

College of Micronesia - FSM
Division of Business Administration
AC 250 – MANAGERIAL ACCOUNTING
Syllabus – Spring 2010

Instructor: Rafael A. Pulmano, CPA, MBA

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Class Schedules: MWF • 4:00-4:55 PM • January 7 - April 30, 2010

Office hours: MWF, 2:00-3:00 PM; TTH, 11:00-12:00 NN; and by appointment

General Course Objective:

The course is designed to facilitate understanding of accounting data by users, with emphasis on internal uses by managers in directing the affairs of organizations. The course will give the student a management orientation by dealing with concepts related to the information managers' need in carrying out three essential functions within the business enterprise, such as how to plan operations, to control activities and to make decisions.

Specific Course Objectives: The student will be able to –

- Explain the relationship between financial and management accounting.
- Describe the relationships among cost, financial, and management accounting.
- Describe the role of ethics in guiding workforce behavior.
- Identify the factors that influence the globalization of business.
- List the primary factors and constraints that influence an organization's strategy.
- Explain the impact of the competitive environment on an organization's strategy.
- Clarify the impact of the accounting function on achievement of strategic goals and objectives.
- Explain the effect of the product life cycle on the company segment's mission.
- Describe the importance of the value chain.
- Explain why companies have management control systems.
- Explain why organizational form, structure, and culture are important to the design of cost management systems.
- Explain how the internal and external operating environments affect cost management systems.
- List the elements that affect the design of cost management systems.
- Describe the use of gap analysis when implementing cost management systems.
- List the cost classifications.

- Describe the conversion process in service and manufacturing companies.
- Explain assumptions about cost behavior.
- Analyze mixed costs using the high-low point method and the least squares regression analysis.
- List product cost categories.
- Allocate overhead costs.
- Describe the cause and treatment of over- and underapplied overhead.
- Prepare Statements of Cost of Goods Manufactured and Sold.
- Identify the focus of activity-based management.
- Explain why non-value-added activities cause costs to increase unnecessarily.
- Explain why cost drivers are designated in activity-based costing.
- Contrast activity-based costing to the traditional cost accounting system.
- Describe how activity-based costing systems affect behavior.
- Describe attribute-based costing and explain how it extends activity-based costing.
- Explain the difference between job order and process costing systems.
- Define actual, normal, and standard costing valuation methods for job order and process costing systems.
- Explain when to use a job order costing system.
- Define what the term “job” means.
- Describe the documents and prepare the journal entries in a job order costing system.
- Identify how technology is used in job order costing system.
- Describe decisions that are made based on job order costing information.
- Contrast process costing and job order costing.
- Explain why equivalent units of production are used in process costing.
- Calculate equivalent units of production using weighted average and FIFO methods.
- Compute unit costs and inventory values using weighted average and FIFO methods.
- Explain how standard costs are used in a process costing system.
- Explain why a company would use a hybrid costing system.
- Define “accepted quality level.”
- Contrast the accepted quality level to a zero tolerance for errors and defects.
- Explain why lost units occur in manufacturing processes.
- Contrast normal and abnormal losses.
- Describe how normal and abnormal losses are treated on an EUP schedule.
- Describe how the costs of normal and abnormal losses are treated.
- Explain how the rework costs of defective units are treated.
- Explain how losses are treated in a job order costing system.
- Describe how accretion of units affects the EUP schedule and costs per unit.
- Describe the cost of quality products
- Explain why the emphasis on quality in business is unlikely to decline.
- List ways to define and evaluate quality.
- Define the characteristics of product quality and service quality.
- Explain how benchmarking is used to improve quality.
- Describe the role of Total Quality Management.
- List the types of quality costs and how these costs are related.

- Explain how to measure the costs of quality.
- Clarify the need for both a management accounting system and a financial accounting system.
- Classify joint process outputs.
- Identify when output becomes a joint product.
- Explain the management decisions that are made prior to beginning the joint process.
- Allocate joint costs to products.
- Describe how to handle by-products.
- Explain how to account for joint costs in not-for-profit organizations.
- Explain why standard cost systems are used.
- Describe how standards are set for material, labor, and overhead.
- List the documents that are associated with standard cost systems.
- Explain the information that those documents provide.
- Calculate and record material, labor, and overhead variances.
- Explain how variance analysis can be used for control and performance evaluation.
- Contrast the traditional labor and overhead elements to a single conversion element.

Textbook:

COST ACCOUNTING: Traditions and Innovations, 5th Edition, by Barfield, Raiborn & Kinney (*Only Chapters 1-10 shall be covered.*)

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COST ACCOUNTING: Foundations and Evolutions, 7th Edition, by Kinney & Raiborn (*Selected Chapters*)

Required Course Materials:

Calculator, pens (blue or black *plus* red ink), pencil, and ruler.

Composition of Final Grade:

Homework / Assignments - 20%

Quizzes / Class works - 25%

Midterm Exam - 25%

Final Exam - 30%

Grading:

A	B	C	D	F
90 – 100%	80 – 89%	70 – 79%	60 – 69%	59% & under

Academic Honesty:

Cheating of any form on any assignment, quiz, or exam will result in a zero for that assignment, quiz, or exam AND possibly further disciplinary action. Please read the catalog to familiarize yourself with the entire academic honesty policy.

Attendance:

- The college attendance policy shall be adhered to. Mandatory attendance is at the discretion of the instructor, and it is this instructor's discretion that your seventh (7th) absence will result in automatic withdrawal from the class or an “F”, depending on when it occurs.
- You are expected to come to class having read the material and ready to learn how to apply your newly found knowledge in your environment, regardless of whether you were present or absent during the previous meeting.
- You are also expected to make every effort to take exams when scheduled. There will be no make up quizzes/exams. Graded class works are treated as quizzes. If you miss a class work, exam or quiz for whatever reason, you will automatically get a grade of zero percent (0%) for that particular activity.
- All homework assignments must be turned in on time regardless of attendance. Late assignments will not be accepted.
- If you miss any lesson from lectures, class discussions, handouts or class activities, it is your responsibility to inquire either from me or from your classmates and exert efforts to keep yourself up-to-date.
- At the beginning of each class an Attendance Sheet will be passed around for you to sign. If you come in late, it is your responsibility to approach and let me know you were there to make sure you were not marked absent.
- Extra points will be given based on your participation in seat work, board work and class discussions, asking relevant questions about the lecture material, attendance, and being on time.

Note: *In the interest of achieving course objectives, this syllabus may be changed by the instructor at any time during the course of the semester. However, any such changes shall be communicated to the class promptly.*

COURSE OUTLINE

Day	TOPIC / ACTIVITY
Jan 8 Friday	<p>Topic: Introduction to the course Activity: Pretest; Distribution & Explanation of Syllabi; Introduction For Next Meeting: Read Chapter 1 – Introduction to Cost and Management Accounting in a Global Business Environment, pages 1-9; Chapter Assignment: Solve Exercises #47 and #51 (page 34) > to be submitted on Friday, January 15.</p>
Jan 11 Monday	<p>Topic: CHAPTER 1 – Introduction to Cost Accounting; Relationship of Financial and Management Accounting to Cost Accounting; Management and Cost Accounting Standards; Ethics for Management Accountant Professionals Activity: Lecture / Class Discussion For Next Meeting: Continue reading Chapter 1, pages 9-17</p>
Jan 13 Wednesday	<p>Topic: CHAPTER 1 (Continue) > The Global Environment of Business; Organizational Strategy; Influences on Organizational Strategy Activity: Lecture / Class Discussion For Next Meeting: Continue reading Chapter 1, pages 18-22; Submit Chapter Assignment</p>
Jan 15 Friday	<p>Topic: CHAPTER 1 (Continue) > Responses to Competition; Role of Accounting in Organizations; Assigned Exercises Activity: Submit Chapter Assignment due today; Lecture / Class Discussion; Chapter Review For Next Meeting: QUIZ in Chapter 1</p>
Jan 18 Monday	<p>Topic: CHAPTER 1 (Assessment) Activity: QUIZ in Chapter 1; (After the Quiz) Review/Discussion of solution For Next Meeting: Read Chapter 2 – Introduction to Cost Management Systems, pages 40-55. Chapter Assignment: Exercise #38 (page 67) – Do as directed and submit your written report (analysis & discussion) > to be submitted on Friday, January 22.</p>
Jan 20 Wednesday	<p>Topic: CHAPTER 2 – Introduction to Management Information and Control Systems; Defining a Cost Management System; Designing a Cost Management System Activity: Lecture / Class Discussion For Next Meeting: Continue reading Chapter 2, pages 55-.64</p>
Jan 22 Friday	<p>Topic: CHAPTER 2 (Continue) > Elements of a Cost Management System; CMS Implementation; Assigned Exercise Activity: Submit Chapter Assignment due today; Lecture / Class Discussion; Chapter Review For Next Meeting: QUIZ in Chapter 2</p>

Day	TOPIC / ACTIVITY
Jan 25 Monday	<p>Topic: CHAPTER 2 (Assessment) Activity: QUIZ in Chapter 2; (After the Quiz) Review/Discussion of solution For Next Meeting: Read Chapter 3 – Organizational Cost Flows, pages 76-83. Chapter Assignment: Solve Case #65 (pages 127-128) > to be submitted on Friday, February 5.</p>
Jan 27 Wednesday	<p>Topic: CHAPTER 3 – Cost Classifications on the Financial Statements; The Conversion Process; Stages of Production Activity: Lecture / Class Discussion For Next Meeting: Continue reading Chapter 3, pages 83-94.</p>
Jan 29 Friday	<p>Topic: CHAPTER 3 (Continue) > Cost Reactions to Changes in Activity Activity: Lecture / Class Discussion / Illustration For Next Meeting: Continue reading Chapter 3, pages 95-102.</p>
Feb 1 Monday	<p>Topic: CHAPTER 3 (Continue) > Accumulation and Allocation of Overhead; Accumulation of Product Costs–Actual Cost System Activity: Lecture / Class Discussion / Illustration For Next Meeting: Continue reading Chapter 3, pages 102-113</p>
Feb 3 Wednesday	<p>Topic: CHAPTER 3 (Continue) > Cost of Goods Manufactured and Sold; Accumulation of Product Costs–Normal Cost System Activity: Lecture / Class Discussion; Illustration For Next Meeting: Class work; submission of Chapter Assignment</p>
Feb 5 Friday	<p>Topic: CHAPTER 3 (Continue) > More on Cost of Goods Manufactured and Sold; Journal Entries; Assigned Case Activity: Submit Chapter Assignment due today; Class work / Class Discussion; Chapter Review For Next Meeting: QUIZ in Chapter 3</p>
Feb 8 Monday	<p>Topic: CHAPTER 3 (Assessment) Activity: QUIZ in Chapter 3; (After the Quiz) Review/Discussion of solution For Next Meeting: Read Chapter 4 – Activity-Based Cost Systems for Management, pages 130-136. Chapter Assignment: Solve Chapter 4 Problem #36 (pages 163-164) > to be submitted on Wednesday, February 17.</p>
Feb 10 Wednesday	<p>Topic: CHAPTER 4 – Activity-Based Management Activity: Lecture / Class Discussion / Illustration For Next Meeting: Continue reading Chapter 4, pages 136-147.</p>
Feb 12 Friday	<p>Topic: CHAPTER 4 (Continue) > Cost Driver Analysis; Activity-Based Costing Activity: Lecture / Class Discussion; Illustration For Next Meeting: Continue reading Chapter 4, pages 147-153</p>

Day	TOPIC / ACTIVITY
Feb 15 Monday	Topic: CHAPTER 4 (Continue) > Activity-Based Costing (<i>Continued</i>); Determining Whether ABC is Appropriate; Criticisms of Activity-Based Costing Activity: Lecture / Class Discussion; Illustration For Next Meeting: Class work; submission of Chapter Assignment
Feb 17 Wednesday	Topic: CHAPTER 4 (Continue) Activity: Submit Chapter Assignment due today; Class work / Class Discussion; Chapter Review For Next Meeting: QUIZ in Chapter 4
Feb 19 Friday	NO CLASS - Staff Development Day
Feb 22 Monday	Topic: CHAPTER 4 (Assessment) Activity: QUIZ in Chapter 4; (After the Quiz) Review/Discussion of solution For Next Meeting: Review Pointers for Midterm Examination
Feb 24 Wednesday	Topic: Midterm Exam Coverage (Chapters 1-4) Activity: Review Pointers for Midterm Examination For Next Meeting: MIDTERM EXAMINATION
Feb 26 Friday	Topic: CHAPTERS 1-4 (Midterm Assessment) Activity: MIDTERM EXAMINATION For Next Meeting: Read Chapter 5 – Job Order Costing, pages 172-184. Chapter Assignment: Solve Chapter 5 Problems #49 (pages 208-209) > to be submitted on Monday, March 8.
Mar 1 Monday	Topic: CHAPTER 5 – Methods of Product Costing; Job Order Costing System; Job Order Costing and Technology Activity: Review/Discussion of solution to Midterm Examination; Lecture / Class Discussion For Next Meeting: Continue reading Chapter 5, pages 184-187
Mar 3 Wednesday	Topic: CHAPTER 5 (Continue) > Job Order Costing Illustration Activity: Lecture / Class Discussion; Illustration For Next Meeting: Continue reading Chapter 5, pages 187-197
Mar 5 Friday	Topic: CHAPTER 5 (Continue) > Job Order Costing Using Standard Costs; Job Order Costing to Assist Managers Activity: Lecture / Class Discussion; Illustration For Next Meeting: Submit Chapter Assignment; Class work; Chapter Review
Mar 8 Monday	Topic: CHAPTER 5 (Continue) Activity: Submission of Chapter Assignment due today; Class work; Chapter Review For Next Meeting: QUIZ in Chapter 5

Day	TOPIC / ACTIVITY
Mar 10 Wednesday	<p>Topic: CHAPTER 5 (Assessment) Activity: QUIZ in Chapter 5; (After the Quiz) Review/Discussion of solution For Next Meeting: Read Chapter 6 – Process Costing, pages 218-228. Chapter Assignment: Solve Chapter 6 Problem #44 (page 256) > to be submitted on Friday, March 19.</p>
Mar 12 Friday	<p>Topic: CHAPTER 6 – Introduction to Process Costing; Weighted Average and FIFO Process Costing Methods; EUP Calculations and Cost Assignments (Part 1) Activity: Lecture / Class Discussion For Next Meeting: Continue reading Chapter 6, pages 228-235.</p>
Mar 15 Monday	<p>Topic: CHAPTER 6 (Continue) > EUP Calculations and Cost Assignments (Part 2); Process Costing in a Multi-Department Setting Activity: Lecture / Class Discussion For Next Meeting: Continue reading Chapter 6, pages 235-245.</p>
Mar 17 Wednesday	<p>Topic: CHAPTER 6 (Continue) > Process Costing With Standard Costs; Hybrid Costing Systems Activity: Lecture / Class Discussion; Illustration For Next Meeting: Submit Chapter Assignment; Class work; Chapter Review</p>
Mar 19 Friday	<p>Topic: CHAPTER 6 (Continue) Activity: Submission of Chapter Assignment due today; Class work; Chapter Review For Next Meeting: QUIZ in Chapter 6</p>
Mar 22 Monday	<p>Topic: CHAPTER 6 (Assessment) Activity: QUIZ in Chapter 6; (After the Quiz) Review/Discussion of solution For Next Meeting: Read Chapter 7– Special Production Issues: Lost Units and Accretion, pages 260-269 Chapter Assignment: Solve Chapter 7 Problems #38 and #39 (pages 294-295) > to be submitted on Monday, April 5.</p>
Mar 24 Wednesday	<p>Topic: CHAPTER 7 – Loss of Units; Types of Lost Units; Accounting for Lost Units; Illustrations of Lost Units Activity: Lecture / Class Discussion / Illustration For Next Meeting: Continue reading Chapter 7, pages 269-277.</p>
Mar 26 Friday	<p>Topic: CHAPTER 7 – Defective Units; Defects/Spoilage in Job Order Costing Activity: Lecture / Class Discussion For Next Meeting: Continue reading Chapter 7, pages 277-287.</p>
Mar 29 Monday	<p>Topic: CHAPTER 7 (Continue) > Accretion; Controlling Quality to Minimize Lost Units Activity: Lecture / Class Discussion; Illustration For Next Meeting: Submit Chapter Assignment; Class work; Chapter Review</p>
Mar 31 Wednesday	<p>NO CLASS - Holiday (Cultural Day) / Easter Recess for Students</p>

Day	TOPIC / ACTIVITY
Apr 2 Friday	NO CLASS - Easter Recess for Students
Apr 5 Monday	Topic: CHAPTER 7 (Continue) Activity: Submission of Chapter Assignment due today; Class work; Chapter Review For Next Meeting: QUIZ in Chapter 7
Apr 7 Wednesday	Topic: CHAPTER 7 (Assessment) Activity: QUIZ in Chapter 7; (After the Quiz) Review/Discussion of solution For Next Meeting: Read Chapter 8 – Implementing Quality Concepts, pages 302-. Chapter Assignment: Answer Chapter 8 Reality Check #62 (page 340) > to be submitted on Friday, April 16.
Apr 9 Friday	Topic: CHAPTER 8 – Implementing Quality Concepts Activity: Lecture / Class Discussion For Next Meeting: TAKE HOME QUIZ in Chapter 8; Read Chapter 9 – Cost Allocation for Joint Products and By-Products, pages 342-351. Chapter Assignment: Answer Chapter 9 Reality Check #48 (pages 377-378) > to be submitted on Monday, April 19.
Apr 12 Monday	Topic: CHAPTER 9 – Outputs of a Joint Process; The Joint Process; Management Decisions Regarding Joint Processes; Allocation of Joint Cost – Physical Measure Allocation Activity: Submit THQ in Chapter 8; Lecture / Class Discussion; Illustration For Next Meeting: Continue reading Chapter 8, pages 351-356.
Apr 14 Wednesday	Topic: CHAPTER 9 (Continue) > Monetary Measure Allocation Activity: Lecture / Class Discussion; Illustration For Next Meeting: Continue reading Chapter 8, pages 357-365; Submit Chapter 8 Assignment
Apr 16 Friday	Topic: CHAPTER 9 (Continue) > Accounting for By-Product and Scrap; By-Products or Scrap in Job Order Costing; Joint Costs in Service and Not-for-Profit Organizations Activity: Submission of Chapter 8 Assignment due today; Class work; Chapter Review For Next Meeting: TAKE HOME QUIZ in Chapter 9; Submit Chapter 9 Assignment;
Apr 19 Monday	Topic: CHAPTER 9 (Assessment) Activity: Submission of THQ in Chapter 9 and Assignment due today; Solution Discussion/Review For Next Meeting: Read Chapter 10 – Standard Costing, pages 381-392. Chapter Assignment: Solve Chapter 10 Problem #52 (pages 432-433) > to be submitted on Wednesday, April 28.
Apr 21 Wednesday	Topic: CHAPTER 10 – Development of a Standard Cost System; Material and Labor Variance Computations Activity: Lecture / Class Discussion; Illustration For Next Meeting: Continue reading Chapter 10, pages 392-398.

Day	TOPIC / ACTIVITY
Apr 23 Friday	Topic: CHAPTER 10 (Continue) > Overhead Variances Activity: Lecture / Class Discussion; Illustration For Next Meeting: Continue reading Chapter 10, pages 398-421.
Apr 26 Monday	Topic: CHAPTER 10 (Continue) > Standard Cost Systems Journal Entries; Why Standard Cost Systems Are Used; Considerations in Establishing Standards; Changes in Standards Usage Activity: Lecture / Class Discussion; Illustration For Next Meeting: Submit Chapter Assignment; Class work; Chapter Review
Apr 28 Wednesday	Topic: CHAPTER 10 (Continue) Activity: Submission of Chapter Assignment due today; Class work; Chapter Review For Next Meeting: TAKE HOME QUIZ in Chapter 10; Review Pointers for the Final Exam
Apr 30 Friday	Topic: CHAPTER 10 (Assessment) Activity: Submission of THQ in Chapter 10; Review/Discussion of solution; Review Pointers for the Final Exam For Next Meeting: FINAL EXAMINATION
May 4 Tuesday	FINAL EXAMINATION 4:20 – 6:20 PM