

**ACCY 2 - Section 8 (DIS 35112)**  
**Principles of Managerial Accounting**  
**Course Syllabus – Fall 2015**

Instructor: **Hugh Pforsich**  
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Classroom: **Amador 153**  
Class times: **Wed 9:00–10:15am**  
Office hours: **Wed 10:30am-12noon; Thur 5:00-6:00pm**

**Websites:**

- **Course Website:** <http://www.csus.edu/indiv/p/pforsichh/accy2.htm>
- **Online Homework/Quizzes (Connect Register & Login):**  
<http://connect.mheducation.com/class/accy2pforsich-spring-2016>
- **Garrison 15e Textbook Website:**  
[http://highered.mheducation.com/sites/007802563x/student\\_view0/index.html](http://highered.mheducation.com/sites/007802563x/student_view0/index.html)

**Required Text:**

- 1) **CONNECT online access code (for online homework)**
- with e-text (\$125.00)
- 2) (OPTIONAL) **Garrison, Managerial Accounting, 15<sup>th</sup> Ed., Irwin/McGraw-Hill, -- ISBN 978-0078025631**
- Older, used versions are acceptable (and cheaper!)

**Course Catalog Description:**

**ACCY 2. Managerial Accounting.** Use and reporting of accounting data for managerial planning, control, and decision making. Broad coverage of concepts, classification, and behavior of costs.

**Prerequisite:** ACCY 1. **Graded; 3.0 Units.**

**Business Context / Key Concepts:**

The primary objective of this course is to develop an introductory understanding of accounting information for use by management in planning and controlling operations. A framework for measuring managerial performance is developed through an analytical treatment of cost behavior under dynamic conditions by employing tools such as job costing, process costing, activity-based costing, variable costing, cost estimation, cost-volume-profit analysis, budgeting, standard costing, differential costing, and capital budgeting. The use of costs in decision-making contexts is emphasized.

**Grading:**

	<u>Points</u>	<u>Percentage</u>
• <b>Attendance (includes LearnSmart)</b>		
(5 pts. dropped per unexcused absence)	50	10 %
(5 pts. Dropped per incomplete assigned LearnSmart as of class start time)		
• <b>Quizzes/Homework</b>		
(11 drop 2 = 9 @ 30 pts. each)	270	52 %
• <b>Midterm Exam</b> (Chs. 2-7, conceptual)	100	19 %
• <b>Final Exam</b> (Chs. 8-10, 12-13, conceptual)	100	19 %
	<u>520</u>	<u>100%</u>

Wk	Mtg	Day	Date	Chap	Chapter Topic/Assessment
1	1	Mon	25-Jan	2	Mgr Acct & Cost Concepts [LEARNSMART; VIDEOS]
	2	Wed	27-Jan		Mgr Acct & Cost Concepts [IN-CLASS]
	Due: Sat Jan 30, midnight			Ch2 online HW due (80% minimum)	
	3pm Thur-Jan 28 to midnight Sat-Jan 30			Q2 -- 10 problems; 60 minutes [CONNECT]	
2	X	Mon	1-Feb	3	Job-Order Costing [LEARNSMART; VIDEOS]
	3	Wed	3-Feb		Job-Order Costing [IN-CLASS]
	Due: Sat Feb 6, midnight			Ch3 online HW due (80% minimum)	
	3pm Thur-Feb 4 to midnight Sat-Feb 6			Q3 -- 10 problems; 60 minutes [CONNECT]	
3	X	Mon	8-Feb	4	Process Costing [LEARNSMART; VIDEOS]
	4	Wed	10-Feb		Process Costing [IN-CLASS]
	Due: Sat Feb 13, midnight			Ch4 online HW due (80% minimum)	
	3pm Thur-Feb 11 to midnight Sat-Feb 13			Q4 -- 10 problems; 60 minutes [CONNECT]	
4	X	Mon	15-Feb	5	Cost-Volume-Profit Relationships [LEARNSMART; VIDEOS]
	5	Wed	17-Feb		Cost-Volume-Profit Relationships [IN-CLASS]
	Due: Sat Feb 20, midnight			Ch5 online HW due (80% minimum)	
	3pm Thur-Feb 18 to midnight Sat-Feb 20			Q5 -- 10 problems; 60 minutes [CONNECT]	
5	X	Mon	22-Feb	6	Variable Costing [LEARNSMART; VIDEOS]
	6	Wed	24-Feb		Variable Costing [IN-CLASS]
	Due: Sat Feb 27, midnight			Ch6 online HW due (80% minimum)	
	3pm Thur-Feb 25 to midnight Sat-Feb 27			Q6 -- 10 problems; 60 minutes [CONNECT]	
6	X	Mon	29-Feb	7	Activity-Based Costing [LEARNSMART; VIDEOS]
	7	Wed	2-Mar		Activity-Based Costing [IN-CLASS]
	Due: Sat Mar 5, midnight			Ch7 online HW due (80% minimum)	
	3pm Thur-Mar 3 to midnight Sat-Mar 5			Q7 -- 10 problems; 60 minutes [CONNECT]	
7	X	Mon	7-Mar	Review Week --- Concepts in Chs. 2,3,4,5,6,7 on Midterm Exam	
	8	Wed	9-Mar		
				Conceptual Midterm Exam: Chs. 2,3,4,5,6,7 50 Questions; 75 minutes [IN CLASS]	
8	X	Mon	14-Mar	8	Profit Planning [LEARNSMART; VIDEOS]
	9	Wed	16-Mar		Profit Planning [IN-CLASS]
	Due: Sat Mar 19, midnight			Ch8 online HW due (80% minimum)	
	3pm Thur-Mar 17 to midnight Sat-Mar 19			Q8 -- 10 problems; 60 minutes [CONNECT]	

Wk	Mtg	Day	Date	Chap	Chapter Topic/Assessment
<div>Spring Break March 20-26, 2016</div>					
9	X	Mon	28-Mar	9	Flexible Budgets [LEARNSMART; VIDEOS]
	10	Wed	30-Mar		Flexible Budgets & Performance Analysis [IN-CLASS]
	Due: Sat Apr 2, midnight			Ch9 online HW due (80% minimum)	
	3pm Thur-Mar 31 to midnight Sat-Apr 2			Q9 -- 10 problems; 60 minutes [CONNECT]	
10	X	Mon	4-Apr	10	Standard Costing [LEARNSMART; VIDEOS]
	11	Wed	6-Apr		Standard Costing [IN-CLASS]
	Due: Sat Apr 9, midnight			Ch10 online HW due (80% minimum)	
	3pm Thur-Apr 7 to midnight Sat-Apr 9			Q10 -- 10 problems; 60 minutes [CONNECT]	
11	X	Mon	11-Apr	12	Differential Analysis [IN-CLASS]
	12	Wed	13-Apr		Veteran's Day ---- Diff Analysis [LEARNSMART; VIDEOS]
	Due: Sat Apr 16, midnight			Ch12 online HW due (80% minimum)	
	3pm Thur-Apr 14 to midnight Sat-Apr 16			Q12 -- 10 problems; 60 minutes [CONNECT]	
12	X	Mon	18-Apr	13	Capital Budgeting [LEARNSMART; VIDEOS]
	13	Wed	20-Apr		Capital Budgeting [IN-CLASS]
	Due: Sat Apr 23, midnight			Ch13 online HW due (80% minimum)	
	3pm Thur-Apr 21 to midnight Sat-Apr 23			Q13 -- 10 problems; 60 minutes [CONNECT]	
13	X	Mon	25-Apr	Optional Extra Credit [Hard copy due on the day of the final exam]	
	X	Wed	27-Apr		
14	X	Mon	2-May	Review Week --- Concepts in Chs. 8,9,10,12,13 on Final Exam	
	X	Wed	4-May		
15	X	Mon	9-May	Review Week --- Concepts in Chs. 8,9,10,12,13 on Final Exam	
	X	Wed	11-May		
Wednesday, May 18, 2016 8:00 - 10:00 am				Conceptual Final Exam: Chs. 8,9,10,12,13 50 Questions:[IN CLASS]	

1. **Academic Honesty** - Students are required to follow the guidelines regarding academic honesty: <http://www.csus.edu/umannual/student/STU-0100.htm>
2. **Reasonable Accommodation** - For services or information, please consult with the instructor and Services to Students with Disabilities <http://www.csus.edu/SSWD/> no later than **end of the third week of semester** so to ensure provision of the necessary accommodation and assistance in a timely fashion. Students with other types of accommodation requirements, including language development, are invited to discuss them with the instructors to facilitate understanding and the best learning experience for all. All information will remain confidential.
3. **Grading Method** -
  - Each student begins the semester with 50 attendance points which will be reduced by 5 points for each unexcused absence and 5 points for each late LearnSmart assignment.
  - The difficulty level of the weekly chapter quizzes is medium to high. These quizzes consist of 10 quantitative multiple-choice problems covering the main topics of the chapter. The quiz is worth 20 points which will be added to the weekly homework score (10 points possible). The total will be recorded as a chapter score (30 points possible). The two lowest chapter scores will be dropped at the end of the semester when calculating final course scores and grades.
  - Two exams, a conceptual midterm and conceptual final (not cumulative; no calculations) worth 100 points each will be added into the final course score.
  - An optional extra credit assignment worth 20 points (added only to the numerator of each student's course score calculation) will be made available during the last 3 weeks of the semester.
  - Final course grades will be straight A, B, C, D, or F (no plusses or minuses).
4. **Learning Objectives (Garrison, 15e text)** -
  - **Chapter 2 – Managerial Accounting and Cost Concepts**
    - LO 2-1: Understand cost classifications used for assigning costs to cost objects: direct costs and indirect costs.
    - LO 2-2: Identify and give examples of each of the three basic manufacturing cost categories.
    - LO 2-3: Understand cost classifications used to prepare financial statements: product costs and period costs.
    - LO 2-4: Understand cost classifications used to predict cost behavior: variable costs, fixed costs, and mixed costs.
    - LO 2-5: Analyze a mixed cost using a scatter-graph plot and the high-low method.
    - LO 2-6: Prepare income statements for a merchandising company using the traditional and contribution formats.
    - LO 2-7: Understand cost classifications used in making decisions: differential costs, opportunity costs, and sunk costs.
  - **Chapter 3 – Job-Order Costing**
    - LO3-1: Compute a predetermined overhead rate.
    - LO3-2: Apply overhead cost to jobs using a predetermined overhead rate.
    - LO3-3: Compute the total cost and average cost per unit of a job.
    - LO3-4: Understand the flow of costs in a job-order costing system and prepare appropriate journal entries to record costs.
    - LO3-5: Use T-accounts to show the flow of costs in a job-order costing system.
    - LO3-6: Prepare schedules of cost of goods manufactured and cost of goods sold and an income statement.
    - LO3-7: Compute underapplied or overapplied overhead cost and prepare the journal entry to close the balance in Manufacturing Overhead to the appropriate accounts.

- **Chapter 4 – Process Costing**
  - LO4-1: Record the flow of materials, labor, and overhead through a process costing system.
  - LO4-2: Compute the equivalent units of production using the weighted-average method.
  - LO4-3: Compute the cost per equivalent unit using the weighted-average method.
  - LO4-4: Assign costs to units using the weighted-average method.
  - LO4-5: Prepare a cost reconciliation report.
- **Chapter 5 – Cost-Volume-Profit Relationships**
  - LO5-1: Explain how changes in activity affect contribution margin and net operating income.
  - LO5-2: Prepare and interpret a cost-volume-profit (CVP) graph and a profit graph.
  - LO5-3: Use the contribution margin ratio (CM ratio) to compute changes in contribution margin and net operating income resulting from changes in sales volume.
  - LO5-4: Show the effects on net operating income of changes in variable costs, fixed costs, selling price, and volume.
  - LO5-5: Determine the break-even point.
  - LO5-6: Determine the level of sales needed to achieve a desired target profit.
  - LO5-7: Compute the margin of safety and explain its significance.
  - LO5-8: Compute the degree of operating leverage at a particular level of sales and explain how it can be used to predict changes in net operating income.
  - LO5-9: Compute the break-even point for a multiproduct company and explain the effects of shifts in the sales mix on contribution margin and the break-even point.
- **Chapter 6 – Variable Costing**
  - LO6-1: Explain how variable costing differs from absorption costing and compute unit product costs under each method.
  - LO6-2: Prepare income statements using both variable and absorption costing.
  - LO6-3: Reconcile variable costing and absorption costing net operating incomes and explain why the two amounts differ..
- **Chapter 7 – Activity-Based Costing: A Tool to Aid Decision Making**
  - LO7-1: Understand activity-based costing and how it differs from a traditional costing system.
  - LO7-2: Assign costs to cost pools using a first-stage allocation.
  - LO7-3: Compute activity rates for cost pools.
  - LO7-4: Assign costs to a cost object using a second-stage allocation.
  - LO7-5: Use activity-based costing to compute product and customer margins.
- **Chapter 8 – Master Budgeting**
  - LO8-1: Understand why organizations budget and the processes they use to create budgets.
  - LO8-2: Prepare a sales budget, including a schedule of expected cash collections.
  - LO8-3: Prepare a production budget.
  - LO8-4: Prepare a direct materials budget, including a schedule of expected cash disbursements for purchases of materials.
  - LO8-5: Prepare a direct labor budget.
  - LO8-6: Prepare a manufacturing overhead budget.
  - LO8-7: Prepare a selling and administrative expense budget.
  - LO8-8: Prepare a cash budget.
- **Chapter 9 – Flexible Budgets and Performance Analysis**
  - LO9-1: Prepare a flexible budget.
  - LO9-2: Prepare a report showing activity variances.
  - LO9-3: Prepare a report showing revenue and spending variances.
  - LO9-4: Prepare a performance report that combines activity variances and revenue and spending variances.
  - LO9-5: Prepare a flexible budget with more than one cost driver.

- LO9–6: Understand common errors made in preparing performance reports based on budgets and actual results.
- **Chapter 10 – Standard Costs and Variances**
  - LO10–1: Compute the direct materials price and quantity variances and explain their significance.
  - LO10–2: Compute the direct labor rate and efficiency variances and explain their significance.
  - LO10–3: Compute the variable manufacturing overhead rate and efficiency variances and explain their significance.
- **Chapter 12 – Differential Analysis: The Key to Decision Making**
  - LO12–1: Identify relevant and irrelevant costs and benefits in a decision.
  - LO12–2: Prepare an analysis showing whether a product line or other business segment should be added or dropped.
  - LO12–3: Prepare a make or buy analysis.
  - LO12–4: Prepare an analysis showing whether a special order should be accepted.
  - LO12–5: Determine the most profitable use of a constrained resource.
  - LO12–6: Determine the value of obtaining more of the constrained resource.
  - LO12–7: Prepare an analysis showing whether joint products should be sold at the split-off point or processed further.
- **Chapter 13 – Capital Budgeting Decisions**
  - LO13–1: Determine the payback period for an investment.
  - LO13–2: Evaluate the acceptability of an investment project using the net present value method.
  - LO13–3: Evaluate the acceptability of an investment project using the internal rate of return method.
  - LO13–4: Evaluate an investment project that has uncertain cash flows.
  - LO13–5: Rank investment projects in order of preference.
  - LO13–6: Compute the simple rate of return for an investment.

### **A note on the hybrid nature of the course**

The CBA is committed to excellence in teaching. In order to ensure that this hybrid course provides students with an excellent learning experience, the following learning components have been installed:

- All office hours will be held in my office on campus. During non-office hours in which I am off campus, students are encouraged to call me on my cell phone. Students are also encouraged to email me anytime and will normally receive a prompt response, at least within 48 hours.
- As a full-time CBA faculty member I am actively involved in the Sacramento State campus life. I am in my office several hours every day and welcome my students to drop in during non-office hours.
- I participate in workshops that present best practices for online and/or hybrid classes.
- In order to promote a quality learning experience, I present unique value to my students through my classes lessons in the following areas:
  - The textbook publisher's material is supplemented by video lectures that I have created for each textbook chapter.
  - An interactive component is built into the online portion of the class to accommodate student questions, learning and discussion.
    - Online homework settings are configured to allow students to check the answers to their work, link to relevant e-book sections for further reading and study, and receive helpful hints when requested by the student.
    - After a homework assignment is completed, students are given detailed online feedback on each assignment.
    - Online exams and quizzes include a feedback component that provides students with their results to be in compliance with the university's student rights policy.

- In-class lessons review the material covered in online video lectures and demonstrate how to solve practice quiz problems. Students are encouraged to ask questions and discuss the course material during these in-class lessons. I also post my hand-written solutions to practice quiz questions and problems that are demonstrated in class.