

Acc 35 Managerial Accounting Course Syllabus
Finance & Accounting Department, J. Gokongwei School of Management

A. COURSE DESCRIPTION

As a follow-up to Financial Accounting (Acc 20), this course introduces students to the vital role that management accounting information plays in organizations. This will be discussed in three parts. First is **Cost Accounting**, wherein the basic question centers on how much something costs. Here, students will be exposed to value direct and indirect costs, variable and fixed costs, costs drivers, and standard costing systems. Second is **Differential Accounting**, both short-term and long-term, wherein pricing, product-mix, make-or-buy, and capital budgeting decisions will be discussed. Third is **Responsibility Accounting**, which explores topics in performance measurement, performance evaluation, responsibility centers, and management accounting systems.

In today's competitive environment, management accounting information has moved from its traditional score-keeping role to a more attention-getting, problem-solving, and even strategic planning and implementation role. Students get to appreciate how management accountants become a critical member of the top management team. As a course intended for Management Engineering and Applied Mathematical Finance majors, it will take a more quantitative approach in presenting and analyzing the concepts.

B. COURSE OBJECTIVES

At the end of the semester, the students are expected to:

1. Estimate the standard cost of products and services using appropriate cost allocation methods, and analyze the variances between actual and standard costs.
2. Identify the relevant costs/revenues in different situations, and use them to make short-term and long-term economic choice decisions.
3. Describe the uses of financial information for managerial planning and control, compute transfer prices, and develop a budget for a responsibility center.
4. Integrate qualitative factors along with quantitative ones in the problem-solving process.

C. REQUIRED READINGS

Primary text: Robert N. Anthony, David F. Hawkins, and Kenneth A. Merchant
Accounting: Text and Cases (12th ed., International)
Richard D. Irwin, Inc. Homewood, Illinois, 2007

Supplement: Anthony Atkinson, Rajiv Banker, Robert Kaplan, & Mark Young
Managerial Accounting (5th ed.)
Pearson-Prentice Hall, New Jersey, 2007

D. COURSE OUTLINE

TOPIC	DATES	Anthony	Atkinson
I. Introduction to Managerial Accounting The Nature of Managerial Accounting The Concept of Value Chain (Atkinson) Case 15-1 Private Fitness LLC Formation of groups for case analysis & projects		15	1-2
II. Full Cost Accounting			
a. The Behavior of Cost Case: Jaime Kincade (Hand-out) Case presentation grading system		16	3
b. Full Costs and their Uses Case Presentation		17	4
Review & Long Exam #1			
III. Cost Accounting Systems			
a. Cost Allocation Systems Traditional costing vs. Activity-based costing systems Case Presentation		18	5
b. Standard Costs and Variance Analysis Case Presentation		19/20	3-4 & 12
Review & Long Exam #2			
IV. Differential Accounting			
a. Short-Run: Alternative Choice Case Presentation		26	6-7
b. Long-Run: Capital Budgeting Case Presentation		27	8
Review & Long Exam #3			
V. Responsibility Accounting			
a. Control: Management Environment Case Presentation		22	10&12
b. Strategic Planning & Budgeting Case Presentation		24	11
Presentation of Service Learning Projects (Outside of class hours)			
Review for Long Exam #4			
Long Exam #4			

Case to be assigned two weeks before presentation date
 % Nov 7 (Mon.), Eidul Adha and Nov 11 (Fri.), 2nd Sem Faculty Day - no classes
 ** Nov 30 (Wed.), public holiday, Bonifacio Day
 ^ Dec 8 (Thu.), Feast of Immaculate Conception
 \$ December 18 to January 3, Christmas break
 ## Feb 6 (Mon.), school holiday, President's Day

- Cases to be analyzed will be in a separate handout.
- Topics may also be contained in other chapters. Check index.
- Schedule is subject to change, based on pace of class and availability of rooms for long exams and group presentations. Cases may also change, and will be announced.

- Students are expected to read all the topics in the assigned chapter since there may not enough time to cover all of them in class.

E. COURSE REQUIREMENTS

		<u>% of Final Grade</u>
1.	LONG EXAMS: 4 exams at 17% each	68 %
2.	QUIZZES: 4-6 quizzes	10 %
3.	CASE ANALYSIS	17 %*
	Case Analysis & Presentation	10 %
	Case Defense	3 %
	Written Report	4 %
4.	CLASS PARTICIPATION	<u>5 %</u>
	TOTAL	100 %

* Includes peer rating using forced ranking

- a. No make-up exams will be given. If a student gives a reasonable explanation for a missed exam, the score of one of the student's future exam, to be determined prior to the student's taking that exam, will replace the score of the missed exam.
- b. For the student to gain any percentage points from the long exams, the average of the 4 long exams should not be lower than 50 raw score points (or a total of 200 raw score points for the 4 exams). In case this condition is not met, the student will not get any percentage points from the 4 exams regardless of the grades the student will have from the other course requirements.
- c. Any request for a change of grade in the requirements will be entertained only from the time the graded requirement is showed to the students up to the next class.
- d. The course will use problems and cases to illustrate applications of each basic concept in managerial accounting. Cases take two forms: text-based and service-learning. Students will be formed into groups of 5 or 6 members, and will be assigned cases that require both written analysis and oral presentation. Students have about two weeks to prepare for text-based cases while they will have three months for the service-learning cases to allow for data gathering and on-site client visits. Service-learning cases involve clients whose business situation can be improved using managerial accounting tools.
- e. Students in service-learning projects have the option to substitute their quiz grades (the entire 10%) with their project grades (after adjusting for peer evaluation) if this can result to higher final grades.
- f. Students will be asked to consider qualitative factors in their final recommendation. The materials to be covered will be tackled in a 3-step cycle: (1) lecture, (2) case presentation or problem-solving, and (3) wrap-up. Some cases may go through a class discussion format. Students are expected to read the assigned chapter prior to the lecture class.
- g. For text-based cases, students should schedule a meeting with the teacher prior to their case presentation to clarify case facts and assumptions, as well as receive additional instructions regarding the handling of the case. The written case analysis should be submitted at the start of the class session in which they will present.

F. GRADING SYSTEM

The student's performance will be tracked numerically throughout the semester. It is only when the final weighted average score is computed when this number is converted to its letter equivalent, as follows:

A	92 and above	C+	74 to 80	F	59 and below
B+	87 to 91	C	67 to 73		
B	81 to 86	D	60 to 66		

The teacher reserves the right to decide the letter grades in borderline cases.

G. OTHER MATTERS

1. Attendance will follow Ateneo rules on number of allowable cuts and number of allowable minutes before a student is considered late.
2. Cheating in a long exam will result to an F in the final mark.
3. The SOM dress code shall be observed at all times. Students not in appropriate attire will not be allowed in class.
4. Cell phones should be on silent mode during class hours and cannot be used in class. The teacher will confiscate the cell phone if it is used or emits any audible sound and will be returned to the student after a month.

H. CONSULTATION HOURS

Consultations hours will be posted by the faculty. Best for students to set appointment with faculty prior to consultation.

I. OTHER REFERENCES

Anthony, Robert & David Young (2003). *Management Control in Non-Profit Organizations (7th ed.)*, McGraw-Hill.

Brewer, Peter C., Ray H. Garrison, Eric W. Noreen (2008). *Introduction to managerial accounting (4th ed.)*, Boston: McGraw-Hill/Irwin.

Edmonds, Thomas P. (2007). *Fundamental financial and managerial accounting concepts*, Boston: McGraw-Hill/Irwin,

Garrison, Ray H., Eric W. Noreen, & Peter C. Brewer (2008). *Managerial Accounting (12th ed.)*, McGraw-Hill.

Hilton, Ronald W., Michael W. Maher, Frank H. Selto (2008). *Cost management: strategies for business decisions (4 ed.)*, Boston: McGraw-Hill/Irwin.

Mowen, Maryanne M. (2012), *Managerial Accounting (Philippine ed.)*, Cengage Learning Asia Ltd.

Shank, John K. (2006). *Cases in cost management: a strategic emphasis (3 ed.)*, Australia: Thomson/South-Western.

Warren, Carl S., James M. Reeve, & Philip E. Fess (2002). *Financial and Managerial Accounting (7 ed.)*, South-Western.

Zimmerman, Jerold L. (2006). *Accounting for decision making and control (5 ed.)*, Boston: McGraw-Hill/Irwin.