

Northern Marianas College

CURRICULUM ACTION REQUEST

Effective Semester / Session: Spring 2014

Type of Action:

- New
- Modification
- Move to Inactive (Stop Out)
- Cancellation

Course Alpha and Number: AC 240

Course Title: Management Accounting

Reason for initiating, revising, or canceling:

This course guide is being initiated to reflect a broader and a more comprehensive content of accounting theory.


Richard Waldo

Proposer

1/13/14

Date

Chavel Green

Department Chair


1/13/14

Date

Barbara Merfalen

Dean of Academic Programs and Services


1.13.14

Date

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Course Guide

Course: AC 240 Management Accounting

1. Department

Business

2. Purpose

Management Accounting provides students with practical budgeting and cost accounting concepts and skills that are useful in business applications and decision making. These skills are useful in related business courses and for operating a small business. Students who develop an understanding of management accounting concepts will have an understanding of breakeven analysis, variance analysis, and cost accounting. Master budgeting and flexible budgeting is also taught in the course. This course will add to their quantitative understanding of introduction to business, small business management, marketing, management, and economics. This course is required for all business administration associate degree - accounting emphasis.

3. Description

This course provides students with basic quantitative formulas used in tracking production in manufacturing entities and the tracking of operational efficiency in service oriented entities. Calculation principles used in preparing a business plan for a new business are introduced to the student. Breakeven analysis, schedules of production, variance analysis, and budgeting formulation are the core of the course. English Placement Level: EN 101. Math Placement Level: MA 91. This course may be substituted for Accounting II by all business majors except accounting emphasis majors.

Required Textbook and Related Materials

Wild, J.; Shaw, K.; Chiappetta, B. *Fundamental Accounting Principles*; Current Edition

Basic calculator costing \$4 to \$10.

Readability level: College

Contact Hours

1. **Lecture:** 3 hours per week / 45 hours per semester
2. **Lab:** None
3. **Other:** None

Credits

1. **Number:** 3
2. **Type:** Regular Degree Credits

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A. Catalogue Course Description

This course provides students with basic principles and formats used in manufacturing and service businesses. Breakeven analysis and variance analysis will enable the students to evaluate the efficiency of various business enterprises. Student will also learn Master and Flexible Budgeting, Standard Costs, and Capital Budgeting. English Placement Level: EN 083/084. Math Placement Level: MA 91.

B. Degree or Certificate Requirements Met by Course

This is a required course for the A.A.S. degrees in Business Administration with emphasis in Accounting. This course is a business elective and serves as a substitute for Accounting II for all Associates in Business Administration and the A. A. in Business.

C. Course Activities and Design

Lecture, student presentations, production schedule project for both process cost and job cost, budget projects, homework, and tests.

4. Course Prerequisite(s); Concurrent Course Enrollment; Required English/Mathematics Placement Level(s)

Prerequisites: AC220

English Placement Level: EN 083/084

Math Placement Level: MA 091

5. Estimated Cost of Course; Instructional Resources Needed

Cost to the Student: Tuition for a 3 credit course and any applicable fees.

Cost to the College: Instructor's salary

Instructional resources needed for this course include:

Textbook : Wild, J.; Shaw, K.; Chiappetta, B.; Fundamental Accounting Principles; McGraw-Hill Irwin; latest edition.

Basic calculator costing \$4 to \$10.

Whiteboard, dry erase marker, overhead projector

6. Method of Evaluation

Student will be evaluated by periodic quizzes and exams, group participation in problem solving exercises, and practical application project assignments.

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Student grades will be based on the regular letter grade system as described below:

A: Excellent – grade points:	90 - 100;	4.0
B: Above average – grade point	80 - 89;	3.0
C: Average – grade points:	70 - 79;	2.0
D: Below average – grade points:	60 - 69;	1.0
F: Failure – grade points:	0 - 59;	0.0

NMC's grading and attendance policies will be followed.

7. Course Outline

This is a topical outline and does not necessarily indicate the sequence in which the material will be presented.

1.0 Managerial Accounting Basics

- 1.1 Purpose of management
- 1.2 Nature of managerial accounting
- 1.3 Managerial costs concepts

2.0 Reporting Manufacturing Activities

- 2.1 Overhead cost report
- 2.2 Manufacturing Statement

3.0 Job Order Cost Accounting

- 3.1 Job cost flows
- 3.2 Overhead costs flows
- 3.3 Job cost journal entries

4.0 Process Cost Accounting

- 4.1 Accounting for material costs in a process cost system
- 4.2 Accounting for labor costs in a process system
- 4.3 Accounting for overhead costs in a process cost
- 4.4 Computing equivalent units
- 4.5 Process cost production schedule

5.0 To allocate costs using various systems

- 5.1 Two-stage allocation
- 5.2 Activity-based allocation
- 5.3 Allocation of indirect expenses
- 5.4 Responsibility accounting

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- 6.0 To produce a breakeven analysis report
 - 6.1 Contribution margin and its measures
 - 6.2 Computing the break-even point

- 7.0 Master Budgets
 - 7.1 Various methods of budgeting
 - 7.2 Budgets with variances
 - 7.3 Master budget component

- 8.0 Flexible Budgets & Standard Costs
 - 8.1 Purpose and preparation of a flexible budget
 - 8.2 Standard costs - materials, labor, and overhead

- 9.0 Capital Budgeting
 - 9.1 Payback method
 - 9.2 Accounting rate of return method
 - 9.3 Net present value method
 - 9.4 Make or buy decision

8. Instructional Goals

This course will introduce students to:

- 1.0 Managerial Accounting Basics
- 2.0 Reporting Manufacturing Activities
- 3.0 Job Order Cost Accounting
- 4.0 Process Cost Accounting
- 5.0 Cost Allocation
- 6.0 Breakeven Analysis
- 7.0 Master Budgets
- 8.0 Flexible Budgets
- 9.0 Capital Budgeting

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9. Student Learning Outcomes

Upon successful completion of this course, students will be able to:

- 1.0 To understand and use management accounting theories
- 2.0 To report manufacturing activities
- 3.0 To understand and produce job cost reports
- 4.0 To understand and produce process cost reports
- 5.0 To allocate costs using various systems
- 6.0 To produce a breakeven analysis report
- 7.0 To produce a master budget
- 8.0 To produce a flexible budget
- 9.0 To produce a capital budget

10. Program Learning Outcomes

ASSOCIATE IN APPLIED SCIENCE DEGREE IN BUSINESS ADMINISTRATION

- BU 1: Prepare and present written and oral business reports for a variety of audiences at a generally acceptable level of business English.
- BU 2: Apply various computer applications, including word processing, spreadsheet applications, database, presentation, and other specialized applications to generate, analyze and present reports in the various functional area of business.
- BU 3: Apply business math and basic accounting principles in the operation of a business.
- BU 4: Explain current legal, ethical, social, financial, economic, and other environmental factors as they apply to business.
- BU 5: Work effectively as a member of a team.
- BU 6: Compile, analyze, and synthesize information to solve business problems;

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Accounting Emphasis

- AC 7: Demonstrate computerized and intermediate accounting skills;
- AC 8: Convey perceptions regarding accounting knowledge gained from completing the Accounting degree program at NMC;
- AC 9: Analyze financial statements; and
- AC10: Apply accounting practices and record keeping to the operation of a small business.

11. **Assessment Measures**

Assessment of student learning may include, but not be limited to, the following:

- 1.0 Evaluation of student's use of basic managerial accounting concepts.
- 2.0 Evaluation of a student's proficiency in the preparation of a job cost production schedule.
- 3.0 Evaluation of a student's proficiency in the preparation of a production cost production schedule.
- 4.0 Student must be able to prepare a factory overhead schedule.
- 5.0 Student must be able to prepare a breakeven analysis for a complex business.
- 6.0 Evaluate a student's knowledge of master and flexible budgets by student's submission of a comprehensive budget.
- 7.0 Student must be able to prepare a capital budget for a business.