

**ACCY 2 - Section 1 (DIS 31373)**  
**Principles of Managerial Accounting**  
**Course Syllabus – Spring 2017**

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Classroom: Amador 153  
Class times: Wed 9:00–10:15am  
Office hours: Wed 8:00-9:00am; 10:30-11:30am  
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/h-pforsich-spring-2017-wed-9am-pforsich>
- 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 (\$131.50)
- 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> |
|---|---------------|-------------------|
| • Attendance (includes LearnSmart)<br>(10 pts. dropped per unexcused absence) | 50            | 10 %              |
| • Quizzes/Homework<br>(11 drop 2 = 9 @ 30 pts. each)                          | 270           | 52 %              |
| • Midterm Exam (Chs. 2-7, conceptual)   | 100           | 19 %              |
| • Final Exam (Chs. 8-10, 12-13, conceptual)                                   | <u>100</u>    | <u>19 %</u>       |
|   | <u>520</u>    | <u>100%</u>       |

| Wk | Mtg                                    | Day | Date   | Chap   | Chapter Topic/Assessment | Wk  | Mtg  | Day | Date  | Chap | Chapter Topic/Assessment |
|----|--|-----|--------|--|--------------------------|---|--|-----|---|------|--------------------------|
| 1  | 2                                      | Wed | 25-Jan | 2  | Mgr Acct & Cost Concepts | Spring Break March 20-25                                |  |     |   |      |                          |
|    | Due: Sat-Jan 28, midnight              |     |        | Ch2 online HW due (80% minimum)  |                          |   |  |     |   |      |                          |
|    | 3pm Thur-Jan 26 to midnight Sat-Jan 28 |     |        | Q2 -- 10 problems; 60 minutes [CONNECT]  |                          |   |  |     |   |      |                          |
| 2  | 3                                      | Wed | 1-Feb  | 3  | Job-Order Costing        | 9   | 8  | Wed | 29-Mar  | 9    | Flexible Budgets         |
|    | Due: Sat-Feb 4, midnight               |     |        | Ch3 online HW due (80% minimum)  |                          |   |  |     |   |      |                          |
|    | 3pm Thur-Feb 2 to midnight Sat-Feb 4   |     |        | Q3 -- 10 problems; 60 minutes [CONNECT]  |                          |   |  |     |   |      |                          |
| 3  | 4                                      | Wed | 8-Feb  | 4  | Process Costing          | 10  | 9  | Wed | 5-Apr   | 10   | Standard Costing         |
|    | Due: Sat-Feb 11, midnight              |     |        | Ch4 online HW due (80% minimum)  |                          |   |  |     |   |      |                          |
|    | 3pm Thur-Feb 9 to midnight Sat-Feb 11  |     |        | Q4 -- 10 problems; 60 minutes [CONNECT]  |                          |   |  |     |   |      |                          |
| 4  | 5                                      | Wed | 15-Feb | 5  | CVP Relationships        | 11  | 10   | Wed | 12-Apr  | 12   | Differential Analysis    |
|    | Due: Sat-Feb 18, midnight              |     |        | Ch5 online HW due (80% minimum)  |                          |   |  |     |   |      |                          |
|    | 3pm Thur-Feb 16 to midnight Sat-Feb 18 |     |        | Q5 -- 10 problems; 60 minutes [CONNECT]  |                          |   |  |     |   |      |                          |
| 5  | 6                                      | Wed | 22-Feb | 6  | Variable Costing         | 12  | 11   | Wed | 19-Apr  | 13   | Capital Budgeting        |
|    | Due: Sat-Feb 25, midnight              |     |        | Ch6 online HW due (80% minimum)  |                          |   |  |     |   |      |                          |
|    | 3pm Thur-Feb 23 to midnight Sat-Feb 25 |     |        | Q6 -- 10 problems; 60 minutes [CONNECT]  |                          |   |  |     |   |      |                          |
| 6  | 7                                      | Wed | 1-Mar  | 7  | Activity-Based Costing   | 13  | Optional Extra Credit [Hard copy due on the day of the final exam] |     |   |      |                          |
|    | Due: Sat-Mar 4, midnight               |     |        | Ch7 online HW due (80% minimum)  |                          |   |  |     |   |      |                          |
|    | 3pm Thur-Mar 2 to midnight Sat-Mar 4   |     |        | Q7 -- 10 problems; 60 minutes [CONNECT]  |                          |   |  |     |   |      |                          |
| 7  | 8                                      | Wed | 8-Mar  | Conceptual Midterm Exam: Chs. 2,3,4,5,6,7<br>50 Questions; 75 minutes [IN CLASS] |                          | 14 & 15   | Review Weeks --- Concepts in Chs. 8,9,10,12,13 on Final Exam       |     |   |      |                          |
|    |  |     |        |  |                          |   |  |     |   |      |                          |
| 8  | 9                                      | Wed | 15-Mar | 8  | Profit Planning          | Wednesday, May 17, 2017<br>8:00 - 10:00 am (Amador 153) |  |     | Conceptual Final Exam: Chs. 8,9,10,12,13<br>40 Questions;[IN CLASS] |      |                          |
|    | Due: Sat-Mar 18, midnight              |     |        | Ch8 online HW due (80% minimum)  |                          |   |  |     |   |      |                          |
|    | 3pm Thur-Mar 16 to midnight Sat-Mar 18 |     |        | Q8 -- 10 problems; 60 minutes [CONNECT]  |                          |   |  |     |   |      |                          |

Note: Homework deadlines on this schedule are official. Homework deadlines on the CONNECT website are not official and should be ignored.

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.