

Management Accounting

Course Outcome Summary

Course Information

Organization	Madison Area Technical College
Developers	Robert E. Foss
Development Date	11/30/2001
Revised Date	1/22/2002
Course Number	10-101-118
Instructional Level	Associate Degree
Potential Hours of Instruction	72
Total Credits	4

Description

Emphasizes the managerial use of accounting reports, the problem-solving functions of accounting in relation to current planning and control, performance evaluation, long-range planning, budgets and cost-volume-profit relationships.

Types of Instruction

Instruction Type	Contact Hours	Credits
Classroom Presentation	72	4

Textbooks

Weygandt, Kieso & Kimmel. *Managerial Accounting*. John Wiley and Sons, Inc.. **Edition:** 1999.

Learner Supplies

Business Calculator. **Manufacturer:** ---.

Prerequisites

Accounting 1-Principles (10-101-111)

Accounting 2-Principles (10-101-113)

Exit Learning Outcomes

Core Abilities

- A. Critical thinking
- B. Mathematics

Competencies

A. Examine managerial accounting

Competence will be demonstrated:

A.1. by completing and submitting all homework assignments when due

A.2. by passing a closed-book examination with at least 70% correct using only a calculator

A.3. by completing the written exam within a 50-minute time period

Criteria - Performance will be satisfactory when:

A.1. you explain the distinguishing features of managerial accounting

A.2. you identify the three broad functions of management

A.3. you define the three classes of management costs

A.4. you distinguish between product and period costs

A.5. you explain the difference between a merchandising and a manufacturing income statement

A.6. you indicate how cost of goods manufactured is determined

A.7. you explain the difference between a merchandising and a manufacturing balance sheet

A.8. you analyze users, purpose and content of reports

A.9. you analyze manufacturing costs and show how their accounting treatment differs from that of period costs

A.10. you differentiate between financial statements of manufacturers and those of merchandisers

B. Explain job order cost accounting

Competence will be demonstrated:

B.1. by completing and submitting all homework assignments when due

B.2. by passing a closed-book examination with at least 70% correct using only a calculator

B.3. by completing the written exam within a 50-minute time Period

Criteria - Performance will be satisfactory when:

B.1. you explain the characteristics and purposes of cost accounting

B.2. you describe the flow of costs in a job order cost accounting system

B.3. you explain the nature and importance of a job cost sheet

B.4. you indicate how the predetermined overhead rate is determined and used

B.5. you prepare general journal entries for jobs completed and sold

B.6. you distinguish between under- and over-applied manufacturing overhead

B.7. you identify those costs that are properly posted to a job cost sheet

B.8. you calculate the predetermined overhead rate and its application

C. Explain process cost accounting

Competence will be demonstrated:

C.1. by completing and submitting all homework assignments when due

C.2. by passing a closed-book examination with at least 70% correct using only a calculator

C.3. by completing the written exam within a 50-minute time period

Criteria - Performance will be satisfactory when:

C.1. you discuss who uses process cost systems

C.2. you explain the similarities and differences between job order cost and process cost systems

C.3. you explain the flow of costs in a process cost system

C.4. you make the journal entries to assign manufacturing costs in a process cost system

C.5. you compute equivalent units

C.6. you explain the four steps necessary to prepare a production cost report

C.7. you prepare a production cost report

C.8. you analyze the proper application of process costing

C.9. you explain the purpose and demonstrate the preparation of a production report

D. Utilize activity-based costing

Competence will be demonstrated:

D.1. by completing and submitting all homework assignments when due

D.2. by passing a closed-book examination with at least 70% correct using only a calculator

D.3. by completing the written exam within a 50-minute time period

Criteria - Performance will be satisfactory when:

- D.1. you analyze the difference between traditional costing and activity-based costing
- D.2. you identify the steps in the development of an activity-based costing system
- D.3. you analyze the activity cost pools used in activity-based costing
- D.4. you use the activity cost drivers in activity-based costing
- D.5. you discuss the benefits and limitations of activity-based costing

E. Analyze cost-volume-profit relationships

Competence will be demonstrated:

- E.1. by completing and submitting all homework assignments when due
- E.2. by passing a closed-book examination with at least 70% correct using only a calculator
- E.3. by completing the written exam within a 50-minute time period

Criteria - Performance will be satisfactory when:

- E.1. you distinguish between variable, fixed and mixed costs
- E.2. you explain the meaning and importance of the relevant range
- E.3. you explain the concept of mixed costs
- E.4. you state the five components of cost-volume-profit analysis
- E.5. you indicate the meaning of contribution margin and the ways it may be expressed
- E.6. you identify the three ways that the break-even point may be determined
- E.7. you calculate the margin of safety using the formulas for computing it
- E.8. you give the formulas for determining sales required to earn target net income
- E.9. you compute sales required to achieve a target net income
- E.10. you describe the essential features of a cost-volume-profit income statement

F. Explain budgetary planning

Competence will be demonstrated:

- F.1. by completing and submitting all homework assignments when due
- F.2. by passing a closed-book examination with at least 70% correct using only a calculator
- F.3. by completing the written exam within a 50-minute time period

Criteria - Performance will be satisfactory when:

- F.1. you indicate the benefits of budgeting
- F.2. you state the essentials of effective budgeting
- F.3. you identify the budgets that comprise the master budget
- F.4. you describe the sources for preparing the budgeted income statement
- F.5. you explain the principal sections of a cash budget
- F.6. you indicate the applicability of budgeting in non-manufacturing companies
- F.7. you prepare a budgeted income statement from the proper input
- F.8. you prepare a cash budget

G. Explain budgetary control and responsibility accounting

Competence will be demonstrated:

- G.1. by completing and submitting all homework assignments when due
- G.2. by passing a closed-book examination with at least 70% correct using only a calculator
- G.3. by completing the written exam within a 50-minute time period

Criteria - Performance will be satisfactory when:

- G.1. you describe the concept of budgetary control
- G.2. you evaluate the usefulness of static budget reports
- G.3. you explain the development of flexible budgets and the usefulness of flexible budget reports
- G.4. you describe the concept of responsibility accounting
- G.5. you indicate the features of responsibility reports for cost centers
- G.6. you identify the content of responsibility reports for profit centers
- G.7. you explain the basis and formula used in evaluating performance in investment centers

- G.8. you prepare a flexible budget
- G.9. you analyze the components of responsibility reports for cost centers and profit centers

H. Evaluate performance through standard costs

Competence will be demonstrated:

- H.1. by completing and submitting all homework assignments when due
- H.2. by passing a closed-book examination with at least 70% correct using only a calculator
- H.3. by completing the written exam within a 50-minute time period

Criteria - Performance will be satisfactory when:

- H.1. you distinguish between a standard and a budget
- H.2. you explain the significance of standard costs
- H.3. you describe how standards are set
- H.4. you indicate the formulas for determining direct materials and direct labor variances
- H.5. you state the formulas for determining manufacturing overhead variances
- H.6. you discuss the reporting of variances
- H.7. you identify the features of a standard cost accounting system
- H.8. you compute direct materials, direct labor, and manufacturing overhead variances
- H.9. you demonstrate the utility of a standard cost accounting system

I. Perform incremental analysis

Competence will be demonstrated:

- I.1. by completing and submitting all homework assignments when due
- I.2. by passing a closed-book examination with at least 70% correct using only a calculator
- I.3. by completing the written exam within a 50-minute time period

Criteria - Performance will be satisfactory when:

- I.1. you identify the steps in management's decision-making process
- I.2. you explain the concept of incremental analysis in decision-making
- I.3. you analyze the relevant costs in accepting an order at a special price
- I.4. you analyze the relevant costs in a make-or-buy decision
- I.5. you apply the decision rule in deciding whether to sell or process materials further
- I.6. you explain the factors that are relevant in deciding whether to eliminate an unprofitable segment
- I.7. you explain the term "sales mix" and its effects in determining break-even sales

J. Explain capital budgeting

Competence will be demonstrated:

- J.1. by completing and submitting all homework assignments when due
- J.2. by passing a closed-book examination with at least 70% correct using only a calculator
- J.3. by completing the written exam within a 50-minute time period

Criteria - Performance will be satisfactory when:

- J.1. you discuss the capital budgeting evaluation process
- J.2. you explain what inputs are used in capital budgeting
- J.3. you describe the cash payback technique
- J.4. you explain the net present value method
- J.5. you describe the profitability index
- J.6. you explain the internal rate of return method
- J.7. you describe the annual rate of return method
- J.8. you compute the cash payback, the net present value, the profitability index, the internal rate of return, and the annual rate of return

K. Analyze financial statements

Competence will be demonstrated:

- K.1. by completing and submitting all homework assignments when due
- K.2. by passing a closed-book examination with at least 70% correct using only a calculator
- K.3. by completing the written exam within a 50-minute time period

Criteria - Performance will be satisfactory when:

- K.1. you analyze the concept of earning power
- K.2. you indicate how irregular items are presented
- K.3. you discuss the need for comparative analysis
- K.4. you discuss the purposes of financial statement analysis
- K.5. you discuss the tools of financial statement analysis
- K.6. you explain the internal rate of return method
- K.7. you describe the annual rate of return method
- K.8. you compute the cash payback, the net present value, the profitability index, the internal rate of return, and the annual rate of return