

San José State University
College of Business
Department of Accounting and Finance
BUS 21 Managerial Accounting
Sections: 05, 06, 07 Semester: Fall 2018

Course and Contact Information

Instructor:	Kristine Santaniello
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Office Hours:	T, TH 2:15pm – 2:45pm, 4:30pm – 6:00pm
Class Days/Time:	Section 05: T, TH 10:30am – 11: 45am Section 06: T, TH 12:00pm – 1:15pm Section 07: T, TH 3:00pm – 4:15pm
Classroom:	Section 05: BBC 106 Section 06: BBC 321 Section 07: BBC 108
Prerequisites:	BUS 20, BUS 20N (with a minimum grade of “C”) – cannot be taken concurrently, no exceptions to this prerequisite
Required Text:	Managerial Accounting, 16th edition, Garrison, Noreen, Brewer, McGraw-Hill (ISBN: 978-1-2607058-9-8) - the book is available at the Spartan bookstore and online

Course Format

Faculty Web Page and MYSJSU Messaging

Copies of the course materials such as the syllabus, major assignment handouts and problem solutions may be found on Canvas (<https://sjsu.instructure.com/>). You are responsible for regularly checking Canvas for any new messages and assignments.

Course Description

This is the study of how managers use accounting information in decision-making, planning, directing operations and controlling activities. It focuses on cost terms and concepts, cost behavior, cost structure and cost-volume-profit analysis. It includes issues relating to cost systems, cost control, profit planning, operations and capital budgeting, relevant costs for decision making and performance analysis in manufacturing and service environments.

Lucas College and Graduate School of Business Program Goals

BSBA Goals:

1. *Business Knowledge* - Understand basic business principles and demonstrate discipline-specific competencies as applied to local and global environments.
2. *Communication* - Communicate ideas clearly, logically, and persuasively in oral and written format, using technology appropriately.
3. *Ethical Awareness* - Recognize, analyze, and articulate solutions to ethical issues that arise in business.
4. *Leadership, Teams and Diversity* - Comprehend the challenges and opportunities of leading and working in diverse teams and environments.
5. *Critical Thinking* - Comprehend, analyze, and critically evaluate complex and unstructured qualitative and quantitative business problems, using appropriate tools and technology.
6. *Innovation* - Recognize, analyze, and articulate strategies for promoting creativity and innovation.

Course Goals (aligned with the College of Business Program Goals {CBPG})

1. Understand how accounting data is used internally within a company for planning operations, controlling activities, and making decisions. (CBPG1)
2. Understanding of the concepts of cost accumulation for product costing; cost-volume-profit relationships; profit planning; standard costing; static and flexible budgets; performance measurement; and relevant costs for decision making. (CBPG1)
3. Understand how to prepare and evaluate Schedule of Cost of Goods Manufactured and Schedule of Cost of Goods sold (CBPG1, CBPG5)
4. Prepare and analyze the traditional and contribution-margin income statements in order to make decisions. (CBPG1, CBPG5)
5. Understanding of the above concepts in order to select, interpret, and analyze the information in order to make business decisions. (CBPG5)
6. Understand the accounting system and the issue of internal controls and the impact of technology on the business environment. (CBPG2, CBPG3)
7. Identify and understand the ethical implications inherent in managerial accounting and be able to apply strategies for addressing them. (CBPG 3)
8. Express ideas clearly, logically, and persuasively in oral and written communication (CBPG2)

Course Learning Outcomes (CLO)

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

1. Identify and illustrate the primary activities and informational needs of managers and explain the role of the managerial accountant as a member of the management team.
2. Compare and contrast financial and managerial accounting.
3. Define and illustrate various cost terms, concepts, and behaviors and evaluate their relevancy for different decision-making purposes.
4. Distinguish between product and period costs; prepare and evaluate a Schedule of Cost of Goods Manufactured, Schedule of Cost of Goods Sold, and Income Statement.
5. Understand cost behavior and classify costs as to variable, fixed, opportunity, discretionary and semi-variable.
6. Prepare contribution-margin income statements; define related terms; explain cost-volume-profit analysis; degree of operating leverage and safety margin and employ each as an analytical tool .
7. Describe the traditional types of product costing systems, illustrate the flow of costs in each, and prepare related accounting records and reports.
8. Calculate and understand the application of over and under applied overhead.
9. Discuss the impact of technology on the manufacturing environment, its implications for product costs and the development of activity-based costing and management.
10. Understand the purposes of budgeting; prepare a master budget and its component schedules, and relate the budget to planning and control.
11. Understand the flexible budget and how it differs from the static budget.
12. Understand the development and use of standard costs, prepare and interpret variances and relate them to responsibility accounting and control.
13. Explain revenue, profit and investment centers.
14. Define relevant costs and benefits and prepare analyses related to special decisions.
15. Identify the ethical implications and be able to apply strategies for addressing them.

Course Requirements and Assignments

“Success in this course is based on the expectation that students will spend, for each unit of credit, a minimum of 45 hours over the length of the course (normally 3 hours per unit per week with 1 of the hours used for lecture) for instruction or preparation/studying or course related activities. Other course structures will have equivalent workload expectations as described in the syllabus.”

Required Topics:

- Basic Cost management concepts and terms
- Coverage of some of the costing methods (job-order, process costing, ABC costing)
- Cost-volume-profit analysis
- Profit planning and budgeting
- Static versus flexible budgeting

- Variances related to standard costing and flexible budgeting
- Responsibility accounting and performance analysis
- Decision making: relevant costs and benefits; various types of special decisions (make or buy, special orders, capital expenditures)
- Ethical issues

a) Exams

There will be no make-up exams. If you miss an exam for an **excused** purpose (very rare, documentation required, need to notify me in advance), your final exam will be re-weighted to count for the missing exam. If you miss for an unexcused purpose, your score is zero. The final exam must be taken on the scheduled date and time. (A note from your parents, spouse, or significant other is not acceptable documentation.)

Translation dictionaries may **not** be used for exams. All exams are closed book and closed notes. If applicable, formula sheets will be provided. All exams must be completed using a four-function calculator (add, subtract, multiply, divide). Only the scratch paper included with each exam may be used. Use of any other unauthorized scratch paper will result in an exam score of zero. All cell phones and other electronic devices must be turned off and put away during exams. If a student is observed looking at a cell phone or other type of electronic device during the exam, this will be grounds for an exam score of zero. Students will not be allowed to leave the classroom during the exam.

Exams will be returned for the student's review and then must be recollected. During the review no markings allowed on exams. Missing exams will result in a grade of "F" for the course. Any questions regarding the grading of exams must be brought to the attention of the instructor within one week of the exam or quiz being returned.

Cheating of any kind on quizzes and exams will **not** be tolerated and could result in failure of the course and expulsion from the University.

b) Quizzes

A total of 7 quizzes will be given during the semester. Quizzes can be true/false, multiple choice, short answer, or a combination of the three. Quizzes will be on material covered the previous class or on that day. Each quiz will be worth 10 points. No make-up quizzes will be given. If you are absent on the day a quiz is given, you will receive a zero for that quiz. Two of the lowest scores will be dropped in calculating the student's grade. This will result in a total of 50 points possible.

c) Homework

All the homework will be collected for each chapter (13 chapters). No late homework will be accepted. If you are absent on the day homework is collected, you will receive a zero for that homework. Each homework assignment will be evaluated based on completeness, neatness, and effort. The homework will be marked with 5 points, 3 points or 1 point. Three of the lowest scores will be dropped in calculating the student's grade. This will result in a total of 50 points possible.

Homework is for your own benefit. Homework should be completed soon after the material is covered in class and no later than before the next class. The homework assigned is the **minimum** necessary for your success in this class. The importance of your completing each homework assignment without the use of a solutions manual cannot be overstated. Doing the homework will enable you to participate in class and help you with the quizzes and exams. Students are expected to keep current with homework and email instructor with any questions and/or discuss in office hours

Final Examination or Evaluation

A cumulative final exam will be administered during the final examination period.

Grading Information (Required)

The grade for the course will be based on the following:

	Points	%
Quizzes & Homework	100	20%
Exam I	100	20%
Exam II	100	20%
Exam III	100	20%
Final Exam	100	20%
	<hr/> <hr/> 500	100%

a. Grading Percentile Breakdown

100% - 92%	A
91.9% - 90%	A-
89.9% - 88%	B+
87.9% - 82%	B
81.9% - 80%	B-
79.9% - 78%	C+
77.9% - 72%	C
71.9% - 70%	C-
69.9% - 68%	D+
67.9% - 62%	D
61.9% - 60%	D-
below 60%	F

b. No late or missed work: No make-up quizzes will be given and late homework will not be accepted. If you are absent on a day a quiz is given or homework is collected, you will receive a score of zero for that quiz/assignment.

c. Extra credit: You will have a pool of 12 points extra credit:

- Up to 5 points for office hours (1 point for each visit)
- Up to 5 points on objective extra credit paper
- Up to 8 points on clubs/workshops related to Business/major (2 points each)

Grading Information for Accounting/Finance and non-Accounting/Finance Majors

You are recommended to check the following BUS21 passing grades with your academic advisor:

- If you are not a finance major, the passing grade is D.
- If you are a finance major, then the passing grade is C.

(Note: It is the student's responsibility to actively seek assistance if they are not passing. Students should carefully assess their grade status after each examination.)

Classroom Protocol

The primary teaching methodology used in this course is cooperative learning. Cooperative learning is defined as “a structured, systematic instructional strategy in which small groups work toward a common goal.”

Students must be active participants in the learning process, not passive recipients of information. They should identify and solve unstructured problems that require use of multiple information sources. Learning by doing is emphasized. This is primarily a problem-solving class.

Class time will usually be spent on a variety of activities including: question and answer sessions, brief lectures, group discussions, and in-class assignments. Participation by all is necessary for the class to be successful. In order for the class to be a meaningful learning experience for everyone, it is important that we all: (1) attend class; (2) come prepared for discussion; and (3) participate in discussions and in-class assignments. If each of us prepares before class, participates during class, and reviews after class, the learning experience for each of us in this course will be beneficial.

University Policies (Required)

Per University Policy S16-9, university-wide policy information relevant to all courses, such as academic integrity, accommodations, etc. will be available on Office of Graduate and Undergraduate Programs' [Syllabus Information web page](http://www.sjsu.edu/gup/syllabusinfo/) at <http://www.sjsu.edu/gup/syllabusinfo/>”

Lucas College and Graduate School of Business: Program Goals and Classroom policy
<http://www.sjsu.edu/cob/Students/policies/index.html>

Biggest takeaways from the Lucas College Classroom policy:

- Do not eat in the Boccardo Business Center
- Put your cell phones on vibrate or turn them off
- Limit laptop/tablets/smartwatches to classroom activity use

Course Schedule

(Note: The schedule is subject to change with fair notice.)

Wk	Date	Topic	HW Assignment E = Exercise, P = Problem
1	T 8/21 R 8/23	Introduction and course administration: Managerial Accounting Overview Ch. 1: Cost Concepts introduction	<ul style="list-style-type: none"> • Survey handout; Q1-1,4,5,6,14,15 • E1-1, 2, 3, 4, 5, 6, 7, 8, 9, 11
2	T 8/28 R 8/30	Ch. 1: Income Statements – Traditional vs. Contribution Ch. 2: Job-order Costing: Calculating Unit Product Costs	<ul style="list-style-type: none"> • E2-1, 2, 3, 4, 6, 13
3	T 9/4 R 9/6	Ch. 3: Job-order Costing: Cost Flows and External Reporting Ch. 3: Under/Over-applied OH; Exam Review	<ul style="list-style-type: none"> • E3-2, 3, 4, 7, 11
4	T 9/11 R 9/13	Exam Chapters 1, 2, 3 Ch. 4: Process Costing, Weighted-average method	<ul style="list-style-type: none"> • E4-2, 3, 4, 5, 8, 16
5	T 9/18 R 9/20	Ch. 4: Weighted-average method continued Ch. 5: Cost Volume Profit Analysis, CM ratio, Sales impact	<ul style="list-style-type: none"> • E5-1, 4, 5, 6, 7, 8, 9; 13, 18
6	T 9/25 R 9/27	Ch. 5: Break-even, Target Profit, Margin of Safety Ch. 6: Variable Costing; Ch. 7: Activity-Based Costing (ABC)	<ul style="list-style-type: none"> • E6-1, 2, 3, 6, 9
7	T 10/2 R 10/4	Ch. 7: ABC, First and second stage allocation Questions/Concerns/Exam Review	<ul style="list-style-type: none"> • E7-2, 3, 4, 5, 15
8	T 10/9 R 10/11	Exam Chapters 4, 5, 6, 7 (Ch. 6 Variable costing only) Ch. 8: Master budgeting, Sales budget, Production budget	<ul style="list-style-type: none"> • E8-1, 2, 3, 4, 5, 6, 7, 8, 9, 14, 15
9	T 10/16 R 10/18	Ch. 8: Manufacturing budgets, SG&A budget Ch. 8: Cash budget, I/S budget, B/S budget	
10	T 10/23 R 10/25	Ch. 9: Flexible budgets Ch. 9: Activity, Revenue, Spending variances	<ul style="list-style-type: none"> • E9-8, 10, 11, 12, 13, 14, 15
11	T 10/30 R 11/1	Ch. 10: Standard costs and variances – Direct Materials Ch. 10: Direct Labor and MOH variances	<ul style="list-style-type: none"> • E10-1, 2, 3, 6, 8; P10-9
12	T 11/6 R 11/8	Question/Concerns/Exam Review Exam Chapters 8, 9, 10	
13	T 11/13 R 11/15	Ch. 11: Performance Measurement – Decentralization, ROI, Residual Income, Strategy/Balanced Scorecard Ch. 6: Segment Reporting	<ul style="list-style-type: none"> • E11-1, 2, 4, 6, 9, 12 • E6-4, 5, 7, 10, 16
14	T 11/20 R 11/22	Ch. 12: Differential Analysis – Add/Drop, Make/Buy Day off – Happy Thanksgiving!	<ul style="list-style-type: none"> • E12-1, 2, 3, 4, 5, 6, 7
15	T 11/27 R 11/29	Ch. 12: Special order, Constrained resources, split/process further Ch. 13: Capital budgeting – NPV, IRR	<ul style="list-style-type: none"> • E13-1, 2, 4, 5, 6, 7, 15
16	T 12/4 R 12/6	Ch. 13: Payback, Simple rate, Investment evaluation Final Exam Review	
	Final Exam	Section 05: Wednesday, December 12 th from 9:45a – 12:00p Section 06: Friday December 14 th from 9:45a – 12:00p Section 07: Wednesday, December 12 th from 2:45p – 5:00p	