

ACCOUNTING 2302
Principles of Managerial Accounting

Western Texas College

- I. Basic Course Information:
 - A. Course Description: This course is an introduction to the fundamental concepts of managerial accounting appropriate for all organizations. Students will study information from the entity's accounting system relevant to decisions made by internal managers, as distinguished from information relevant to users who are external to the company. The emphasis is on the identification and assignment of product costs, operational budgeting and planning, cost control, and management decision making.
Topics include product costing methodologies, cost behavior, operational and capital budgeting, and performance evaluation.
 - B. Prerequisites: ACCT 2301- Principles of Financial Accounting with a minimum grade of C.
- II. Student Learning Outcomes (SLO):
 - A. Identify the role and scope of financial and managerial accounting and the use of accounting information in the decision-making process of managers.
 - B. Define operational and capital budgeting, and explain its role in planning, control, and decision making.
 - C. Prepare an operating budget, identify its major components, and explain the interrelationships among its various components.
 - D. Explain methods of performance evaluation.
 - E. Use appropriate financial information to make operational decisions.
 - F. Demonstrate use of accounting data in the areas of product costing, cost behavior, cost control, and operational and capital budgeting for management decisions.
- III. Testing Requirements:
 - A. Chapter exams and the final exam must be proctored by an approved testing organization. (Ask you instructor for more details.)
 - B. Students are NOT allowed to use their textbook/notes/other resources while taking their proctored chapter exams and the final exam.
- IV. Major Course Requirements:
 - A. Major Requirement 1 – There will be 4 Exams, 2 proctored and 2 not proctored.
 - B. Major Requirement 2 – There will be a comprehensive final exam.
 - C. Exams 35%, Quizzes 10%, Assignments 20%, Ethics Paper 15%, Comprehensive Final exam 20%
- V. Information on Books and Other Course Materials:
 - A. Text: Horngren's Financial and Managerial Accounting, 6th Ed., Nobles, Mattison, and Matsumura. Pearson/Prentice Hall. This book will be used

for both Accounting I – Financial Accounting and Accounting I – Managerial Accounting.

- B. Required Access Code: Students must purchase MyAccountingLab. If you are purchasing the book through the WTC bookstore, the access code will be included with the book. This code may be purchased with the textbook, the e-text, or separately.

VI. Other Policies, Procedures and Important Dates: Please refer to the [WTC Course Catalog](#) for the following:

- A. Campus Calendar
- B. Final Exam Schedule
- C. How to Drop a Class
- D. Withdraw Information
- E. Student Conduct/ Academic Integrity
- F. Class Attendance
- G. Students with Disabilities

VII. Course Organization and Schedule:

Chapter 16: Introduction to Managerial Accounting

1. Why is managerial accounting important?
2. How do service, merchandising, and manufacturing companies differ?
3. How are costs classified?
4. How do manufacturing companies determine the cost of manufactured products?
5. How is managerial accounting used in service and merchandising companies?

Chapter 17: Job Order Costing

1. How do manufacturing companies use job order and process costing systems?
2. How do materials and labor costs flow through the job order costing system?
3. How do overhead costs flow through the job order costing system?
4. What happens when products are completed and sold?
5. How is the manufacturing overhead account adjusted?
6. How do service companies use a job order costing system?

Chapter 18: Process Costing

1. How do costs flow through a process costing system?
2. What are equivalent units of production?
3. How is a production cost report prepared?
4. What journal entries are required in a process costing system?
5. How can the production cost report be used to make decisions?

6. How is a production cost report prepared using the FIFO method?

Chapter 19: Cost Management Systems: Activity-Based, Just-In-Time, and Quality Management Systems

1. How do companies assign and allocate costs?
2. How is an activity-based costing systems developed?
3. How can companies use activity-based management to make decisions?
4. Can activity-based management be used in service companies?
5. How do just-in-time management systems work?
6. How do companies manage quality using a quality management system?

Chapter 20: Cost-Volume-Profit Analysis

1. How do costs behave when there is a change in volume?
2. What is contribution margin, and how is it used to compute operating income?
3. How is cost-volume-profit (CVP) analysis used?
4. How is CVP analysis used for sensitivity analysis?
5. What are some other ways CVP analysis can be used?

Chapter 21: Variable Costing

1. How does variable costing differ from absorption costing?
2. How does operating income differ between variable costing and absorption costing?
3. How can variable costing be used for decision making in a manufacturing company?
4. How can variable costing be used for decision making in a service company?

Chapter 22: Master Budgets

1. Why do managers use budgets?
2. Are there different types of budgets?
3. How are the operating budgets prepared for a manufacturing company?
4. How are the financial budgets for a manufacturing company prepared?
5. How can information technology be used in the budgeting process?
6. How are operating budgets prepared for a merchandising company?
7. How are financial budgets prepared for a merchandising company?

Chapter 23: Flexible Budgets and Standard Cost Systems

1. How do managers use budgets to control business activities?

2. Why do managers use a standard cost system to control business activities?
3. How are standard costs used to determine direct materials and direct labor variances?
4. How are standard costs used to determine manufacturing overhead variances?
5. What is the relationship among the product cost variances and who is responsible for them?
6. How do journal entries differ in a standard cost system?

Chapter 24: Responsibility Accounting and Performance Evaluation

1. Why do decentralized companies need responsibility accounting?
2. What is a performance evaluation system and how is it used?
3. How do companies use responsibility accounting to evaluate performance in cost, revenue, and profit centers?
4. How does performance evaluation in investment centers differ from other centers?
5. How do transfer prices affect decentralized companies?

Chapter 25: Short-Term Business Decisions

1. How is relevant information used to make short-term decisions?
2. How does pricing affect short-term decisions?
3. How do managers decide which products to produce and sell?
4. How do managers make outsourcing and processing further decisions?

Chapter 26: Capital Investment Decisions

1. What is Capital Budgeting?
2. How do the payback and accounting rate of return methods work?
3. What is the time value of money?
4. How do discounted cash flow methods work?