



BROWARD COLLEGE COURSE OUTLINE

LAST REVIEW: 2010-2011

(i.e. 2003-2004)

NEXT REVIEW: 2015-2016

(i.e. 2008-2009)

STATUS: A

(A, I, D)

COURSE TITLE: Managerial Accounting

COMMON COURSE NUMBER: ACG 2071

CREDIT HOURS: 3

CONTACT HOUR BREAKDOWN

(per 16 week term)

CLOCK HOURS:

(Voc. Course ONLY)

Lecture: **48**

Lab:

Clinic:

Other:

PREREQUISITE(S): ACG 2011

COREQUISITE(S): None

PRE/COREQUISITE(S): None

COURSE DESCRIPTION *(750 characters, maximum):*

As the last course of the series, this course concludes the study of manufacturing accounting and managerial accounting. Topics covered include financial statement analysis, job order costing, the process cost system, cost behavior, cost-volume-profit analysis, budgeting, profit analysis, responsibility accounting, differential analysis, capital investment analysis, and decision-making under uncertainty. Advisement note: Students achieving less than a grade of C may experience academic difficulty in higher level accounting courses. A grade of less than C is not transferable to upper division.

General Education Requirements – Associate of Arts Degree (AA), meets Area(s): Area

General Education Requirements – Associate in Science Degree (AS), meets Area(s): Area

General Education Requirements – Associate in Applied Science Degree (AAS), meets Area(s): Area

UNIT TITLES

1. Process Cost System
2. Cost Behavior and Cost Estimation
3. Cost-Volume-Profit Analysis
4. Budgeting
5. Standard Cost Systems
6. Responsibility Accounting for Cost, Investment and Profit Centers
7. Nature of Managerial Accounting
8. Differential Analysis
9. Capital Investment Analysis
10. Job order cost system.

EVALUATION:

Please provide a brief description (250 characters maximum) that details how students will be evaluated on the course outcomes.

Evaluation may include but is not limited to the following:

Exams, Quizzes, Presentations, Portfolios, Discussions, Class Participation, Attendance, Projects, Co-ops, Practicum, Internships, Externships, and Research Reports.

UNITS**Unit 1- Process Cost System****General Outcome:**

- 1.0** The students should be able to demonstrate and illustrate the accounting concepts and procedures used by manufacturing operations employing a process cost system.

Specific Measurable Learning Outcomes:

Upon successful completion of this unit, the student shall be able to:

- 1.1 Explain "process costing" and how it differs from job order costing.
- 1.2 Describe the basic concepts of a process cost accounting system.
- 1.3 Explain "equivalent whole units" and calculate them for a process.
- 1.4 Determine the number of units completed in a process and those that are still incomplete at the end of a period.
- 1.5 Prepare a production report that determines the costs per equivalent whole unit.
- 1.6 Describe the use of a cost of production report.
- 1.7 Allocate the production costs between the complete and incomplete units in the summary of a cost report.
- 1.8 Record the journal entries to account for the flow of production costs from one inventory account to another.

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Unit 2 - Cost Behavior and Cost Estimation

General Outcome:

- 2.0** The students should be able to describe cost behavior and cost estimation methods essential for planning and controlling operations.

Specific Measurable Learning Outcomes:

Upon successful completion of this unit, the student shall be able to:

- 2.1 Distinguish between cost behavior and cost estimation.
- 2.2 Describe and illustrate:
- 2.2.1 Variable costs
 - 2.2.2 Fixed costs
 - 2.2.3 Mixed costs
- 2.3 Explain and illustrate the use of the high-low method to estimate total costs.

Unit 3 - Cost-Volume-Profit Analysis

General Outcome:

- 3.0** The students should be able to describe and apply cost-volume-profit analysis.

Specific Measurable Learning Outcomes:

Upon successful completion of this unit, the student shall be able to:

- 3.1 Describe the use of cost-volume-profit analysis in planning operations.
- 3.2 Differentiate among variable, fixed, and mixed costs.
- 3.3 Compute the break-even point for a firm:
- 3.3.1 In dollars
 - 3.3.2 In product units
- 3.4 Calculate the variable cost per unit, variable cost percentage, contribution margin per unit, and contribution margin percentage.
- 3.5 Use the income equation technique and the contribution margin technique to do cost-volume-profit analysis.
- 3.6 Draw a graph that shows the variables involved in cost-volume-profit analysis.
- 3.7 Describe and compute:
- 3.7.1 Margin of safety
 - 3.7.2 Contribution margin ratio
 - 3.7.3 Compute target profit in units and sales dollars.
- 3.8 List the limitations of cost-volume-profit analysis.
- 3.9 List the assumptions of cost-volume-profit analysis.

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Unit 4 - Budgeting**General Outcome:**

4.0 The students should be able to explain the objectives of the budget process.

Specific Measurable Learning Outcomes:

Upon successful completion of this unit, the student shall be able to:

- 4.1 Describe the nature, objectives, and benefits of budgeting and the budget process.
- 4.2 Identify the components of a master budget.
- 4.3 Prepare a master budget for a manufacturing enterprise.
- 4.4 Prepare a performance report.
- 4.5 Describe how the flexible budget is used in a performance report to measure effectiveness and efficiency.
- 4.6 Prepare a flexible budget.

Unit 5 - Standard Cost Systems

General Outcome:

- 5.0 The students should be able to explain the use of standard costs in planning and controlling operations.

Specific Measurable Learning Outcomes:

Upon successful completion of this unit, the student shall be able to:

- 5.1 Describe how standard costs can be used to assist management in planning, controlling, and product costing.
- 5.2 Explain how standards are determined for each type of production cost.
- 5.3 Calculate the price, quantity, and total budget variances for direct materials and direct labor.
- 5.4 Calculate the volume and controllable budget variances for factory overhead.
- 5.5 Calculate the predetermined fixed factory overhead rate and the fixed overhead production volume variance.

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Unit 6 - Responsibility Accounting for Cost, Profit and Investment Centers**General Outcome:**

- 6.0** The students should be able to describe the function of managerial accounting and responsibility accounting.

Specific Measurable Learning Outcomes:

Upon successful completion of this unit, the student shall be able to:

- 6.1 Describe managerial accounting and differentiate from financial accounting.
- 6.2 Explain how management accounting assists management in the decision-making process.
- 6.3 Describe how an accountant assists management in planning, controlling, and product costing.
- 6.4 Differentiate between product costs and period costs.
- 6.5 Define direct and indirect costs.
- 6.6 Describe the nature of responsibility accounting.
- 6.7 Describe the nature of decentralized operations and the special accounting needs of management in such operations.
- 6.8 Describe and illustrate responsibility accounting for cost centers.
- 6.9 Describe and illustrate responsibility accounting for profit centers.
- 6.10 Describe and illustrate responsibility accounting for investment centers.
- 6.11 Calculate Return on Investment.

Unit 7 - Nature of Managerial Accounting

General Outcome:

- 7.0 The students should be able to describe the function of managerial accounting and responsibility accounting.

Specific Measurable Learning Outcomes:

Upon successful completion of this unit, the student shall be able to:

- 7.1 Describe the basic functions of the management process and the role of accounting in this process.
- 7.2 Describe the basic characteristics of managerial accounting reports.
- 7.3 Describe the organization of the managerial accounting function within a business enterprise.
- 7.4 Distinguish between costs and expenses.
- 7.5 Describe and illustrate the three manufacturing costs: direct materials, direct labor, and factory overhead.
- 7.6 Describe and illustrate the statement of cost of goods manufactured.
- 7.7 Describe the basic cost classifications useful for planning and control:
- 7.7.1 Variable costs and fixed costs
 - 7.7.2 Direct costs and indirect costs
 - 7.7.3 Controllable costs and non-controllable costs
 - 7.7.4 Differential costs
 - 7.7.5 Opportunity costs
 - 7.7.6 Sunk costs

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Unit 8 - Differential Analysis

General Outcome:

- 8.0** The students should be able to identify relevant information and apply differential analysis techniques.

Specific Measurable Learning Outcomes:

Upon successful completion of this unit, the student shall be able to:

- 8.1 List the necessary criteria that make information relevant to a decision involving two or more alternative courses of action.
- 8.2 Describe the nature of differential analysis and illustrate its application to decisions involving:
- 8.2.1 Accepting business at a special price
 - 8.2.2 Discontinuing an unprofitable segment
 - 8.2.3 Making or buying
 - 8.2.4 Replacing equipment
 - 8.2.5 Processing or selling

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Unit 9 - Capital Investment Analysis

General Outcome:

9.0 The students should be able to identify relevant information and apply capital investment analysis techniques.

Specific Measurable Learning Outcomes:

Upon successful completion of this unit, the student shall be able to:

- 9.1 Describe the nature of capital investment analysis.
- 9.2 Illustrate the evaluation of capital investment proposals by the following methods:
 - 9.2.1 Average rate of return
 - 9.2.2 Cash payback
 - 9.2.3 Discounted cash flow
 - 9.2.4 Discounted internal rate of return
- 9.3 Describe and illustrate the capital rationing process.
- 9.4 Describe the use of a capital expenditures budget for planning and controlling capital investment expenditures.

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Unit 10 - Job Order Cost System

General Outcome:

- 10.0** The students should be able to demonstrate and illustrate the concepts and procedures used in accounting for manufacturing operations employing a job order cost accounting system.

Specific Measurable Learning Outcomes:

Upon successful completion of this unit, the student shall be able to:

- 10.1 Prepare a statement for cost of goods manufactured.
- 10.2 Explain the characteristics of the job order costing system of accounting.
- 10.3 Explain the purpose of subsidiary ledgers and types of subsidiary ledgers needed for job order costing.
- 10.4 Determine the flow of costs through the production accounts and integrate this flow into the accounting records with journal entries and general ledger accounts.
- 10.5 Differentiate between actual and applied factory overhead.
- 10.6 Explain why applied factory overhead becomes part of the product cost.
- 10.7 Calculate the factory overhead rate and the factory overhead applied.
- 10.8 Explain the meaning of "overapplied or underapplied overhead," why each comes about, and how it is accounted for at year-end.