

ACC112 Principles of Managerial Accounting – Administration Outline

Course Information

Organization	Mercer County Community College
Course Number	ACC112
Credits	4
Contact Hours	3/1

Description

A study of the uses of accounting information for managerial decision making. Areas covered include: manufacturing, merchandising, and service cost systems: cost-volume-profit analysis; budgeting; and capital investment decision making.

Prerequisites

ACC111 with a minimum grade of “C”

Revised: Spring 2021

Course Competencies/Goals

- A. Explain the functions of a business.
- B. Describe how accounting data is used to assist in making business decisions.
- C. Calculate accounting data used in making business decisions.
- D. Determine the cost of a manufactured product.
- E. Discuss the importance of budgets, budgetary control, and responsibility accounting.
- F. Use incremental analysis to make short term business decisions.
- G. Explain the capital budgeting process and use various techniques to make capital expenditure decisions.

General Education Outcomes

- Goal 1 Communication: Students will communicate effectively in both speech and writing.
- Goal 2 Mathematics: Students will use appropriate mathematical and statistical concepts and operations to interpret data and to solve problems.
- Goal 9 Ethical Reasoning and Action: Students will understand ethical issues and situations.

MCCC Core Skills

Goal A: Written and oral Communication in English. Students will communicate effectively in speech and writing and demonstrate proficiency in reading.

Goal B: Critical Thinking and Problem-solving. Students will use critical thinking and problem-solving skills in analyzing information.

Goal C: Ethical Decision-Making. Students will recognize, analyze and assess ethical issues and situations.

Goal F: Collaboration and Cooperation. Students will develop the interpersonal skills required for effective performance in group situations.

Units of Study in Detail

Competencies	
1.	Explain the Statement of Cash Flows
	Learning Objectives
	a. Indicate the usefulness of the statement of cash flows. (Course Competencies A, B, C; General Education 1, 2; MCCC Goals A, B)
	b. Distinguish among operating, investing, and financing activities. (Course Competencies A, B, C; General Education 1, 2; MCCC Goals A, B)
	c. Prepare a statement of cash flows using the indirect method. (Course Competencies A, B, C; General Education 1, 2; MCCC Goals A, B)
	d. Use the statement of cash flows to evaluate a company. (Course Competencies A, B, C; General Education 1, 2; MCCC Goals A, B)
2.	Discuss the concepts of managerial accounting
	Learning Objectives
	a. Explain the distinguishing features of managerial accounting. (Course Competencies A, B, C; General Education 1, 2; MCCC Goals A, B)
	b. Define the three classes of manufacturing costs. (Course Competencies A, B, C; General Education 1, 2; MCCC Goals A, B)
	c. Distinguish between product and period costs. (Course Competencies A, B, C; General Education 1, 2; MCCC Goals A, B)
	d. Indicate how cost of goods manufactured is determined and describe the uses of managerial accounting information. (Course Competencies A, B, C; General Education 1, 2; MCCC Goals A, B)
3.	Explain the elements of a job order cost system
	Learning Objectives
	a. Explain the characteristics and purposes of cost accounting. (Course Competencies A, B; General Education 1; MCCC Goals B)
	b. Describe the flow of costs in a job order cost accounting system. (Course Competencies A, B, C, D; General Education 1, 2; MCCC Goals A, B)
	c. Indicate how the predetermined overhead rate is determined and used. (Course Competencies A, B, C, D; General Education 1, 2; MCCC Goals A, B)
	d. Prepare entries for jobs completed and sold. (Course A, B, C, D; General Education 1, 2; MCCC Goals A, B)
	e. Distinguish between under-and-overapplied manufacturing overhead. (Course Competencies A, B, C, D; General Education 1, 2; MCCC Goals A, B)

4.	Explain the elements of a process cost system
	Learning Objectives
	a. Understand who uses process cost systems. (Course Competencies A, B; General Education 1; MCCC Goals A)
	b. Explain the similarities and differences between job order and process cost systems. (Course Competencies A, B; General Education 1; MCCC Goals A)
	c. Explain the flow of costs in a process cost system. (Course Competencies A, B; General Education 1; MCCC Goals A, B)
	d. Make journal entries to assign manufacturing costs in a process cost system. (Course Competencies A, B, C, D; General Education 1, 2; MCCC Goals A, B)
	e. Compute equivalent units. (Course Competencies A, B, C, D; General Education 1, 2; MCCC Goals A, B)
5.	Compare and contrast Traditional Costing and Activity-Based Costing
	Learning Objectives
	a. Identify three methods used for allocating factory overhead costs to products. (Course Competencies A, B, E; General Education 1, 2; MCCC Goals A, B)
	b. Use a single plant wide factory overhead rate for product costing (Course Competencies A, B, E; General Education 1, 2; MCCC Goals A, B)
	c. Use the multiple production department factory overhead rate method (Course Competencies A, B, E; General Education 1, 2; MCCC Goals A, B)
	d. Calculate unit costs using ABC (Course Competencies A, B, E; General Education 1, 2; MCCC Goals A, B)
6.	Use Cost-Volume-Profit concepts to make managerial decisions
	Learning Objectives
	a. Distinguish between variable, fixed costs, and mixed costs. (Course Competencies C; General Education 1, 2; MCCC Goals A, B)
	b. Explain the significance of the relevant range. (Course Competencies C; General Education 1, 2; MCCC Goals A, B)
	c. Indicate what contribution margin is and how it can be expressed. (Course Competencies C; General Education 1, 2; MCCC Goals A, B)
	d. Use the mathematical approach to determine the break-even point. (Course Competencies C; General Education 1, 2; MCCC Goals A, B)
	e. Define margin of safety and compute it. (Course Competencies C; General Education 1, 2; MCCC Goals A, B)
	f. Use a cost-volume-profit chart to determine break-even and sales needed for a target profit. (Course Competencies C; General Education 1, 2; MCCC Goals A, B)

7.	Implement managerial decisions by using the budgetary planning process
	Learning Objectives
	a. Indicate the benefits of budgeting. (Course Competencies A, B, E; General Education 1, 2; MCCC Goals A, B)
	b. State the essential of effective budgeting. (Course Competencies A, B, E; General Education 1, 2; MCCC Goals A, B)
	c. Explain and prepare a static budget and a flexible budget. (Course Competencies A, B, E; General Education 1, 2; MCCC Goals A, B)
	d. Identify and prepare the budgets that comprise the master budget. (Course Competencies A, B, E; General Education 1, 2; MCCC Goals A, B)
8.	Explain how standards are used in a cost center for control of costs
	Learning Objectives
	a. Describe the types of standards and how they are established. (Course Competencies B, C, D; General Education 1, 2; MCCC Goals A, B, C)
	b. Identify the advantages of standard costs and how they are used in budgeting. (Course Competencies B, C, D; General Education 1, 2; MCCC Goals A, B, C)
	c. Calculate and journalize standards for determining direct materials, direct labor, and manufacturing overhead variances. (Course Competencies B, C, D; General Education 1, 2; MCCC Goals A, B, C)
9.	Use incremental analysis to solve short term management decisions
	Learning Objectives
	a. Define relevant revenues and costs. (Course Competencies A, B, C, F; General Education 1, 2; MCCC Goals A, B)
	b. Describe the decision-making process involved in: special price orders, make or buy, process further, asset replacement, unprofitable segment. (Course Competencies A, B, C, F; General Education 1, 2; MCCC Goals A, B)
10.	Describe the capital budgeting process for decision making
	Learning Objectives
	a. Discuss the capital budgeting evaluation process. (Course Competencies A, B, C, G; General Education 1, 2; MCCC Goals A, B)
	b. Describe the cash payback technique and the average rate of return methods. (Course Competencies A, B, C, G; General Education 1, 2; MCCC Goals A, B)
	c. Explain the net present value method and the internal rate of return methods. (Course Competencies A, B, C, G; General Education 1, 2; MCCC Goals A, B)
	d. Discuss the qualitative considerations in the capital investment decision. (Course Competencies A, B, C, G; General Education 1, 2; MCCC Goals A, B)
	e. Define capital rationing and discuss its implications. (Course Competencies A, B, C, G; General Education 1, 2; MCCC Goals A, B)

11. **Describe and calculate financial statement ratios**

Learning Objectives

- Describe the basic financial statement analytical methods. (Course Competencies A, B, C, G; General Education 1, 2; MCCC Goals A, B)
- Use financial statement analysis to assess the solvency of a business (Course Competencies A, B, C, G; General Education 1, 2; MCCC Goals A, B)
- Use financial statement analysis to assess the profitability of a business. (Course Competencies A, B, C, G; General Education 1, 2; MCCC Goals A, B)
- Describe the contents of a corporate annual report.

Grading Information

Grading Scale

60%	Tests (Chapters 13,1, 2, 3, 11, 4, 6, 7, 9, 10, 14) *
15%	Written Projects (Course Competencies A, B, E; General Education 1, 9; MCCC Goals A, B, C, F)
5%	Quizzes and Class Work
20%	Final Exam

*The instructor will announce during the first class meeting the number of tests and the chapters covered in each test.

Reasonable Accommodations for Students with Documented Disabilities

Mercer County Community College is committed to supporting all students in their academic and co-curricular endeavors. Each semester, a significant number of students document disabilities, which may require learning, sight, hearing, manual, speech, or mobility accommodations to ensure access to academic and co-curricular activities. The college provides services and reasonable accommodations to all students who need and have a legal entitlement to such accommodations.

Academic Integrity

ACADEMIC INTEGRITY: Academic integrity refers to the total quality of the search for knowledge which a student undertakes. A student will be guilty of violating academic integrity if he/she:

- A. knowingly represents the work of others as his/her own.
- B. uses or obtains unauthorized assistance in the execution of an academic work
- C. gives fraudulent assistance to another student.

For any single violation of any of the College's policies on Academic Integrity in this course, the student will receive a zero for the assignment AND the final course grade will be lowered by one full letter grade (for example, a B would become a C). For a second violation, the student will fail the course. In all cases, the Chair of the Academic Integrity Committee will be notified of the violation and the penalty imposed. When two (or more) violations of academic integrity are reported on a student, the Academic Integrity Committee (AIC) may impose disciplinary penalties beyond those imposed in this course. The student shall have the right to a hearing before the AIC or a designated AIC subcommittee.