



El Camino College
COURSE OUTLINE OF RECORD – Official

Course Acronym:	BUS
Course Number:	151
Descriptive Title:	Managerial Accounting
Division:	Business
Department:	Accounting
Course Disciplines:	Accounting
Catalog Description:	This course emphasizes advanced accounting theory, principles, and practices for the corporation form of ownership. A major focus of the course is on managerial, cost, and manufacturing accounting and related issues in the corporate environment.
Prerequisite:	BUS 150 with a minimum grade of C
Co-requisite:	
Recommended Preparation:	
Enrollment Limitation:	
Hours Lecture (per week):	4
Hours Laboratory (per week):	1
Outside Study Hours:	8
Total Course Hours:	90
Course Units:	4
Grading Method:	Letter Grade only
Credit Status:	Credit, degree applicable
Transfer CSU:	Yes
Effective Date:	
Transfer UC:	Yes
Effective Date:	
General Education: ECC	
Term:	
Other:	
CSU GE:	
Term:	
Other:	
IGETC:	

	Term:	
	Other:	
	CalGETC:	
	Term:	
	Other:	
Student Learning Outcomes:	SLO #1 Preparation Demonstrate competency in preparing the Statement of Cash Flows for a business entity. SLO #2 Problem Solving Analyze and solve problems pertaining to various costing systems, operational budgeting, and capital budgeting. SLO #3 Concepts & Terminology Understand and utilize managerial accounting concepts and terminology.	
Course Objectives:	1. Differentiate between financial and managerial accounting. 2. Prepare basic corporate financial statements and accounting notes such as Income Statements, Balance Sheets, Statements of Stockholders Equity and Statements of Cash Flow. 3. Interpret and evaluate basic corporate financial statements, notes, and information as presented in public annual reports. 4. Analyze problems pertaining to cost variances and standards used by management in controlling costs in manufacturing environments. 5. Solve problems pertaining to the three basic types of manufacturing costs, product costs versus period costs, manufacturing cost flows, direct versus indirect costs, and overhead application rates. 6. Evaluate and solve problems pertaining to cost accounting, job order cost accounting systems, process costing systems, and the meaning of equivalent full units of production. 7. Examine problems related to accounting factors and relationships required in cost-volume-profit analysis. 8. Assess problems pertaining to incremental analysis and decision making by using established managerial accounting analysis. 9. Analyze and solve problems pertaining to corporate budgeting and required supporting schedules. 10. Evaluate, and solve problems pertaining to corporate segment performance by using established managerial accounting analysis. 11. Evaluate and solve problems pertaining to capital investment proposals using payback period, return on investment, discounted cash flows, and net present value. 12. Collaborate in a group environment to analyze ethical implication of managerial accounting decisions. 13. Prepare schedules using computer software programs for decision making.	
Major Topics:	I. Statement of cash flows (4 hours, lecture) A. Reporting cash flows B. Statement of cash flows - the indirect method C. Statement of cash flows - the direct method	

- D. Work sheet - indirect method
- E. Work sheet - direct method

II. Job Order Cost Systems/Process Cost Systems (8 hours, lecture)

- A. Cost accounting system overview
- B. Job order cost systems for manufacturing
- C. Illustration of job order cost systems
- D. Modified job order cost systems
- E. Job order costing for decision making
- F. Deficiencies of direct labor overhead allocation
- G. Material and cost flows in a process cost system
- H. The first-in, first-out (FIFO) method
- I. Cost of production report
- J. Operational cost accounting systems
- K. Process and operational cost systems for decision making

III. Cost behavior and cost estimation (4 hours, lecture)

- A. Cost behavior - fixed and variable costs
- B. Cost estimation method
- C. Cost behavior planning

IV. Cost-Volume-Profit Analysis/Budgeting and performance evaluation (8 hours, lecture)

- A. Contribution margin concept
- B. Break-even point analysis
- C. Graphic approach to break-even analysis
- D. Sales mix considerations
- E. Special Cost-Volume-Profit relationships
- F. Cost-Volume-Profit analysis for two activity bases
- G. Variable costing
- H. Budgeting systems for operations
- I. The master budget (Sales through income statement)

V. Budgeting & Performance Evaluation (8 hours, lecture)

- A. The master budget (cash, balance sheet, capital expenditures budgets)
- B. Budgetary performance evaluation
- C. Variances from standard (direct materials & labor)

VI. Overhead cost management (7 hours, lecture)

- A. Categories of overhead
- B. Variance approaches: flexible overhead budget, variable factory overhead controllable variance, fixed factory overhead volume variance
- C. Activity-based approaches: quality costs, activity analysis, cost driver analysis

VII. Cost Management: Advanced manufacturing and just-in time environments (4 hours, lecture)

- A. Accounting for manufacturing automation
- B. Short-cycle just-in-time (JIT) philosophy
- C. Accounting for short-cycle (JIT) operation
- D. Short-cycle accounting illustration

VIII. Activity-based costing for strategic decisions (4 hours, lecture)

- A. Conventional costing: plant-wide and departmental overhead rates
- B. Activity-based costing
- C. Customer/channel profitability analysis

IX. Decentralized planning and performance (5 hours, lecture)

- A. Type of responsibility centers
- B. Responsibility accounting for cost centers
- C. Responsibility accounting for divisional profit centers
- D. Responsibility accounting for investment centers
- E. Transfer pricing

X. Differential analysis and product pricing (5 hours, lecture)

- A. Differential analysis
- B. Setting normal product selling prices using cost plus markup

concepts

- C. Product mix and pricing decisions under production constraints
- D. Economic theory of product pricing

XI. Capital investment analysis (5 hours, lecture)

- A. Accounting rate of return
- B. Cash payback period
- C. Net present value
- D. Internal rate of return
- E. Factors that complicate investment analysis

XII. Statement of cash flows/corporate annual reports (5 hours, lecture)

- A. Reporting cash flows
- B. Statement of cash flows - the indirect method
- C. Statement of cash flows - the direct method
- D. Work sheet - indirect method
- E. Work sheet - direct method
- F. Overview of corporate annual reports
- G. Illustrative corporate annual report

XIII. Financial statement analysis (5 hours, lecture)

- A. Basic analytical procedure: horizontal, vertical, and common-size analysis
- B. Solvency analysis: ratios and other computations

	C. Profitability analysis: ratios and other computations XIV. Utilizing the text and published financial statements, the Instructor will lead and direct Students to (18 hours, lab) A. Prepare a Statement of Cash Flows B. Perform financial statement analysis by calculating various financial ratios C. Solve problems pertaining to standard costs and cost variances D. Solve problems pertaining to the three basic types of manufacturing costs, product costs vs period costs, manufacturing cost flows, direct vs indirect costs, and overhead application rates E. Solve problems pertaining to cost accounting, job order cost accounting systems, process costing systems, and equivalent units of production F. Perform cost-volume-profit analysis G. Perform incremental analysis H. Prepare a corporate budget and required supporting schedules I. Perform analysis of corporate segment performance J. Perform analysis of capital investment proposals using payback period, return on investment, discounted cash flows, and net present value
Total Lecture Hours:	72
Total Laboratory Hours:	18
Total Hours:	90
A.1. Primary Methods of Evaluation (Part 1 - CCN courses only):	
A.2. Primary Method of Evaluation (Part 2 - all courses; choose one):	2) Problem solving demonstrations (computational or non-computational)
Typical Assignment Using Primary Method of Evaluation:	Using the present value tables in the textbook, determine the present value of the following cash flows, discounted at an annual rate of 15%: a. \$10,000 to be received 20 years from today. b. \$15,000 to be received annually for 10 years. c. \$10,000 to be received annually for 5 years, with an additional \$12,000 salvage value expected at the end of the fifth year. d. \$30,000 to be received annually for the first 3 years, followed by \$20,000 received annually for the next 2 years (total of 5 years in which cash is received). Present your findings in an Excel spreadsheet.
Critical Thinking Assignment 1:	Discounting a future cash flow at 15% results in a lower present value than does discounting the same cash flow at 10%. Explain why in a one- to two-page report.
Critical Thinking Assignment 2:	Compute the payback period of a company that invests \$100,000 in plant assets with an estimated 20-year service life and no salvage value. These assets contribute \$10,000 to annual net income when depreciation is computed on a straight-line basis. Explain your computations in a one- to two-page written report.
Other Evaluation Methods:	Completion, Homework Problems, Laboratory Reports, Matching Items, Multiple Choice, Other Exams, Quizzes, True/False
Instructional Methods:	Demonstration, Discussion, Group Activities, Lab, Lecture, Multimedia presentations
If other:	

Work Outside of Class:	Answer questions, Problem solving activity, Required reading, Study, Written work (such as essay/composition/report/analysis/research)
If Other:	
Up-To-Date Representative Texts:	John J. Wild. <u>Managerial Accounting</u> . McGraw Hill Publishing Company, 2025 Release
Alternative Texts:	
Required Supplementary Readings:	
Other Required Materials:	
Requisite:	Prerequisite
Category:	sequential
Requisite course(s): List both prerequisites and corequisites in this box.	BUS 150
Requisite and Matching skill(s): Bold the requisite skill. List the corresponding course objective under each skill(s).	Demonstrate the use of debits and credits in the development of accounting activities, reports and financial statements. BUS 150 - Define accounting terminology. BUS 150 - Analyze financial transactions and their effect on the accounting equation. BUS 150 - Apply the principles and concepts of accounting-to-accounting situations.
Requisite Skill:	
Requisite Skill and Matching Skill(s): Bold the requisite skill(s). If applicable	
Requisite course:	
Requisite and Matching skill(s): Bold the requisite skill. List the corresponding course objective under each skill(s).	
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Enrollment Limitations and Category:	
Enrollment Limitations Impact:	
Course Created by:	Homer E. Toddy
Date:	01/01/1976
Original Board Approval Date:	
Last Reviewed and/or Revised by:	Sidney Porter
Date:	10/15/2025
Last Board Approval Date:	01/21/2026
Effective Term:	FA 2026