Degree Applicable

Glendale Community College
April 2013

COURSE OUTLINE

Accounting 102
Managerial Accounting

I. Catalog Statement

Accounting 102 continues student development in the use of accounting concepts. It presents managerial accounting from an information-user, decision-making viewpoint. Emphasis is placed on developing students' ability to critically judge and evaluate issues covered in the course. The majority of the course covers managerial accounting for business operations, stressing four-year college transfer expectations, with the remainder concerned with financial management, and evaluating businesses. Ethical issues and open-ended exercises requiring critical judgment and narrative response by students may be used throughout the course.

Total Lecture Units: 5.0
Total Course Units: 5.0

Total Lecture Hours: 80
Total Faculty Contract Hours: 80

Prerequisite: Accounting 101 or 106 or equivalent

Recommended Preparation: Concurrent enrollment or completion of CABOT 260 or 270, or equivalent spreadsheet experience.

II. Course Entry Expectations

Skills Level Ranges: Reading 5; Writing 4; Listening-Speaking 4; Math 4.

Prior to enrolling in the course, the student should be able to:

1. analyze, evaluate, and explain business problems using basic concepts and terminology of accounting and finance;
2. explain the use of accounting information, both by those outside and within the firm;
3. recognize and analyze ethical issues in accounting and business practice;
4. explain principles and issues concerning the accounting cycle, revenue and expense recognition and measurement, the valuation of economic resources, internal control, external reporting requirements, the financial performance and strength of a firm and external financing;

5. use the computer in preparing either a general ledger package, preparing a spreadsheet program, or conducting internet-based research;
6. perform in a collaborative group setting, by completing one or more assigned projects requiring work in small groups.

III. Course Exit Standards

Upon successful completion of the required coursework, the student will be able to:

1. Identify and illustrate the primary activities and information needs of managers and explain the role of the managerial accountant as a member of the management team; compare and contrast financial and managerial accounting;
2. Define and illustrate various cost terms, concepts, and behaviors, and evaluate their relevancy for different decision-making purposes;
3. Distinguish between product and period costs and prepare and evaluate a Schedule of Cost of Goods Manufactured, Schedule of Cost of Goods Sold, and Income Statement;
4. Prepare traditional and contribution-margin income statements and define related terms;
5. Explain cost-volume-profit analysis, degree of operating leverage, and safety margin and employ each as an analytical tool;
6. Describe the traditional types of product costing systems (including job-order and process), illustrate the flow of costs in each, and prepare related accounting records and reports;
7. Discuss the impact of technology on the business environment, its implications for product and service costs, and the development of activity-based costing and management;
8. Explain the purposes of budgeting, prepare a master budget and its component schedules, and relate the budget to planning and control;
9. Explain the development and use of standard costs and flexible budgets, prepare and interpret variance analysis reports and relate them to responsibility accounting and control;
10. Explain the nature of and need for segment reporting and the relationship with cost, revenue, profit, and investment centers; prepare and analyze related segment reports;
11. Compare and contrast absorption costing and variable costing, prepare income statements using both methods, and reconcile the resulting net incomes;
12. Define relevant costs and benefits and prepare analyses related to special decisions;
13. Explain the nature of capital expenditure decisions and apply and evaluate various methods used in making these decisions; including the time value of money and
14. Identify the ethical implications inherent in managerial accounting and reporting and be able to apply strategies for addressing them.

IV. Course Content — Total Faculty Contact Hours = 80

A. Financial Management — 10 hours
1. Issues of financing decisions and strategies
2. Equity financing
3. Debt financing
4. The time value of money

B. Understanding and evaluating business strategies — 10 hours
1. The statement of cash flows
2. Financial indicators and analysis

C. Managerial accounting for business operations — 60 hours
1. Basic terms and concepts
2. Cost behavior
3. Determining the cost of products and services
4. Cost-volume-profit analysis
5. Pricing products and services
6. Recent innovations in managerial accounting
7. Responsibility accounting and budgeting
8. Capital expenditure decisions

V. Methods of Instruction

The following methods of instruction may be used in the course:
1. classroom lecture and discussion in the covered subjects;
2. group discussion and presentations in covered subjects;
3. online activities.

VI. Out of Class Assignments

The following out of class assignments may be used in the course:
1. reading assignments to introduce each covered subject;
2. homework assignment to reinforce each covered subject.

VII. Method of Evaluation

The following methods of evaluation may be used in the course:
1. quizzes and tests;
2. midterm and final examination;
3. class presentation.

VIII. Textbook

Garrison/Noreen/Brewer, *Managerial Accounting*. Boston: McGraw-Hill, 2012.
10th Grade Textbook Reading Level. ISBN: 007756740 4

IX. Student Learning Outcomes:

1. knowledge and understanding of managerial accounting by showing proficiency in management accounting calculations and reporting;
2. demonstrate the knowledge of internal management techniques by analysis of a company's data and presenting this information using presentation skills;
3. obtain the ability to communicate business data to decision makers in an understandable presentations.