

COURSE SYLLABUS

COURSE NUMBER: BUSN-6070
COURSE TITLE: MANAGERIAL ACCOUNTING
LOCATION: BOLLING AIR FORCE BASE, DC 20336

INSTRUCTOR: PAUL S. JONNAKUTY
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COURSE DESCRIPTION: This course examines advanced topics in management accounting as these relate to management information needs for planning, control and decision making. Topics include interpretation of standard cost variances; application of quantitative techniques; evaluation of divisional performance; activity-based costing; and the behavioral impact of accounting systems. This course is designed for consumers as opposed to producers of accounting information.

INCOMING COMPETENCE EXPECTED: The prerequisites for this course are BUSN 5600 and BUSN 5760. The students must have a good understanding of financial accounting and also possess certain skills and abilities to analyze and project accounting data. Basic knowledge of mathematics and statistics is essential but not vital.

COURSE OBJECTIVES:

Upon successful completion of this course, the student will be able to:

- a) Use financial information in decision making; create, generate and interpret various reports using the data available in financial and cost accounting records. This is one of the primary objectives of this course and hence will be emphasized beginning with the very first chapter and management students will realize very soon how this course is unique in contributing to the development of their skills in this regard.
- b) Use cost accounting methods and techniques to accumulate and assign costs to products and services. This is achieved through the study of chapters 3 & 4.
- c) Describe the ways in which cost behavior is important in decision making. Chapters 5 & 6 cover this objective.
- d) Compare and contrast income statements generated by using contribution margin techniques with those generated using regular financial accounting. Chapters 6 & 7 cover this objective in a comprehensive manner.
- e) Explain and critique activity-based costing and identify its importance in the contemporary economic environment. Chapter 8 achieves this objective.
- f) Evaluate and control costs through the use of variance analysis which primarily emphasizes the principle of “Management by Exception”. This objective is systematically covered in chapter 10.
- g) Use “relevant costs” in decision making issues relating to “make or buy”, “add or drop” product lines. Chapter 13 covers these issues and others relating to the question of “different costs for different purposes”.
- h) Apply appropriate techniques of financial analysis in the review of financial statements. This is covered in the study of chapter 17.

CLASS SCHEDULES, LECTURES, AND ASSIGNMENTS:

WEEK ONE: Study chapters 1 & 2. Introduction of the course; explanation of syllabus, grading and other requirements. Lecture on “Roll of Managerial Accounting” and “Cost Terms, Concepts and Classifications.”

ASSIGNMENTS: Questions: 1-1; 1-7; 1-11; 2-2; 2-10
Exercises: 1-2; 2-1
Problems: 1-4; 2-15; 2-25

WEEK TWO: Study chapters 3 & 5. Lecture and study of: “Job Order and Process Costing systems”; “Cost Behavior Analysis”.

ASSIGNMENTS: Questions: 3-7; 3-11
Exercises: 3-7; 3-9
Problems: 3-19

WEEK THREE: Study chapters 6 & 7. Lecture and study of: “Cost-Volume-Profit Relationships and Variable Costing”.

ASSIGNMENTS: Questions: 6-3; 6-7; 6-11
Exercises: 6-2; 6-7
Problems: 6-18; 6-24; 6-26

WEEK FOUR: Study chapter 8. Lecture and study of: “Activity-Based Costing”. **Mid Term Exam--2 hrs.**

ASSIGNMENTS: Exercises: 8-1; 8-2

WEEK FIVE: Study chapters 10. Lecture and study of: “Standard Costing”

ASSIGNMENTS: Questions: 10-6; 10-11
Exercises: 10-2; 10-3; 10-4
Problem: 10-17

WEEK SIX: Study chapter 13. Lecture and study of: “Cost Accounting and Decision Making”

ASSIGNMENTS: Questions: 13-1; 13-3; 13-10
Exercises: 13-1; 13-3; 13-9
Problem: 13-16

WEEK SEVEN: Study chapter 16. Introduction to and study of: “Statement of Cash Flows.”

NO ASSIGNMENTS FOR THIS CHAPTER

WEEK EIGHT: Study chapter 17. Lecture and study of: “Financial Statement Analysis.”

ASSIGNMENTS: Problems 17-12; 17-13; 17-14

WEEK NINE: Final Examination—2 Hrs. 30 Minutes.

THIS IS YOUR FINAL DAY TO SUBMIT ALL YOUR UNSUBMITTED ASSIGNMENTS.

TEXT BOOK: “Managerial Accounting” by Garrison and Noreen; 11^h edition.
PUBLISHER: McGraw-Hill Irwin; ISBN 0-07-283494-3

SUPPLEMENTAL READINGS: Class assignments, lecture materials and handouts; business journals and news papers such as the Wall Street Journal, Business Week and the Financial Times.

GRADING:

MID-TERM EXAMINATION	35%
FINAL EXAM	35%
ASSIGNMENTS	<u>30%</u>
TOTAL	100%