



El Camino College
COURSE OUTLINE OF RECORD – Approved

I. GENERAL COURSE INFORMATION

Subject and Number: Business 1B
Descriptive Title: Managerial Accounting
Course Disciplines: Accounting
Division: Business

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.

Conditions of Enrollment:

Prerequisite: Business 1A with a minimum grade of C

Course Length:	X Full Term	Other (Specify number of weeks):
Hours Lecture:	4.00 hours per week	TBA
Hours Laboratory:	1.00 hours per week	TBA
Course Units:	4.00	

Grading Method: Letter
Credit Status: Associate Degree Credit

Transfer CSU: X Effective Date: Prior to July 1992
Transfer UC: X Effective Date: Prior to July 1992

General Education:

El Camino College:
CSU GE:
IGETC:

II. OUTCOMES AND OBJECTIVES

A. COURSE STUDENT LEARNING OUTCOMES (The course student learning outcomes are listed below, along with a representative assessment method for each. Student learning outcomes are not subject to review, revision or approval by the College Curriculum Committee)

1. SLO #1 Preparation
Demonstrate competency in preparing the Statement of Cash Flows for a business entity.
2. SLO #2 Problem Solving
Analyze and solve problems pertaining to various costing systems, operational budgeting, and capital budgeting.
3. SLO #3 Concepts and Terminology
Understand and utilize managerial accounting concepts and terminology.

The above SLOs were the most recent available SLOs at the time of course review. For the most current SLO statements, visit the El Camino College SLO webpage at <http://www.elcamino.edu/academics/slo/>.

B. Course Student Learning Objectives (The major learning objective for students enrolled in this course are listed below, along with a representative assessment method for each)

1. Differentiate between financial and managerial accounting.
 - Objective Exams
2. Prepare basic corporate financial statements and accounting notes such as Income Statements, Balance Sheets, Statements of Stockholders Equity and Statements of Cash Flow.
 - Homework Problems
3. Interpret and evaluate basic corporate financial statements, notes, and information as presented in public annual reports.
 - Objective Exams
4. Analyze problems pertaining to cost variances and standards used by management in controlling costs in manufacturing environments.
 - Homework Problems
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.
 - Objective Exams
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.
 - Homework Problems
7. Examine problems related to accounting factors and relationships required in cost-volume-profit analysis.
 - Homework Problems
8. Assess problems pertaining to incremental analysis and decision making by using established managerial accounting analysis.
 - Objective Exams
9. Analyze and solve problems pertaining to corporate budgeting and required supporting schedules.
 - Objective Exams
10. Evaluate, and solve problems pertaining to corporate segment performance by using established managerial accounting analysis.
 - Quizzes
11. Evaluate and solve problems pertaining to capital investment proposals using payback period, return on investment, discounted cash flows, and net present value.
 - Homework Problems

12. Collaborate in a group environment to analyze ethical implication of managerial accounting decisions.
 - Class Performance
13. Prepare schedules using computer software programs for decision making.
 - Homework Problems

III. OUTLINE OF SUBJECT MATTER (Topics are detailed enough to enable a qualified instructor to determine the major areas that should be covered as well as ensure consistency from instructor to instructor and semester to semester.)

Lecture or Lab	Approximate Hours	Topic Number	Major Topic
Lecture	4	I	Statement of cash flows <ul style="list-style-type: none"> 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
Lecture	8	II	Job Order Cost Systems/Process Cost Systems <ul style="list-style-type: none"> 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
Lecture	4	III	Cost behavior and cost estimation <ul style="list-style-type: none"> A. Cost behavior – fixed and variable costs B. Cost estimation method C. Cost behavior planning
Lecture	8	IV	Cost-Volume-Profit Analysis/Budgeting and performance evaluation <ul style="list-style-type: none"> 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)

Lecture	8	V	<p>Budgeting & Performance Evaluation</p> <ul style="list-style-type: none"> A. The master budget (cash, balance sheet, capital expenditures budgets) B. Budgetary performance evaluation C. Variances from standard (direct materials & labor)
Lecture	7	VI	<p>Overhead cost management</p> <ul style="list-style-type: none"> 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
Lecture	4	VII	<p>Cost Management: Advanced manufacturing and just-in time environments</p> <ul style="list-style-type: none"> 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
Lecture	4	VIII	<p>Activity-based costing for strategic decisions</p> <ul style="list-style-type: none"> A. Conventional costing: plant-wide and departmental overhead rates B. Activity-based costing C. Customer/channel profitability analysis
Lecture	5	IX	<p>Decentralized planning and performance</p> <ul style="list-style-type: none"> 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
Lecture	5	X	<p>Differential analysis and product pricing</p> <ul style="list-style-type: none"> 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
Lecture	5	XI	<p>Capital investment analysis</p> <ul style="list-style-type: none"> A. Accounting rate of return B. Cash payback period C. Net present value D. Internal rate of return E. Factors that complicate investment analysis
Lecture	5	XII	<p>Statement of cash flows/corporate annual reports</p> <ul style="list-style-type: none"> 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
Lecture	5	XIII	Financial statement analysis A. Basic analytical procedure: horizontal, vertical, and common-size analysis B. Solvency analysis: ratios and other computations C. Profitability analysis: ratios and other computations
Lab	18	XIV	Utilizing the text and published financial statements, the Instructor will lead and direct Students to: 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	

IV. PRIMARY METHOD OF EVALUATION AND SAMPLE ASSIGNMENTS

A. PRIMARY METHOD OF EVALUATION:

Problem solving demonstrations (computational or non-computational)

B. 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.

C. COLLEGE-LEVEL CRITICAL THINKING ASSIGNMENTS:

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.
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.

D. OTHER TYPICAL ASSESSMENT AND EVALUATION METHODS:

Other exams
Quizzes
Laboratory reports
Homework Problems
Multiple Choice
Completion
Matching Items
True/False
Other (specify):
Analyzing and solving problems and cases

V. INSTRUCTIONAL METHODS

Demonstration
Discussion
Group Activities
Laboratory
Lecture
Multimedia presentations

Note: In compliance with Board Policies 1600 and 3410, Title 5 California Code of Regulations, the Rehabilitation Act of 1973, and Sections 504 and 508 of the Americans with Disabilities Act, instruction delivery shall provide access, full inclusion, and effective communication for students with disabilities.

VI. WORK OUTSIDE OF CLASS

Study
Answer questions
Required reading
Problem solving activities
Written work

Estimated Independent Study Hours per Week: 8

VII. TEXTS AND MATERIALS

A. UP-TO-DATE REPRESENTATIVE TEXTBOOKS

John J. Wild. Managerial Accounting. 7th ed. McGraw Hill Publishing Company, 2019.

B. ALTERNATIVE TEXTBOOKS

C. REQUIRED SUPPLEMENTARY READINGS

D. OTHER REQUIRED MATERIALS

VIII. CONDITIONS OF ENROLLMENT

A. Requisites (Course and Non-Course Prerequisites and Corequisites)

Requisites	Category and Justification
Course Prerequisite Business-1A	Sequential

B. Requisite Skills

Requisite Skills
Demonstrate the use of debits and credits in the development of accounting activities, reports and financial statements. BUS 1A - Define accounting terminology. BUS 1A - Analyze financial transactions and their effect on the accounting equation. BUS 1A - Apply the principles and concepts of accounting-to-accounting situations.

C. Recommended Preparations (Course and Non-Course)

Recommended Preparation	Category and Justification
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D. Recommended Skills

Recommended Skills

E. Enrollment Limitations

Enrollment Limitations and Category	Enrollment Limitations Impact
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Course created by Homer E. Toddy on 01/01/1976.

BOARD APPROVAL DATE:

LAST BOARD APPROVAL DATE: 11/16/2019

Last Reviewed and/or Revised by Sidney Porter on 09/01/2019

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