Managerial Accounting

Course Syllabus – Fall 2007

Instructor Information

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- **Office Hours**: After class and by appointment
- **Email**: jinsu.kang@gmail.com

Course Description

Managerial Accounting is a sub-area of accounting concerned with information needed to effectively plan and control company operations and make good business decisions. The course will be focused on cost behavior, design of job order and process costing systems, cost-volume profit analysis, segment reporting, direct and absorption costing, standard cost systems, flexible budgets, capital budgeting, relevant costs, and product pricing.

Objectives/Goals

Students in this course shall:

- Gain an introduction to accounting techniques used by internal management to aid in planning, directing, controlling, and decision-making activities.
- Use accounting data to identify and analyze alternatives with the purpose of making managerial choices to maximize economic benefits to a firm.
- Familiarize themselves with technical skills used in problem-solving, such as determining unit product costs, measuring production process costs, budgeting, performance reporting, and efficient allocation of a firm's resources.
- Gain experience with computerized spreadsheets and other electronic tools used in business problem-solving, budgeting, and financial analysis.
- Obtain a working background with accounting tools as a foundation for further study in management, accounting, and other business discipline.

Topics Covered

The following key topics will be emphasized:

- Designing managerial information systems to support an organization’s strategy.
- The limitations of traditional costing systems.
- Budgeting and cash planning.
- Activity-based costing and activity-based management.
- Revenue-cost behavior and cost-volume-profit analysis.
- Relevant costs and relevant revenues in business decisions.
- Performance evaluation
- Decentralization and transfer pricing.
- Management control and control systems.

Jin-su Kang
Course Materials

- Textbook:
  - [http://www.mcgraw-hill.co.uk/html/0071113142.html](http://www.mcgraw-hill.co.uk/html/0071113142.html)
- Reference:

Course Schedule

<table>
<thead>
<tr>
<th>Week</th>
<th>Topic</th>
<th>Chapter</th>
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</table>
| 1    | Course Introduction  
The Changing Role of Managerial Accounting in a Dynamic Business Environment | 1 |
| 2    | Basic Cost Management Concepts and Accounting for Mass Customization Operations  
Product Costing and Cost Accumulation in a Batch Production Environment | 2, 3 |
| 3    | Process Costing and Hybrid Product-Costing Systems | 4 |
| 4    | Activity-Based Costing and Cost Management Systems  
Activity-Based Management and Today's Advanced Manufacturing Environment | 5, 6 |
| 5    | Activity Analysis, Cost Behavior, and Cost Estimation  
Quiz #1 | 7 |
| 6    | Activity Analysis, Cost Behavior, and Cost Estimation  
Cost-Volume-Profit Analysis | 7, 8 |
| 7    | Profit Planning, Activity-Based Budgeting, and e-Budgeting | 9 |
| 8    | MIDTERM EXAM | 1 ~ 9 |
| 9    | Standard Costing, Operational Performance Measures and the Balanced Scorecard | 10 |
| 10   | Flexible Budgeting and the Management of Overhead and Support Activity Costs | 11 |
11  •  Responsibility Accounting, Quality Control and Environmental Cost Management
   •  Quiz #2

12  •  Investment Centers and Transfer Pricing
   •  Decision Making: Relevant Costs and Benefits

13  Target Costing and Cost Analysis for Pricing Decisions

14  Capital Expenditure Decisions

15  •  Absorption, Variable and Throughput Costing
   •  Quiz #3

16  •  Absorption, Variable and Throughput Costing
   •  Allocation of Support Activity Costs and Joint Costs

17  Allocation of Support Activity Costs and Joint Costs

18  FINAL EXAM

*Note: The course schedule is tentative. Revisions may be made during the semester.

Course Assessment Measures

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<tbody>
<tr>
<td>Midterm Exam</td>
<td>25</td>
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<tr>
<td>Final Exam</td>
<td>35</td>
</tr>
<tr>
<td>Homework(^1)</td>
<td>20</td>
</tr>
<tr>
<td>Quizzes(^2)</td>
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Notes:
1. Homework policy
   •  At every class, there will be homework, due to the next class.
   •  After due date, 3 points will be subtracted for every additional day.
   •  After a week later than due date, the homework will not be accepted.
   Example:

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<td>-6</td>
<td>-9</td>
<td>-12</td>
<td>-15</td>
<td>-18</td>
<td>-20</td>
<td>No acceptance</td>
</tr>
</tbody>
</table>

   •  Your lowest homework score will be dropped. Note that nonsubmission counts as a zero score.

2. Two best results out of three quizzes will be considered for grading.