

Uses of Accounting Information II

Course Design

2007-2008

Course Information

Organization	Eastern Arizona College
Division	Business
Course Number	BUA 240
Title	Uses of Accounting Information II
Credits	3
Developed by	Mark Anderson
Lecture/Lab Ratio	Lecture: 3 Lab: 0
Transfer Status	ASU-ACC 240, NAU-ACC 256, U of A-ACCT 210
Activity Course	No
CIP Code	52.0200
Assessment Mode	Pre/Post test: 25 questions/50 points
Semester Taught	Spring Semester
GE Category	None
Separate Lab	No
Awareness Course	No
Intensive Writing Course	No

Prerequisites

BUA 230 and BUA 250

Educational Value

A. TO GENERAL EDUCATION: The course provide the student a fuller background to increase his/her economic understanding of the community, country, and world in which he/she lives, by understanding principles and uses of financial information. It also develops such tools for lifelong learning as decision-making, communication, and positive group interaction.

B. TO MAJOR/PROGRAM: This is the second foundation course upon which more advanced Accounting and Business Administration courses are based; it is a required course for all Business Administration majors, and provides the necessary tools for students entering that field.

C. OTHER: Many of the principles learned in this course apply to the management of one's own personal finances and enhance the management of the student's financial affairs and decision making.

Description

Introduction to the uses of financial information for internal and external purposes. Emphasizes using accounting information to meet the needs of financial decision makers, focusing on analysis for use by management.

Textbooks

Garrison and Noreen. *Managerial Accounting*. Edition: 12th. Publisher: Irwin. Year: 2008. Required

Garrison and Noreen. *Managerial Accounting: Working Papers*. Edition: 12th. Publisher: Irwin. Year: 2008. Required

Garrison and Noreen. *Managerial Accounting: Workbook/Study Guide*. Edition: 12th. Publisher: Irwin. Year: 2008. Not Required

Competencies and Performance Standards

1. Explain the importance of managerial accounting in the business environment.

Learning objectives

What you will learn as you master the competency:

- a. Acquaint self with work of management.
- b. Contrast financial and managerial accounting.
- c. Explain the changing business environment as it relates to managerial accounting.

Performance Standards

Competence will be demonstrated:

- o in completed homework assignments.
- o on satisfactory completion of team assignments.
- o on satisfactory completion of written exam.

Criteria-Performance will be satisfactory when:

- o learner acquaints self with work of management.
- o learner contrasts financial and managerial accounting.
- o learner explains the changing business environment as it relates to managerial accounting.

2. Identify the variety of cost terms, concepts, and classifications.

Learning objectives

What you will learn as you master the competency:

- a. Define all cost classifications and terms in text chapter.
- b. Explain how each is useful in decision making.

Performance Standards

Competence will be demonstrated:

- o in completed homework assignments.
- o on satisfactory completion of team assignments.
- o on satisfactory completion of written exam.

Criteria-Performance will be satisfactory when:

- o learner defines all cost classifications and terms in text chapter.
- o learner explains how each is useful in decision making.

3. Prepare job-order costing report, explain its components and explain its differences from process costing report.

Learning objectives

What you will learn as you master the competency:

- a. Explain the need for unit product cost data.
- b. Diagram the flow of product costs.
- c. Prepare a job cost report.
- d. Identify the problems associated with overhead application.
- e. Explain differences from process costing reports.

Performance Standards

Competence will be demonstrated:

- o in completed homework assignments.
- o on satisfactory completion of team assignments.
- o on satisfactory completion of written exam.

Criteria-Performance will be satisfactory when:

- o learner explains the need for unit product cost data.
- o learner diagrams the flow of product costs.
- o learner prepares a job cost report.
- o learner identifies the problems associated with overhead application.
- o learner explains differences from process costing reports.

4. Demonstrate usage of cost-volume-profit relationships.

Learning objectives

What you will learn as you master the competency:

- a. Explain the various cost behavior patterns.
- b. Analyze mixed costs into their fixed and variable portions using the high-low and scattergraph methods.
- c. Prepare an income statement using the contribution format.
- d. Demonstrate break-even analysis in mathematical and graphical form.
- e. Apply the concept of sales mix in a CVP analysis.

Performance Standards

Competence will be demonstrated:

- o in completed homework assignments.
- o on satisfactory completion of team assignments.
- o on satisfactory completion of written exam.

Criteria-Performance will be satisfactory when:

- o learner explains the various cost behavior patterns.
- o learner analyzes mixed costs into their fixed and variable portions using the high-low and scattergraph methods.
- o learner prepares an income statement using the contribution format.
- o learner demonstrates break-even analysis in mathematical and graphical form.
- o learner applies the concept of sales mix in a CVP analysis.

5. Explain the key concepts involved in variable costing.

Learning objectives

What you will learn as you master the competency:

- a. Illustrate the difference in variable and absorption costing through the use of income statements.
- b. Explain the differing net incomes resulting from the two methods.

Performance Standards

Competence will be demonstrated:

- o in completed homework assignments.
- o on satisfactory completion of team assignments.
- o on satisfactory completion of written exam.

Criteria-Performance will be satisfactory when:

- o learner illustrates the difference in variable and absorption costing through the use of income statements.
- o learner explains the differing incomes resulting from the two methods.

6. Prepare activity-based costing (ABC) analyses.

Learning objectives

What you will learn as you master the competency:

- a. Explain the concepts of activity-based costing (ABC).
- b. Prepare first-stage allocation of costs.
- c. Prepare final ABC report.

Performance Standards

Competence will be demonstrated:

- o in completed homework assignments.
- o on satisfactory completion of team assignments.
- o on satisfactory completion of written exam.

Criteria-Performance will be satisfactory when:

- o learner explains the concepts of activity-based costing (ABC).
- o learner prepares first-stage allocation of costs.
- o learner prepares final ABC report.

7. Complete the full series of operational business budgets.

Learning objectives

What you will learn as you master the competency:

- a. Define the different portions of the master budget.
- b. Prepare a complete master budget that includes all sub-budgets.

Performance Standards

Competence will be demonstrated:

- o in completed homework assignments.
- o on satisfactory completion of team assignments.
- o on satisfactory completion of written exam.

Criteria-Performance will be satisfactory when:

- o learner defines the different portions of the master budget.
- o learner prepares a complete master budget that includes all sub-budgets.

8. Use standard costs to analyze the efficiency of business operations.

Learning objectives

What you will learn as you master the competency:

- a. Differentiate the various ways of setting cost standards.
- b. Utilize the variance analysis model for direct labor, direct materials, and variable overhead.
- c. Explain and demonstrate the use of operating performance measures.

Performance Standards

Competence will be demonstrated:

- o in completed homework assignments.
- o on satisfactory completion of team assignments.
- o on satisfactory completion of written exam.

Criteria-Performance will be satisfactory when:

- o learner differentiates the various ways of setting cost standards.
- o learner utilizes the variance analysis model for direct labor, direct materials, and variable overhead.
- o learner explains and demonstrates the use of operating performance measures.

9. Demonstrate grasp of profitability analysis and segmented reporting.

Learning objectives

What you will learn as you master the competency:

- a. Explain the need for segmented reporting.
- b. Prepare segmented income statements.
- c. Define responsibility accounting.
- d. Demonstrate use of profitability analysis indicators and how to control rate of return.

Performance Standards

Competence will be demonstrated:

- o in completed homework assignments.
- o on satisfactory completion of team assignments.
- o on satisfactory completion of written exam.

Criteria-Performance will be satisfactory when:

- o learner explains the need for segmented reporting.
- o learner prepares segmented income statements.
- o learner defines responsibility accounting.
- o learner demonstrates the use of profitability analysis indicators and how to control rate of return.

10. Explain the importance and application of relevant costs for decision making.

Learning objectives

What you will learn as you master the competency:

- a. Explain concept of relevant costs in business decision making and be able to identify such costs in sample situations.
- b. Demonstrate use of relevant costs in adding/dropping product lines.
- c. Demonstrate use of relevant costs in a make or buy decision.
- d. Demonstrate use of relevant costs in a special order situation.
- e. Demonstrate use of relevant costs in maximizing utilization of scarce resources.

Performance Standards

Competence will be demonstrated:

- o in completed homework assignments.
- o on satisfactory completion of team assignments.
- o on satisfactory completion of written exam.

Criteria-Performance will be satisfactory when:

- o learner explains concept of relevant costs in business decision making and be able to identify such costs in sample situations.
- o learner demonstrates use of relevant costs in adding/dropping product lines.
- o learner demonstrates use of relevant costs in a make or buy decision.
- o learner demonstrates use of relevant costs in a special order situation.
- o learner demonstrates use of relevant costs in maximizing utilization of scarce resources.

11. Outline the key concepts involved in capital budgeting decisions.

Learning objectives

What you will learn as you master the competency:

- a. Differentiate capital budgeting from operational budgeting.
- b. Demonstrate use of discounted cash flows as a decision-making tool using both the net present value and internal rate of return techniques.
- c. Show understanding of additional approaches to capital budgeting.

Performance Standards

Competence will be demonstrated:

- o in completed homework assignments.
- o on satisfactory completion of team assignments.
- o on satisfactory completion of written exam.

Criteria-Performance will be satisfactory when:

- o learner differentiates capital budgeting from operational budgeting.
- o learner demonstrates use of discounted cash flows as a decision-making tool using both the net present value and internal rate of return techniques.
- o learner shows understanding of additional approaches of capital budgeting.

12. Illustrate concepts of income taxes and depreciation as they apply to capital budgeting.

Learning objectives

What you will learn as you master the competency:

- a. Prepare full capital budgeting analysis, combining income tax and depreciation concepts.
- b. Rank a series of investment alternatives according to desirability, based on capital budgeting analysis.

Performance Standards

Competence will be demonstrated:

- o in completed homework assignments.
- o on satisfactory completion of team assignments.
- o on satisfactory completion of written exam.

Criteria-Performance will be satisfactory when:

- o learner prepares full capital budgeting analysis, combining income tax and depreciation concepts.
- o learner ranks a series of investment alternatives according to desirability, based on capital budgeting analysis.

Types of Instruction

Classroom Presentation

Grading Information

Grading Scale

A	90-100%
B	80-89%
C	70-79%
D	60-69%
F	Below 60%