time value of money concept and apply it to capital investment decisions.

		<ol style="list-style-type: none"> 2. determine and interpret the net present value of an investment opportunity. 3. determine and interpret the internal rate of return of an investment opportunity. 4. evaluate investment opportunities using the payback method and the unadjusted rate of return.
<u>CS</u>	understand product costing in service and manufacturing entities.	<ol style="list-style-type: none"> 1. demonstrate the flow of materials and labor costs for a manufacturing company. 2. allocate overhead costs between inventory and cost of goods sold. 3. prepare a schedule of cost of goods manufactured and sold. 4. prepare financial statements for a manufacturing company.
<u>CS</u>	analyze costing systems such as job order, process, and hybrid costing systems.	<ol style="list-style-type: none"> 1. distinguish between job order and process cost systems. 2. calculate how events in a job order cost system affect financial statements. 3. calculate how events in a process costs system affect financial statements. 4. calculate equivalent units and prepare a cost production report.

F. SPECIAL INFORMATION:

This course may require use of the Internet, the submission of electronically prepared documents and the use of a course management software program. Students who have a disability and need accommodations should contact the instructor or the Student Success Center at the beginning of the semester. This information will be made available in alternative format, such as Braille, large print, or current media, upon request.

G. COURSE CODING INFORMATION: Course Code D/Class Maximum 30; Letter Grade

Revision date: 11/29/16

AASC Approval date: 1/17/17

*Riverland Community College Disciplines	MnTC Goal Number
Communication (CM)	1
Natural Sciences (NS)	3
Mathematics/Logical Reasoning (MA)	4
History and the Social & Behavioral Sciences (SS)	5
Humanities and Fine Arts (HU)	6

**Riverland Community College Core Themes	MnTC Goal Number
Critical Thinking (CT)	2
Human Diversity (HD)	7
Global Perspective (GP)	8
Ethical and Civic Responsibility (EC)	9
People and the Environment (PE)	10

*These five MnTC Goals have been identified as Riverland Community College Disciplines.

** These five MnTC Goals have been identified as Riverland Community College Core Themes.

NOTE: The Minnesota Transfer Curriculum “10 Goal Areas of Emphasis” are reflected in the five required discipline areas and five core themes noted in the Riverland Community College program of study guide and/or college catalog.

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