

Syllabus for
ACT 432/GACT 533--Managerial Cost Accounting
3 Credit Hours
Spring 2012

I. COURSE DESCRIPTION

A study of basic cost relationships, cost systems design, variance analysis, CVP analysis, and standard costing techniques. Considers the relative income effects of alternative product-costing methods together with relevant cost evaluations and inventory planning and control techniques. Prerequisite—ACT 216 Principles of Financial and Managerial Accounting II

II. COURSE GOALS

- A. Managerial Cost Accounting is designed to familiarize students with product cost development and recording techniques as well as planning and control procedures used in a manufacturing setting and to prepare them for the interaction that is necessary between the various departments in a corporate environment.
- B. Managerial Cost Accounting is directed toward responsibility accounting and control. The student will learn how to specifically identify the individual responsible for each cost area and to develop and apply cost accounting systems and techniques which will assist in identifying performance in these areas. Standard costs are utilized to assist in measuring performance.
- C. Cost accounting techniques are examined and allow the students to learn to use these tools to provide assistance in solving managerial problems; cost-volume-profit relationships are explored to provide management with information which will assist in profit trend determination and aid in determining the fixed cost-variable cost mix which should be employed by the firm.
- D. In line with the purpose of this University, this course seeks to do the following:
1. Contribute to the education of the whole person.
 2. Encourage each student to place faith in Jesus Christ at the center of their lives.
 3. Encourage the synthesis and integration of the common bond of knowledge provided by the university into a unified whole.
 4. Sharpen the communication, computation and critical analysis skills of each student.
 5. Increase the students' recognition of God's order, diversity, and creativity and their consequences in the social and historical sciences.
 6. Demonstrate that knowledge and experience are related not separated.
 7. Assist the students' development of basic skills, acquiring of basic knowledge and formulation of a world vision.
 8. Advocate the examination of this field of knowledge in the context of its influence upon and its being influenced by others.
- E. In line with the purpose of the accounting program, this course is designed to prepare a student for an active role in accounting in industry. An objective of this program is to combine the broad foundation of business administration with professional accounting skills and quantitative decision-making experience so that the student has the potential of maximum personal achievement and maximum benefit to their future employers. Through

all of the courses in accounting it is the purpose of the program to develop an integrated person--spiritually alive, intellectually alert, physically disciplined, socially adept, and professionally competent.

- F. In line with the departmental objectives, this course seeks to prepare the student in the following areas:
1. Critical thinking (skills in reasoning, objectivity, analysis, interpretation, research, or decision making relevant to the discipline).
 2. Communication (abilities in areas such as written, oral, and nonverbal communication; group process; information technology and/or media production).
 3. Broad, comprehensive, foundational knowledge for the professional standards of the major.
 4. Broad interpretation of the dynamics of business within the social and professional context.
 5. Internalization of Christian business ethics and professionalism.

III. STUDENT LEARNING OUTCOMES FOR THIS COURSE

- A. Terminal Objective
Upon successful completion of this course through participating in class discussions and completing the minimum amount of homework problems as outlined in this syllabus, the student will be able to properly identify variable and fixed cost relationships and systematically use the cost information in management decision making; to properly record product cost information using job order costing, process costing, and standard costing procedures; and to properly prepare financial statements using actual costing, normal costing, and standard costing methods with a 70% minimum level of accuracy.
- B. Unit Objectives
Upon successful completion of each unit the student will be able to do the following:
1. Identify and explain general cost accounting information and terms.
 - a. Identify the key components of the product value chain.
 - b. Explain the cost-benefit approach.
 - c. Explain the primary functions of managerial accounting information.
 - d. List and define the roles of the key decision makers in a manufacturing company.
 - e. List and define product and period costs.
 - f. List and define direct and indirect costs.
 - g. List and define fixed and variable costs.
 - h. Prepare detailed schedules of raw material, work in process, and finished goods.
 - i. Prepare a complete income statement and detailed schedules of cost of goods manufactured and sold from partial information.
 2. Utilize cost behavior relationships to solve problems and to estimate cost functions.
 - a. Explain the differences between fixed and variable costs.
 - b. Identify and explain cost drivers and relevant range.
 - c. Calculate total costs using the high-low method
 - d. Calculate total costs using regression analysis
 - e. Calculate total costs using learning curve techniques

3. Analyze cost-volume-profit relationships
 - a. Compute the break-even point.
 - b. Compute expected profit given different fixed costs, selling prices, and contribution margins.
 - c. Determine the margin of safety and degree of operating leverage.
 - d. Analyze profitability of multiple product opportunities.
4. Analyze short-term decisions and make recommendations for most profitable alternatives.
 - a. Determine relevant costs in a "special order" or "make or buy" case.
 - b. Calculate profitability of various product lines.
 - c. Utilize simple linear programming techniques.
5. Apply alternative costing methods to the results of a manufacturing company.
 - a. Prepare a proper income statement using absorption costing.
 - b. Prepare a proper income statement using variable costing.
 - c. Adjust the income statements for the effects of normal and standard costing.
 - d. Calculate unit costs of inventory using FIFO and Average cost-flow assumptions.
6. Use job order costing to track product costs and analyze management decisions.
 - a. Prepare general journal entries for all phases of the production cycle in a manufacturing company.
 - b. Properly compute and apply factory overhead rates.
 - c. Properly allocate over or under-allocated overhead amounts.
7. Use process costing to track product costs and analyze management decisions.
 - a. Properly calculate equivalent units of production.
 - b. Allocate product costs to units using both a FIFO and Average approach.
 - c. Prepare general journal entries in a process costing environment.
 - d. Properly allocate costs of spoiled units if inspection occurs at various points within the department.
8. Implement the planning function of management.
 - a. Prepare a Sales Forecast.
 - b. Prepare a Production Budget.
 - c. Prepare Material Usage and Purchases Budgets.
 - d. Prepare Direct Labor, Factory Overhead, Cost of Goods Sold, and Expense Budgets.
 - e. Prepare a Cash Budget.
9. Implement the control function of management.
 - a. Develop standard product costs from budget information.
 - b. Calculate and analyze the price and quantity variances for direct material and direct labor.
 - c. Calculate and analyze the spending, efficiency, and volume variances for factory overhead.
 - d. Prepare general journal entries using standard costs.
 - e. Reconcile actual results for the entire company with the master budget, including sales and expenses.
 - f. Calculate variances for multiple product companies or products using multiple materials.
10. Utilize strategic cost management to create a competitive advantage.
 - a. Identify and analyze the value-chain.
 - b. Apply life-cycle cost management to maximize profitability.
 - c. Identify basic features of Just in Time manufacturing.

11. Utilize lean accounting in a manufacturing environment.
 - a. Describe the basic features of lean accounting
 - b. Apply lean accounting to multiple product opportunities.

IV. TEXTBOOKS AND OTHER LEARNING RESOURCES

- A. Required Materials
Textbook
Hansen, Don R., Mowen, Maryanne M., and Guan, Liming. Cornerstones of Cost Accounting, (1st Ed.). South-Western, 2011. (ISBN# _____)
- B. Optional Materials
None
- C. Optional/Recommended Materials
 1. Financial Calculator - preferably a Texas Instruments BA II Plus or TI83.
 2. Three Ring Binder for class handouts, class notes, and returned homework problems.
 3. Three scantron sheets for exams – to be turned in PRIOR TO first exam.

V. POLICIES AND PROCEDURES

- A. Universities Policies and Procedures
 1. Attendance at each class or laboratory is mandatory at Oral Roberts University. Excessive absences can reduce a student's grade or deny credit for the course.
 2. Students taking a late exam because of an unauthorized absence are charged a late exam fee.
 3. Students and faculty at Oral Roberts University must adhere to all laws addressing the ethical use of others' materials, whether it is in the form of print, electronic, video, multimedia, or computer software. Plagiarism and other forms of cheating involve both lying and stealing and are violations of ORU's Honor Code: "I will not cheat or plagiarize; I will do my own academic work and will not inappropriately collaborate with other students on assignments." Plagiarism is usually defined as copying someone else's ideas, words, or sentence structure and submitting them as one's own. Other forms of academic dishonesty include (but are not limited to) the following:
 - a. Submitting another's work as one's own or colluding with someone else and submitting that work as though it were his or hers;
 - b. Failing to meet group assignment or project requirements while claiming to have done so;
 - c. Failing to cite sources used in a paper;
 - d. Creating results for experiments, observations, interviews, or projects that were not done;
 - e. Receiving or giving unauthorized help on assignments.By submitting an assignment in any form, the student gives permission for the assignment to be checked for plagiarism, either by submitting the work for electronic verification or by other means. Penalties for any of the above infractions may result in disciplinary action including failing the assignment or failing the course or expulsion

4. Final exams cannot be given before their scheduled times. Students need to check the final exam schedule before planning return flights or other events at the end of the semester.
5. Students are to be in compliance with University, school, and departmental policies regarding Whole Person Assessment requirements. Students should consult the Whole Person Assessment handbooks for requirements regarding general education and the students' majors.
 - a. The penalty for not submitting electronically or for incorrectly submitting a Whole Person Assessment artifact is a zero for that assignment.
 - b. By submitting an assignment, the student gives permission for the assignment to be assessed electronically.

B. College of Business Policies and Procedures

1. Late tests - When a student misses an exam for an unexcused reason, the student should obtain a petition for late exam from the College of Business Secretary. The petition must then be approved by the instructor. The student will go to Student Accounts to pay the late exam fee, receive a signature from student accounts verifying the receipt of payment, and then take the form back to the instructor at the prearranged time to make up the exam. **The student will be penalized one letter grade for a late test.**
2. Cell Phones
 - a. Cell phone usage of any type is prohibited in the classroom during class hours. All cell phones shall be stored out of sight and silenced/turned off. If a student fails to comply with this requirement, the professor may (at the professor's discretion) dismiss the student from class and mark the student for an unexcused absence. Students may (prior to the beginning of class) request an exception to this policy if some type of extenuating circumstance exists that would reasonably justify the granting of an exception and a possible disruption of the class for taking an incoming call, text messaging, etc.
 - b. Unless specifically pre-authorized by the professor, portable or handheld computer/calculator, cell phone, and all other media/multi-media device usage of any type is prohibited in the classroom during class examinations. All such devices shall be stored out of sight and silenced/turned off. If a student fails to comply with this requirement, the professor may (at the professor's discretion) dismiss the student from class, mark the student for an unexcused absence, and/or penalize the student by deducting points on the exam. With regard to cell phone usage, students may (prior to the beginning of class) request an exception to this policy if some type of extenuating circumstance exists that would reasonably justify the granting of an exception and a possible disruption of the class for taking an incoming call, text messaging, etc. In this instance the cell phone should be left with the professor during the class, and if an incoming call is received the student will retrieve the phone from the professor to respond.

C. Course Policies and Procedures

1. Evaluation Procedures

a. Undergraduate Students		
3 Hourly Exams x 100 points		= 300
Homework and Pop Quizzes:		
Homework 13 x 5 points	= 65	
Computer Project 1 x 20 points	= 20	
Pop Quizzes 2 x 10 points	= <u>20</u>	= 105
Comprehensive Final Exam		= <u>200</u>
TOTAL POINTS		605

Point Distribution

- A = 90% x 600 points = 540
- B = 80% x 600 points = 480
- C = 70% x 600 points = 420
- D = 60% x 600 points = 360
- F = Below 60% x 600 points = below 360

b. Graduate Students		
3 Hourly Exams x 100 points		= 300
Homework and Pop Quizzes		
Homework 18 x 5 points	= 90	
Computer Projects 2 x 20 points	= 40	
Pop Quizzes 2 x 10 points	= <u>20</u>	= 150
Comprehensive Final Exam		= <u>200</u>
TOTAL POINTS		650

Point Distribution

- A = 90% x 650 points = 585
- B = 80% x 650 points = 520
- C = 70% x 650 points = 455
- D = 60% x 650 points = 390
- F = Below 60% x 650 points = below 390

2. Whole Person Assessment Requirements - None

3. Other Policies and Procedures

- The format for regular exams this semester will include multiple choice questions (normally 30-45 points) and problems (normally 60-75 points).
 - Exams during the semester are administered during regular 50 minute class periods.
 - Exams will require students to work quickly and efficiently in a manner similar to working in a professional service organization where services are billed by the hour. Speed, organizational skills, and knowledge are being tested in this process.
 - Extra credit is available on the regular semester exams to help compensate for the time constraints.
- Chapter assignments (problems, exercises, and cases) must be turned in at the beginning of class on the due date and are worth a maximum of five points each. They are graded in half point increments (5, 4.5, 4, 3.5, etc.). Students are encouraged to complete as many of the assignments as possible. Only the top 13 scores for undergraduates and top 18 scores for graduate students will count toward the student's total points for the semester. There are 20 assignments listed in the calendar. **Assignments**

submitted after they are collected in class will be corrected but will not receive any credit. Students are strongly encouraged to do homework early in the semester to prevent unnecessary stress at the end of the semester.

- c. The computer project will require the students to develop a spreadsheet model for repetitive calculations in a manufacturing company. Grades on the computer project will be reduced by 50% for every week day they are late.
- d. Pop quizzes will be unannounced and cannot be made up for any reason. More than two pop quizzes will be given but only the two best quiz scores will be counted toward the student's final total of points.
- e. ATTENDANCE POLICY - Each absence in excess of 3 per semester which is not administratively excused or medically excused **will reduce the student's total points for the semester by 10.** (For example, if a student misses 5 classes without excuses, the student would be penalized 20 points).
- f. Up to 10 professional development points will be allowed for this class. In accordance with the guidelines of the professional development program of the college of business, the student is expected to attend various professional meetings on campus as well as off campus. In order to receive credit for attending these meetings, the students must attend the entire meeting. For on campus meetings and meetings of Full Gospel Business Men's International, the student must arrive on time and sign the attendance form. For other meetings off campus, the student must turn in the half page professional development reporting form to Terry Unruh's office in the College of Business. These forms must be turned in within one week from the date which the meeting occurred. **The final deadline for earning professional development points is Friday, April 20, 2012.**
- g. Faculty member information
Mr. Terry Unruh
GC 3F 09
Office Phone 495-7781
Home Phone 496-9044 (do not call after 10:00 p.m.)
e-mail tunruh@oru.edu
Office Hours MWF 1:30 – 2:20 p.m.
TR 1:30 – 4:00 p.m.

VI. COURSE CALENDAR - Spring 2012 (Hansen, Cornerstones of Cost Accounting 1st Edition)

<u>Class</u>	<u>Date</u>	<u>Chapter</u>	<u>Unit Objective</u>	<u>Assignment</u>
1	Jan. 9	1	1a	Introduction
2	11		1b-d	Read Chapter 1
3	13	2	1e-g	Read Chapter 2
	16	Martin Luther King Day		No Class
4	18		1h	Problem 2-23
5	20		1i	Problem 2-28
6	23	3	2a,b	Read Chapter 3
7	25		2c,d	Exercise 3-4
8	27		2e	Problem 3-36
9	30	16	3a	Read Chapter 16
10	Feb. 1		3b,c	Exercise 16-6
11	3		3d	Problem 16-29
12	6	17	4a	Read Chapter 17
13	8		4b	Exercise 17-19
14	10		4c	Problem 17-24
15	13	Exam		EXAM 1 (Chapters 1, 2, 3, 17, & 18)
16	15			Review Exam 1
17	17	18	5a	Read Chapter 18
18	20		5b	Handout Problem
19	22		5c,d	Problem 18-26
20	24	5	6a	Read Chapter 5
21	27		6a,b	Catch up and review
22	29		6c	Problem 5-21
23	Mar. 2		6c	Exercise 5-12 & 5-13 (one assignment)
24	5	6	7a	Read Chapter 6
25	7		7b	Exercise 6-14
26	9		7c	Catch up and Review
27	12		7d	Problem 6-31
28	14	Exam		EXAM 2 (Chapters 18, 5, & 6)
29	16			Review Exam 2
	17 - 25		S P R I N G B R E A K	
30	26	8	8a,b	Read Chapter 8
31	28		8c,d	Exercise 8-17
32	30		8e	Problem 8 - 31
33	Apr. 2	9	9a,b	Read Chapter 9
34	4		9c,d	Exercise 9-2
35	6	Good Friday		No Classes
36	9		9e,f	Problem 9-33
37	11	11	10a	Read Chapter 11
38	13		10b	Problem 11 - 16
39	16		10c	Catch up and Review
40	18	Exam		EXAM 3 (Chapters 8, 9, & 11)
41	20			Review Exam 3
42	23	15	11a	Read Chapter 15
43	25		11b	Exercise 15-14
44	27		11b	Catch up and Review
	April 30 – May 4		FINAL EXAM WEEK	

Course Inventory for ORU's Student Learning Outcomes

Managerial Cost Accounting – ACT 432/GACT 533 Spring 2012

This course contributes to the ORU student learning outcomes as indicated below:

Significant Contribution – Addresses the outcome directly and includes targeted assessment.

Moderate Contribution – Addresses the outcome directly or indirectly and includes some assessment.

Minimal Contribution – Addresses the outcome indirectly and includes little or no assessment.

No Contribution – Does not address the outcome.

The Student Learning Glossary at <http://ir.oru.edu/doc/glossary.pdf> defines each outcome and each of the proficiencies/capacities.

OUTCOMES & Proficiencies/Capacities		Significant Contribution	Moderate Contribution	Minimal Contribution	No Contribution
1	Outcome #1 – Spiritually Alive				
<i>Proficiencies/Capacities</i>					
1A	Biblical knowledge				X
1B	Sensitivity to the Holy Spirit				X
1C	Evangelistic capability				X
1D	Ethical behavior		X		
2	Outcome #2 – Intellectually Alert				
<i>Proficiencies/Capacities</i>					
2A	Critical thinking	X			
2B	Information literacy		X		
2C	Global & historical perspectives			X	
2D	Aesthetic appreciation			X	
2E	Intellectual creativity	X			
3	Outcome #3 – Physically Disciplined				
<i>Proficiencies/Capacities</i>					
3A	Healthy lifestyle				X
3B	Physically disciplined lifestyle				X
4	Outcome #4 – Socially Adept				
<i>Proficiencies/Capacities</i>					
4A	Communication skills		X		
4B	Interpersonal skills		X		
4C	Appreciation of cultural & linguistic differences				X
4D	Responsible citizenship		X		
4E	Leadership capacity		X		