



Course Description

ACG2071 | Managerial Accounting | 3.00 credits

Managerial Accounting focuses on the accounting information needs of the various levels of internal management within an organization. Internal responsibility is directed at three major areas of management responsibility: cost determination, planning and control, and long-term decision-making. Prerequisites: ACG2011 and ACG2001 or ACG2021; Corequisite: ACG2071L

Course Competencies:

Competency 1: The student will demonstrate a knowledge of long-term liabilities by:

1. Understanding the nature and types of corporate bonds
2. Calculating the selling price of bonds using present value tables
3. Calculating the amortization of discount or premium
4. Recording journal entries for bonds
5. Analyzing the effect of issuing bonds over other financing options, including equities

Competency 2: The student will demonstrate knowledge of the Statement of Cash flows by:

1. Describing the nature of the statement of cash flows
2. Illustrating the reporting of cash flows from operating, investing and financing activities
3. Preparing a statement of cash flows using the indirect or the direct method

Competency 3: The student will analyze and interpret corporate annual reports with the help of various measurements by:

1. Describing the basic financial statement analytical procedures
2. Computing different ratios to evaluate a company's solvency
3. Computing different ratios to evaluate a company's profitability
4. Identifying the contents of corporate annual reports
5. Describing the different sections of the auditor's report

Competency 4: The student will demonstrate proficiency in understanding the basic managerial accounting concepts and principles by:

1. Explaining the difference between managerial and financial accounting
2. Describing the basic functions of management
3. Illustrating the following costs: direct and indirect, product and period, direct materials, direct labor and factory overhead
4. Showing understanding of the major current trends impacting businesses

Competency 5: The student will demonstrate understanding of Job Order cost accounting by:

1. Giving examples of the appropriateness of using a job order cost system vs. Using a process cost system
2. Preparing journal entries for a job order cost system
3. Diagramming the flow of costs for a factory that uses the job order cost system
4. Analyzing the data developed under the job order system
5. Illustrating the use of predetermined factory overhead rates

Competency 6: The student will demonstrate comprehension of Process Cost Accounting by:

1. Calculating product cost under the process cost system
2. Analyzing the flow of costs for a factory that uses the process cost system
3. Computing the cost of inventories of partially processed units
4. Preparing a cost of production report or equivalent
5. Illustrating the use of predetermined factory overhead rates

Competency 7: The student will apply Activity Based Costing by:

1. Describing the three methods used for allocating factory overhead costs to products
2. Illustrating the use of a single plantwide factory overhead rate for product costing
3. Using multiple production department factory overhead rates for product costing
4. Using activity-based costing for product costing

Competency 8: The student will analyze cost behavior by:

1. Distinguishing between variable, fixed, and mixed costs
2. Computing the contribution margin and the contribution margin ratio
3. Performing the break-even point and the necessary sales volume to attain the desired profit
4. Computing the margin of safety and the operating leverage and giving examples as to how managers use these concepts

Competency 9: The student will show comprehension of the Variable Costing Income Statement by:

1. Describing the cost components of variable costing vs. The traditional absorption costing
2. Preparing a variable costing income statement and an absorption costing income statement from the same data
3. Analyzing data using both approaches to control and price products, and to analyze contribution margins

Competency 10: The student will show understanding of budgeting by:

1. Describing the objectives of budgeting
2. Describing the different types of budgeting and the use of computers in budgeting
3. Preparing a cash budget
4. Preparing production budgets for manufacturing companies

Competency 11: The student will demonstrate comprehension of Standard Costs and Variances from Standards by:

1. Illustrating how standards are used in flexible budgeting
2. Calculating and interpreting variances for direct materials, direct labor and factory overhead
3. Journalizing the entries for recording standards in the accounts
4. Explaining how standards may be used for non-manufacturing expenses

Competency 12: The student will demonstrate a knowledge of Differential Analysis and Product Pricing by:

1. Preparing a differential analysis report for different types of decisions to be made such as:
 - a. Leasing or selling a plant asset
 - b. Discontinuing an unprofitable segment
 - c. Manufacturing or purchasing a needed part
 - d. Accepting additional business at a reduced selling price
2. Determining the selling price of a product using the total cost concept
3. Determining the selling price of a product using the product cost concept
4. Determining the selling price of a product using the variable cost concept

Competency 13: The student will analyze different capital investment proposals by:

1. Using the following methods in decision making:
 - a. Average rate of return
 - b. Cash payback
 - c. Net present value
 - d. Internal rate of return

2. Listing examples of qualitative considerations in capital investment analysis
3. Describing additional factors that complicate capital investment analysis

Learning Outcomes:

- Communicate effectively using listening, speaking, reading, and writing skills
- Use quantitative analytical skills to evaluate and process numerical data
- Solve problems using critical and creative thinking and scientific reasoning
- Use computer and emerging technologies effectively