

**College of Micronesia-FSM
P. O. Box 159
Kolonias, Pohnpei FM 96941**

Course Outline Cover Page

Managerial Accounting
Course Title

AC 250
Department and Number

Course Description:

Develops concepts related to the information managers' need in carrying out three essential functions within the business enterprise, such as how to plan operations, to control activities and to make decisions.

Course Prepared by: Accounting Division
campus

State: Pohnpei-national

	Hours per Week		No. of Week		Total Hours		Semester
Credits							
Lecture	<u>3</u>	x	<u>16</u>	=	<u>48/16</u>	=	
<u>3</u>							
Laboratory	_____	x	_____	=	_____	=	
<u>_____</u>							
Workshop	_____	x	_____	=	_____	=	_____
<u>3</u>							
					Total Semester Credits	=	_____

Purpose of Course:

Degree Requirement	_____
Degree Elective	_____
Certificate	_____
Remedial	_____
Other (workshop)	_____

Prerequisite Course(s): AC220_____

SPENSIN JAMES (SGD)

Signature, Chairperson, Curriculum Committee

12/1/98

Date Approved by Committee

SUSAN MOSES (SGD)

Signature, President, COM-FSM

12/23/98

Date Approved by President

Managerial Accounting (AC 250) Course Outline

A. General Objective:

To develop students' abilities to use accounting information within specific organizations for the purposes of planning, control and analysis.

The course will show what kinds of information the manager needs, where this information can be obtained, and how this information is used in carrying out three essential functions within the business enterprise 1) to plan operations; 2) to control activities; and 3) to make decisions.

B. Specific Objectives:

The student will be able to:

1. Describe how budgets are used to plan and how performance reports are used to evaluate; distinguish between manufacturing and non-manufacturing costs and between product and period costs; describe the flow of product costs in a manufacturing firm's accounts; distinguish between fixed and variable costs, direct and indirect costs, and controllable and noncontrollable costs.
2. Discuss the types of product costing systems; explain the relationship between the cost of jobs and Work in Process Inventory, Finished Goods Inventory, and Cost of Goods Sold; describe how direct material, direct labor, and manufacturing overhead are traced to jobs.
3. Describe product flows through departments and record cost flows in accounts; discuss the concept of equivalent units; calculate the cost per equivalent unit; calculate the cost of goods completed and the ending work in process balance in a processing department; describe a production cost report.
4. Identify the common cost behavior patterns; estimate the relationship between cost and activity using account analysis; perform cost-volume-profit analysis.
5. Explain why indirect cost are allocated; describe the cost allocation process; discuss the allocation of joint costs; discuss activity-based costing and cost drivers.
6. Discuss how budgets are used in planning and control; describe why flexible budgets are needed for performance evaluation; describe the conflict between the planning and control uses of budgets.

7. Explain how standard costs are developed; calculate and interpret variances; record standard costs in a manufacturing firm's accounts.
8. Explain the role of differential costs and revenues in management decisions; define sunk cost, avoidable cost and opportunity cost; discuss how managers use cost information for product pricing decisions.
9. Define capital expenditure decisions and capital budgets; evaluate investment opportunities using the net present value approach; evaluate investment opportunities using the internal rate of return approach.

C. Text:

Managerial Accounting (third edition) Cecily A. Raiborn, J.T. Barfield, M.R. Kinney, South-Western Publishing 1999

D. Instructional Approach:

Lectures, student discussions, guest speakers, projects and various individual and group assignments.

E. Course Content:

- I. Managerial Accounting and Cost Information-General introduction, Cost Classifications for Manufacturing firms, Flow of Product Costs in Accounts, Cost of Services.
- II. Job-Order Costing and Changes in the Manufacturing Environment Use of Product Cost Information, Types of Costing Systems, Job-Order Costing System, Flow of Costs, Allocating Overhead to Jobs, Changes in the Manufacturing Environment and Product Costing Systems.
- III. Process Costing - Difference Between Job-Order and Process Costing Systems, Product and Cost Flows, Calculating Unit Cost, Production Cost Report.
- IV. Cost-Volume-Profit Relationships - Common Cost Behavior Patterns, Cost Estimation Methods, Cost-Volume-Profit Analysis, Multiproduct Analysis.
- V. Cost Allocation and Activity-Based Costing - Purposes of Cost Allocation, Process of Cost Allocation, Allocating Joint Costs, Problems with Cost Allocation.
- VI. Budgetary Planning and Control - Developing the Budget, The Master Budget, Budgetary Control, Investigating Budget Variances

VII. Standard Costs and Variance Analysis - Standard Costs and Budgets, Development of Standard Costs, General Approach to Variance Analysis

VIII. Cost Information and Management Decisions - Differential Costs and Revenues, Pricing Decisions

IX. Capital Budgeting Decisions - Evaluating Investment Opportunities

F. Evaluation:

Grades will be assigned based on the following percentages of total points received from exams, projects, quizzes, practice sets, and the midterm and final

A	90% to 100%
B	80% to 89%
C	70% to 79%
D	60% to 69%
F	59% and below

G. Attendance Policy:

The COM-FSM Attendance Policy will be observed.