Managerial Accounting
TCSU BUS 120

A. Description
Examination of how managers use accounting information in decision-making, planning, directing operations, and controlling. Focus on cost terms and concepts, cost behavior, cost structure, and cost-volume-profit analysis. Examination of profit planning, standard costs, operations and capital budgeting, cost control, and accounting for costs in manufacturing organizations.

B. Recommended Preparation
None

C. Prerequisites
Financial Accounting

D. Minimum Unit Requirement
3 semester units

E. Course Topics
( representing at least 80% of course coverage)
1. Decision making: relevant cost and benefits
2. Basic cost management concepts
3. Cost-volume-profit analysis
4. Job-order and process costing
5. Activity-based costing
6. Profit planning and budgeting
7. Standard costing and flexible budgeting
8. Responsibility accounting and segment reporting
9. Absorption and variable costing
10. Capital expenditure decisions

F. Student Learning Outcomes
Upon successful completion of the course, students will be able to:
1. Identify and illustrate the primary activities and informational needs of managers and explain the role of the managerial accountant as a member of the management team; compare and contrast financial and managerial accounting;
2. Define and illustrate various cost terms and concepts and evaluate their relevancy for different decision-making purposes;
3. Distinguish between product and period costs; prepare and evaluate a Schedule of Cost of Goods Manufactured, Schedule of Cost of Goods Sold, and Income Statement;
4. Prepare traditional and contribution-margin income statements; define related terms; explain cost-volume-profit analysis, degree of operating leverage and safety margin and employ each as an analytical tool;

5. Describe the traditional types of product costing systems (including job-order and process), illustrate the flow of costs in each, and prepare related accounting records and reports;

6. Discuss the impact of technology on the manufacturing environment and its implications for product costs and the development of activity-based costing and management; prepare activity-based cost reports;

7. Explain the purposes of budgeting; prepare a master budget and its component schedules and relate the budget to planning and control;

8. Explain the development and use of standard costs, prepare and interpret variance analysis reports and relate them to responsibility accounting and control;

9. Explain the nature of and need for segment reporting and the relationship with cost, revenue, profit, and investment centers; prepare and analyze related segment reports;

10. Compare and contrast absorption costing and variable costing, prepare income statements using both methods, and reconcile the resulting net incomes;

11. Define relevant costs and benefits, giving proper treatment to sunk costs, opportunity costs, and unit costs; prepare analyses of special decisions - accept or reject a special order; outsource a product or service; add or drop a service or product; and sell or process further a product; and

12. Explain the nature of capital expenditure decisions and apply and evaluate various methods used in making these decisions.