

COURSE DESCRIPTION: Development of an advanced level understanding of the preparation, analysis, and utilization of financial statements and reports by means of an examination of accounting theory concepts and practices. Interpretation and application of accounting data for internal planning, reporting, control, and decision making will be stressed. NOTE: Students who have completed twelve or more credit hours of accounting may not take this course for credit. Those students should meet this Core requirement by completing another 500 level accounting course.

OBJECTIVE: This course will present and discuss the types of financial information a manager needs in order to plan, assess performance, and choose between alternative courses of action. This course is organized around the major uses of accounting by decision makers, but it is neither comprehensive nor is it at the “cutting edge” of the subject. However, at the conclusion of the course, you will have a better understanding of what accounting information represents, the limitations of traditional accounting systems, and what financial information is needed for effective decision making.

ASSIGNMENTS: Assigned Problems will be presented and discussed in class. It is essential that you come to each class with the required reading and any assignments complete. You are expected to contribute to the learning experience by being prepared for and participating in discussions. Thoughtful questions and occasionally helping others understand concepts enrich the learning experience for everyone.

Solutions to the assigned Problems will be made available in Blackboard after they are covered in class.

LEARNING SUPPORT:

- Detailed outlines of each chapter will be provided in class and made available in Blackboard.
- PowerPoint presentations accompanying each chapter will also be available in Blackboard.
- Review Problems at the end of each chapter provide additional opportunities to reinforce your understanding of the material.
- Appropriate Exercises and Problems will be used in class to illustrate key concepts.

GRADES: The final grade will be determined as follows:

Mid-term	40%
Final	40%
Project* and presentations	20%

* Identify a current management decision that your organization is considering. Explain the relevant management accounting concept(s) applicable to this decision and develop, to the extent possible, the information needed.

Course Outline

Cost classifications

- External reporting
 - Product costs
 - Direct material
 - Direct labor
 - Manufacturing overhead
 - Period costs (nonmanufacturing costs)
 - SG&A

Assigning costs

- Direct
- Indirect

Predicting changes due to changes in activity

- Variable
- Fixed

Flow of costs through production

- Cost of goods manufactured
- Cost of goods sold

Determining the cost of units of output

- Job-order costing
 - Documents used in determining product cost
 - Applying overhead using a predetermined rate
 - Determining the rate
 - Applying the rate
 - Under or over applied overhead

Allocating service department costs

- Direct and step methods

Allocating costs by behavior

- Actual vs. budgeted costs
 - Variable -- budgeted rate
 - Fixed -- pre-determined lump-sum

Activity-based costing

- Contrasting traditional and activity-based costing
- Implementing activity-based costing
 - First stage allocation: cost pools
 - Second stage allocation: cost objects

Cost behavior patterns

- Variable costs

 - Cost driver

- Fixed costs

 - Relevant range

- Analysis of mixed costs

Cost-volume profit analysis

- CVP graph

- Contribution margin

- Break-even analysis

- Target profit

- Operating leverage and cost structure

- Sales mix

Variable vs. absorption costing

- Evaluating product profitability

Short-run decisions and differential analysis

- Opportunity costs and sunk costs

- Applications to decision making

Long-term decision making

- Time value of money

 - Capital budgeting

Management control systems and control of decentralized operations

- Responsibility accounting

- Transfer pricing

Review of financial accounting concepts

Statement of cash flows

Definition of cash

Classification of cash sources and uses

Operating

Investing

Financing

Analysis of financial statements

Liquidity, Efficiency, Leverage, Profitability