

**ALABAMA STATE UNIVERSITY  
COLLEGE OF BUSINESS ADMINISTRATION  
DEPARTMENT OF ACCOUNTING AND FINANCE**

**COURSE SYLLABUS**

Course Prefix and No.:	ACT 215	Instructor:	
Course Title:	Principles of Financial II and Managerial Accounting	Title:	
Course Credit Hours:	3	Office:	
Course Prerequisite:	ACT 214	Telephone:	
		Office Hours:	

**Required Text:** Warren, Carl S., James M. Reeve, Philip E. Fess, Managerial Accounting: 8<sup>th</sup> Edition, (2005, South-Western/Thomason, USA)

**Required Supplement:** *Business Week* Subscription

**Deadline for Withdrawal:** University Policy

**Class Attendance Policy:** University Policy

**COBA MISSION STATEMENT**

The College of Business Administration (COBA) supports the mission of the University by serving the higher educational needs of business students at Alabama State University. Programs are designed to help students advance their education in business to become more productive citizens, further their careers, and pursue advanced studies within a changing global environment.

Undergraduate programs offer selected specializations built on a foundation of general education and a broad business core with an **emphasis on entrepreneurship**. The Master of Accountancy program offers advanced accounting studies. COBA promotes special concern for student learning, the effective use of technology and ethical behavior. Teaching/coaching and the resultant student learning are the highest priority of COBA. To that end, instructional development and faculty intellectual contributions of applied scholarship are emphasized. Faculty development, community service and involvement in professional organizations resulting in service to key stakeholders are stressed. COBA solicits input from its primary stakeholders through advisory councils.

**COURSE OBJECTIVES:**

**OBJECTIVE I – MANAGERIAL ACCOUNTING AND JOB ORDER COST SYSTEMS**

After completion, you should be able to:

1. Describe the differences between managerial and financial accounting.
2. Evaluate the organizational role of management accountants.
3. Define and illustrate materials, factory labor, and factory overhead costs.
4. Describe accounting systems used by manufacturing businesses.
5. Describe and prepare summary journal entries for a job order cost accounting system.
6. Use job order cost information for decision making.
7. Diagram the flow of costs for a service business that uses a job order cost accounting system.

## **OBJECTIVE II – PROCESS COST SYSTEMS**

After completion, you should be able to:

1. Distinguish between job order costing and process costing systems.
2. Explain and illustrate the physical flows and cost flows for a process manufacturer.
3. Calculate and interpret the accounting for completed and partially completed units under the FIFO method.
4. Prepare a cost of production report.
5. Prepare journal entries for transactions of a process manufacturer.
6. Use cost of production reports for decision making.
7. Contrast just-in-time processing with conventional manufacturing practices.

## **Objective III – COST BEHAVIOR AND COST-VOLUME-PROFIT ANALYSIS**

After completion, you should be to:

1. Classify costs by their behavior as variable costs, fixed costs, or mixed costs.
2. Compute the contribution margin, the contribution margin ratio, and the unit contribution margin, and explain how they may be useful to managers.
3. Use the unit contribution margin: determine the break-even point and the volume necessary to achieve a target profit.
4. Use a cost-volume chart; determine the break-even point and the volume necessary to achieve target profit.
5. Calculate the break-even point for a business selling more than one product.
6. Compute the operating leverage and the margin of safety, and explain how managers use the

## **OBJECTIVE IV – THE ROLE OF BUDGETS IN DECISION MAKING**

After completion, you should be able to:

1. Define and describe budgets.
2. Identify the steps in preparing a master budget.
3. Explain the difference between static and flexible budgets.
4. Describe the elements of a sound budgeting culture in companies.
5. Describe the influence of inflation and foreign operations on budgeting.
6. Identify how budgets affect management behavior.
7. Describe how budgets influence strategic decisions.
8. Explain the role of budgets in service organizations.

## **OBJECTIVE V – EVALUATING PERFORMANCE WITHIN AN ORGANIZATION**

After completion, you should be able to:

1. Calculate and evaluate cost variances for direct materials and direct labor.
2. Explain how variance analysis can enhance managerial decision-making.
3. Identify four types of quality costs and explain how managers use these costs to improve performance.
4. Describe how variability can affect production costs.
5. Explain how statistical process control provides useful information to managers of both production and administrative functions.
6. Explain the application of performance evaluation methods in service organizations.

## **Objective VI – DECISIONS ABOUT CAPITAL INVESTMENTS**

After completion, you should be able to:

1. Identify factors that affect capital investment decisions and explain why these decisions are important to companies.
2. Calculate net present value, internal rate of return, payback, and accounting rate of return.
3. Explain how service life and residual value, the income tax effects of depreciation, and risk affect capital investment decisions.
4. Describe the effects of the new manufacturing environment on capital investment decisions.
5. Identify factors that are important for strategic decisions.
6. Explain how evaluation systems can produce incentives to continue to fund unsuccessful investments and how companies can reduce the funding of such investments.
7. Describe the factors affecting capital investment decisions in service organizations.

### **EVALUATION:**

Students will be evaluated on all objectives through examinations and additional work to be assigned by the individual instructor, including, but not limited to a term paper. Each of these items and evaluation methods will be discussed under the appropriate sub-heading below.

### **EXAMINATIONS:**

There will be at least three examinations and one final examination.

Exam 1 is expected to cover objectives 1 through 2.

Exam 2 is expected to cover objectives 3 through 4.

Exam 3 is expected to cover objectives 5 through 6.

(These will be different if four or more exams are given)

The final exam is expected to cover all objectives in summary. Students must, in order to pass objectives 1 through 6, achieve at least a 70% score for each objective. **NOTE: In order to pass the course, the student must pass ALL objectives.**

All exams are expected to be taken when scheduled! However, there may be times of extreme circumstances that may qualify for an official excuse.

Reasons such as (a) death, serious illness in the immediate family, (b) National Guard or Reserve Duty or (c) authorized university activities may qualify for an official excuse.

The student needs to keep the instructor informed and provide proof of such from the Office of the ASU Vice President of Student Affairs to the instructor. The instructor will then use his/her discretion, either grant a make-up exam or to make such other arrangements as he/she feels are suitable. In the case of missed finals exams (with required proof), a grade of an "I" may be granted if certain conditions are met. This "I" grade must be cleared at the first possible opportunity and in no case later than the mid-term week of the immediately following semester. The "I" grade will not be granted for any other reason.

**Weights and Grading:**

Exam 1.....	20%
Exam 2.....	20%
Exam 3.....	20%
Homework/Class Work.....	05%
Term Project.....	10%
Presentation (Business Week).....	05%
Final Exam.....	<u>20%</u>
<b>TOTAL.....</b>	<b>100%</b>

Grades will be assigned based upon the following criteria:

- A = Pass all objectives and earn 90% or more of total points for course
- B = Pass all objectives and earn 80% or more of total points for course
- C = Pass all objectives and earn 70% or more of total points for course
- D = Pass less than six objectives and earn 60% or more of total points for course
- F = Pass less than six objectives and earn 59% or less of total points for course

**ADA STATEMENT:**

**If you have a disability of any kind and will need academic adjustments or assistance in the classroom or with this course, please see the instructor immediately.**

## **CLASS ATTENDANCE POLICY:**

*Effective Spring Semester 2004*

Adopted by the Alabama State University Board of Trustees: 09/25/03

Each student is expected to attend all lectures, seminars, laboratories, and field work for each registered class including the first week of class session, in order to verify registration with instructors, and to complete all work assigned for the course. When students are absent from class for authorized reasons such as death in the family, illness, obstructive situations or University activities, they will be allowed to make up assignments/examinations that they missed. Instructors, of course, are not obligated to provide makeup opportunities for students who are absent, unless the absences have been officially approved. Official excuses can be obtained from the Office of Student Affairs. An officially excused absence, however merely gives the individual who missed the class an opportunity to make up the work and in no way excuses him/her from completing the course requirements. Students receiving Veterans benefits are required to attend classes according to the regulations of the VETERANS ADMINISTRATION, in addition to those requirements set by the University for all students.

Instructors are required to keep an accurate attendance record for all students enrolled. It is the responsibility of the student to withdraw from the University or drop a course, within the allowed timeframe, when this is the desired course of action.

## **COURSE POLICIES:**

- Only major exams are subject to make-up provided a legal excuse is obtained.
- Calculators will not be shared during tests, exams, lectures, or any time without the express approval of the instructor.
- No leaving the classroom during tests, exams, lectures, or any time without the express approval of the instructor.
- All tests and homework problems will be solved on separate sheets of paper. No sheet of paper will contain more than one problem. Each sheet will contain the student's name, student's problem number, and page number of the problem (example: Page 1 of 1 or Page 2 of 3).
- No gum chewing. No beepers and/or cellular phones. No smoking at any time.
- Students who are 10 minutes late are considered absent.
- Students shall dress in professional business attire to make presentations.

## **PROFESSIONAL DRESS ATTIRE**

Professional dress attire is required for all class presentations. This attire includes a dark suit (blue, black or gray), white or light blue shirt/blouse, dark socks/neutral stockings (no colors such as red, blue, green, etc.) and dark shoes. Neckties should be very conservative. Jewelry should be limited: such as one wrist watch, no more than two finger rings/earrings (women), one finger ring/no earrings (men). Hair arrangement, fingernails and make-up should also be conservative.