

MGT 503 - MANAGERIAL ACCOUNTING
Tuesday 5:30 – 8:00 PM
Fall 2015

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Office Hours: MW 9:15-9:30, 10:45-11:45, 1:45-2:00; T 5:00-5:30 Email: togo@unm.edu

TEXT: Managerial Accounting, Garrison, Noreen, and Brewer, McGraw-Hill, 15th edition.

OBJECTIVES: Generate and analyze accounting information to aid management decision-making, planning, and control. The emphasis throughout the course will be a manager's perspective to costs and revenues. Topics include quantitative analysis of costs, job-order and process costing systems, activity-based costing, reporting manufacturing costs, cost-volume-profit relationships, profit planning, standard costs, short-run relevant cost decisions, time value of money, and capital budgeting. Other pedagogical goals are to acquire an overview of an organization's cost and revenue flows with a spreadsheet-based profit plan, and to use technology decision aids for other managerial accounting topics.

GRADING:	Exam 1 – Chapters 2, 3, 4 and Matrix Allocations	100 pts
	Exam 2 – Chapters 5, 9, 9 and Profit Plan	100 pts
	Exam 3 – Chapters 10, 12, 13 and Linear Programming	100 pts
	Chapter Homework (8 @ 5 pts)	40 pts
	Chapter Quizzes (8 @ 5 pts)	40 pts
	Cost Analysis by Regression	20 pts
	Matrix-Based Reciprocal Cost Allocations	50 pts
	Profit Plan	100 pts
	Linear Programming and Contribution Income Statement	<u>50 pts</u>
	Total	<u>600 pts</u>

Exams have multiple-choice computational and non-computational questions, and short exercises related to accounting concepts within the textbook and spreadsheet projects. Homework will be graded on the basis of completion and solutions will be available after being discussed in class. Chapter quizzes will be given in class after the homework is discussed. Solutions to the quizzes will be available after they are discussed in class. Students may volunteer to present their solution of homework or quiz questions.

The spreadsheet projects extend coverage of important accounting concepts for cost analysis and profit planning. Regression analysis will generate a linear cost function from historical cost data to estimate future costs. Reciprocated cost allocations of support departments are facilitated using matrices. The spreadsheet-based profit plan requires students to prepare interdependent budgets for sales and manufacturing costs to generate budgeted financial statements - income statement, cash flow statement, and balance sheet. The use of linear programming to obtain an optimal combination of products to produce and sell is integrated with the contribution income statement.

PEDAGOGY: Each class meeting will begin with a presentation of the chapter or topic, followed by homework, and then a quiz. Students will learn best by reading the chapter before the class meets and attempting the homework problems. Then during the class presentation students may ask questions on topics that might not have been clear when reading the textbook.

SCHEDULE

<u>Date</u>	<u>Chapter and Topics / Spreadsheet Project/ Exam</u>	<u>Exercise or Problem</u>
8/18	Prologue – Managerial Accounting: An Overview Planning, Controlling and Decision Making Review of Financial Accounting	
8/25	Chapter 2 – Managerial Accounting and Cost Concepts Manufacturing vs. Nonmanufacturing Product vs. Period Variable, Fixed, and Mixed Costs Appendix 2A – Least Squares Regression EXCEL Regression Project, due 9/1	HW Prob. 2 - 20, 25, 2A-3 Handout
9/1	Chapter 3 – Job-Order Costing Flow of Costs and Revenues – Manufacturing, Retail, Service Schedule of Cost of Goods Manufactured Application of Overhead Appendix 3A - Activity-Based Absorption Costing	HW Prob. 3 - 24, 26, 3A-5
9/8	Chapter 4 – Process Costing Comparison of Job-Order vs. Process Costing Weighted-Average Equivalent Units and Cost Reconciliation Report Appendix 4B – Service Department Allocations EXCEL Matrix Project, due 9/15	HW Prob. 4 - 15, 17; Ex. 4B - 3 Handout
9/15	EXAM 1 – Chapters 2, 3, 4; and Regression and Matrix Projects	
9/22	Chapter 5 – Cost-Volume-Profit Relationships Basics of CVP Target Profit and Break-Even Operating Leverage	HW Ex. 5 -18; Prob. 5 - 20, 21
9/29	Chapter 8 – Profit Planning Framework of Budgeting Preparing a Master Budget Income Statement, Balance Sheet, and Cash Flow Statement EXCEL Profit Plan Project, Template, and Check Figure, due 10/13	HW Ex. 8 – 1, 2, 3, 4, 5, 6, 7, 8, 9 Handout
10/6	EXCEL Profit Plan	
10/13	Chapter 9 –Flexible Budgets and Performance Analysis Flexible Budget Basics Performance Analysis with Flexible Budgets	HW Prob. 9 – 19, 20
10/20	EXAM 2 – Chapters 5, 8, 9, and EXCEL Profit Plan	

- 10/27 Chapter 10 - Standard Costs and Variances HW Ex. 10 - 6, 7; Prob. 10A - 10
 Setting Standards and Variance Analysis
 Appendix 10A - Overhead Variances in a Standard Costing System
 Appendix 10B – Journal Entries to Record Variances
- 11/3 Chapter 12 – Differential Analysis HW Ex 12 – 2, 3, 4, 5, 7, 8
 Relevant Costs for Adding or Dropping a Product Line, and Outsourcing
 Special Orders, Constrained Resource Decisions, and Joint Products
 EXCEL Linear Programming Project, due 11/3 Handout
- 11/10 Time Value of Money, Appendices A and B (Bring/Share Business Calculators)
- 11/17 Chapter 13 - Capital Budgeting HW Prob. 13 – 17, 18, 19; Prob. 13C -3
 NPV Method
 IRR Method and other methods
 Appendix 13C – Capital Budgeting with Taxes
- 11/24 Thanksgiving Break
- 12/1 FINAL EXAM – Chapters 10, 12, 13, Appendices and Linear Programming