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Learning Objectives

Learning Objective: 02-01 Understand cost classifications used for assigning costs to cost objects: direct costs and indirect costs.

Learning Objective: 02-02 Identify and give examples of each of the three basic manufacturing cost categories.

Learning Objective: 02-03 Understand cost classifications used to prepare financial statements: product costs and period costs.

Learning Objective: 02-04 Understand cost classifications used to predict cost behavior: variable costs; fixed costs; and mixed costs.

Learning Objective: 02-05 Understand cost classifications used in making decisions: differential costs; opportunity costs; and sunk costs.

Learning Objective: 02-06 Compute the equivalent units of production using the weighted-average method.

Learning Objective: 02-07 Understand cost classifications used in making decisions: differential costs; opportunity costs; and sunk costs.

Learning Objective: 03-01 Compute a predetermined overhead rate.

Learning Objective: 03-02 Understand the flow of costs in a job-order costing system and prepare appropriate journal entries to record costs.

Learning Objective: 03-03 Use T-accounts to show the flow of costs in a job-order costing system.

Learning Objective: 03-04 Prepare schedules of cost of goods manufactured and cost of goods sold and an income statement.

Learning Objective: 03-05 Compute underapplied or overapplied overhead cost and prepare the journal entry to close the balance in Manufacturing Overhead to the appropriate accounts.

Learning Objective: 03-06 Prepare schedules of cost of goods manufactured and cost of goods sold and an income statement.

Learning Objective: 03-07 Compute underapplied or overapplied overhead cost and prepare the journal entry to close the balance in Manufacturing Overhead to the appropriate accounts.

Learning Objective: 03-08 Prepare schedules of cost of goods manufactured and cost of goods sold and an income statement.

Learning Objective: 04-01 Record the flow of materials; labor; and overhead through a process costing system.

Learning Objective: 04-02 Compute the equivalent units of production using the weighted-average method.

Learning Objective: 04-03 Compute the cost per equivalent unit using the weighted-average method.

Learning Objective: 04-04 Compute the cost per equivalent unit using the weighted-average method.

Learning Objective: 04-05 Prepare and interpret a cost-volume-profit (CVP) graph and a profit graph.

Learning Objective: 05-01 Use the contribution margin ratio (CM ratio) to compute changes in contribution margin and net operating income resulting from changes in sales volume.

Learning Objective: 05-02 Prepare and interpret a cost-volume-profit (CVP) graph and a profit graph.

Learning Objective: 05-03 Use the contribution margin ratio (CM ratio) to compute changes in contribution margin and net operating income resulting from changes in sales volume.

Learning Objective: 05-04 Show the effects on net operating income of changes in variable costs; fixed costs; selling price; and volume.

Learning Objective: 05-05 Determine the break-even point.

Learning Objective: 05-06 Compute the margin of safety and explain its significance.

Learning Objective: 06-01 Explain how variable costing differs from absorption costing and compute unit product costs under each method.

Learning Objective: 06-02 Prepare income statements using both variable and absorption costing.

Learning Objective: 06-03 Reconcile variable costing and absorption costing net operating incomes and explain why the two amounts differ.

Learning Objective: 07-01 Understand activity-based costing and how it differs from a traditional costing system.