



MERCER
COUNTY COMMUNITY COLLEGE

COURSE OUTLINE

Course Number ACC112	Course Title Principles of Managerial Accounting	Credits 4
Hours: 4 Lecture	ACC111 with minimum of “C” grade	Fall 2022

Catalog 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.

General Education Category:
Not Gen Ed

Course coordinator: Josie Mathias, 609-570-3441,
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Required texts & Other materials:

Managerial Accounting, 14e. Warren/Reeve/Duchac, Cengage Learning, 2018 **ISBN:** 9781337270595

Course Student Learning Outcomes (SLO):

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

1. Explain the functions of a business. (ILG#1) (PLO#3)
2. Describe how accounting data is used to assist in making business decisions. (ILG #1) (PLO#3)
3. Calculate accounting data used in making business decisions. (ILG #2) (PLO#1)
4. Determine the cost of a manufactured product. (LG #2) (PLO#2)
5. Discuss the importance of budgets, budgetary control, and responsibility accounting. (ILG#2) (PLO#3, PLO#5)
6. Use incremental analysis to make short term business decisions. (ILG#2) (PLO#3)
7. Explain the capital budgeting process and use various techniques to make capital expenditure decisions. (ILG #11) (PLO#2, PLO#5)

Course-specific Institutional Learning Goals (ILG):

Institutional Learning Goal 1. Written and Oral Communication in English. Students will communicate effectively in both speech and writing.

Institutional Learning Goal 2. Mathematics. Students will use appropriate mathematical and statistical concepts and operations to interpret data and to solve problems.

Institutional Learning Goal 11. Critical Thinking: Students will use critical thinking skills understand, analyze, or apply information or solve problems.

Program Learning Outcomes for AAS Accounting (PLO)

1. Perform all the steps of the accounting cycle for sole proprietorships, partnerships, and corporations;
2. Compute and record financial transactions that are unique to governmental and not-for-profit institutions such as hospitals, colleges, and universities;
3. Analyze financial statements, prepare managerial reports, and suggest appropriate actions to alleviate or eliminate problems;
4. Implement an effective system of internal control;
5. Utilize the computer to record accounting information and perform spreadsheet analysis;

Units of study in detail – Unit Student Learning Outcomes:

Unit I Explain the Statement of Cash Flows [Supports SLOs #1, #2, #3]

Learning Objectives

The student will be able to:

- a. Indicate the usefulness of the statement of cash flows.
- b. Distinguish among operating, investing, and financing activities.
- c. Prepare a statement of cash flows using the indirect method.
- d. Use the statement of cash flows to evaluate a company.

Unit II Discuss the concepts of managerial accounting [Supports Course SLOs #1, #2, #3]

Learning Objectives

The student will be able to:

- a. Explain the distinguishing features of managerial accounting.
- b. Define the three classes of manufacturing costs.
- c. Distinguish between product and period costs.
- d. Indicate how cost of goods manufactured is determined and describe the uses of managerial accounting information.

Unit III Explain the elements of a job order system [Supports Course SLOs #2, #3, #4]

Learning Objectives

The student will be able to:

- a. Explain the characteristics and purposes of cost accounting. (Course Competencies A, B;
- b. Describe the flow of costs in a job order cost accounting system.
- c. Indicate how the predetermined overhead rate is determined and used.
- d. Prepare entries for jobs completed and sold.
- e. Distinguish between under-and-overapplied manufacturing overhead.

Unit IV Explain the elements of a process cost system [Supports Course SLOs#2, #3, #4]

Learning Objectives

The student will be able to:

- a. Understand who uses process cost systems.
- b. Explain the similarities and differences between job order and process cost systems.
- c. Explain the flow of costs in a process cost system.
- d. Make journal entries to assign manufacturing costs in a process cost system.
- e. Compute equivalent units.

Unit V Compare and contrast Traditional Costing and Activity-Based Costing [Supports Course SLOs #2, #3, #4]

Learning Objectives

The student will be able to:

- a. Distinguish between variable, fixed costs, and mixed costs.
- b. Explain the significance of the relevant range.
- c. Indicate what contribution margin is and how it can be expressed.
- d. Use the mathematical approach to determine the break-even point.
- e. Define margin of safety and compute it.
- f. Use a cost-volume-profit chart to determine break-even and sales needed for a target profit.

Unit VI. Use cost-volume-profit concepts to make managerial decisions [Supports Course SLOs #2, #3, #4]

Learning Objectives

The student will be able to:

- a. Distinguish between variable, fixed costs, and mixed costs.
- b. Explain the significance of the relevant range. (Course Competencies
- c. Indicate what contribution margin is and how it can be expressed.
- d. Use the mathematical approach to determine the break-even point.
- e. Define margin of safety and compute it.
- f. Use a cost-volume-profit chart to determine break-even and sales needed for a target profit.

Unit VII Implement managerial decisions by using the budgetary planning process [Supports course SOLs #3,#5,#6]

Learning Objectives

The student will be able to:

- a. Indicate the benefits of budgeting.
- b. State the essential of effective budgeting.
- c. Explain and prepare a static budget and a flexible budget.
- d. Identify and prepare the budgets that comprise the master budget.

Unit VIII Explain how standards are used in a cost center for control of costs [Supports Course SLOs #3, #4, #5]

Learning Objectives

The student will be able to:

- a. Describe the types of standards and how they are established.
- b. Identify the advantages of standard costs and how they are used in budgeting.
- c. Calculate and journalize standards for determining direct materials, direct labor, and manufacturing overhead variances.

Unit IX Use incremental analysis to solve short term management decisions [Supports Course SLOs #3, #6]

Learning Objectives

The student will be able to:

- a. Define relevant revenues and costs.
- b. Describe the decision-making process involved in: special price orders, make or buy, process further, asset replacement, unprofitable segment.

Unit X Describe the capital budgeting process for decision making [Supports Course SLOs #3, #7]

Learning Objectives

Students will be able to:

- a. Discuss the capital budgeting evaluation process.
- b. Describe the cash payback technique and the average rate of return methods.
- c. Explain the net present value method and the internal rate of return methods.
- d. Discuss the qualitative considerations in the capital investment decision.
- e. Define capital rationing and discuss its implications.

Unit XI Describe and calculate financial statement ratios [Supports Course SLO #2]

Learning Objectives

Students will be able to:

- a. Describe the basic financial statement analytical methods
- b. Use financial statement analysis to assess the solvency of a
- c. Use financial statement analysis to assess the profitability of a business
- d. Describe the contents of a corporate annual report.

Evaluation of student learning:

All course student learning outcomes will be assessed by the following activities.
Test questions will be selected to evenly assess all expected outcomes.
Grades will be assigned as detailed below

Tests	60%
Written Project	15%
Quizzes	5%
Final Exam	20%