

**ACCOUNTING 202**  
**INTRO TO MANAGERIAL ACCOUNTING**

3 CREDITS

Tuesday and Thursday

9:45 AM – 11:00 AM

**INSTRUCTOR:** Marvin A. Yoshida  
**OFFICE:** Hale Na'auao, Rm. 137  
**OFFICE HOURS:** MW 3:00 PM – 4:00 PM  
TTh 12:35 PM – 1:35 PM  
(Other hours available by request & with appointment).  
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**EFFECTIVE DATE:** Spring 2009

**Windward Community College Mission Statement**

*Windward Community College is committed to excellence in the liberal arts and career development; we support and challenge individuals to develop skills, fulfill their potential, enrich their lives, and become contributing, culturally aware member of our community.*

**Catalog Description**

Introduction to practices and procedures used to report internal operations to management. Topics include manufacturing operations, budgeting, standard costs, cost-volume-profit analysis, product and process costing, statement of cash flows, and financial statement analysis. Taught as a Laulima hybrid course. (3 hrs. lect.)

*Prerequisite ACC 201 with a grade of "C" or better or equivalent or consent of instructor.*

**STUDENT LEARNING OUTCOMES**

The student learning outcomes are:

- Analyze, record, and report equity and long-term liability transactions related to partnerships and corporations from both an issuer and investor perspective using GAAP.
- Prepare and analyze the Statement of Cash Flows.
- Analyze financial statements using horizontal analysis, vertical analysis, and financial statement ratio techniques.
- Describe the concepts of managerial accounting and explain how they are applied to various business models.
- Analyze, record, and report the activities of a manufacturing company using process cost, job order cost, and standard cost accounting systems.
- Prepare information and reports that may be used by management to plan, direct, motivate, and control a business using Cost-Volume-Profit analysis, incremental analysis, and operational and capital budgeting techniques.

## Activities Required at Scheduled Times Other than at Class Times

Completion of chapter homework problems, reading assignments and computerized quizzes scheduled in the course syllabus.

## COURSE CONTENT

### *Concepts or Topics:*

- Identify the principal characteristics, advantages and disadvantages of the partnership form of business.
- Record partners' investments of cash and other assets when a partnership is formed.
- Compute and record the income or losses that partners share, based on stated ratios, capital balance ratios, and partners' salaries and interest.
- Record a person's admission to a partnership.
- Record a person's withdrawal from a partnership.
- Compute the distribution of assets to partners when they liquidate their partnership.
- Identify the components of stockholders' equity.
- Account for cash and stock dividends.
- Identify the characteristics of preferred stock, including the effect on distribution of dividends.
- Account for issuance of stock for cash and other assets.
- Account for treasury stock.
- Account for the exercise of stock options.
- Identify the issues related to evaluating the quality of a company's earnings.
- Prepare a corporate income statement including statement of stockholders' equity.
- Show the relationship among income taxes expense, deferred income taxes, and net of taxes.
- Describe the disclosure on the income statement of discontinued operations, extraordinary items, and accounting changes.
- Compute earnings per share.
- Account for stock splits.
- Calculate book value per share.
- Identify management issues related to issuing long-term debt.
- Identify and contrast the major characteristics of bonds.
- Record the issuance of bonds at face value and at a discount or premium.
- Use the straight-line and effective interest methods to amortize bond discounts and premiums.
- Account for bonds issued between interest dates and make year-end adjustments.
- Account for the retirement of bonds and the conversion of bonds into stock.
- Explain the basic features of mortgages payable, installment notes payable, long-term leases, and pensions and other postretirement benefits as long-term liabilities.
- State the principle purposes and uses of the statement of cash flows.
- Identify the principal components of the classifications of cash flows, and state the significance of noncash investing and financing transactions.
- Use the indirect and direct methods to determine cash flows from operating activities.
- Determine cash flows from investing activities and financing activities.
- Prepare a statement of cash flows using the indirect and direct methods.
- Describe and discuss financial performance evaluation by internal and external users.
- Describe and discuss the standards for financial performance evaluation.
- State the sources of information for financial performance evaluation.

- Apply horizontal analysis, trend analysis, and vertical analysis to financial statements.
- Apply ratio analysis to financial statements in a comprehensive evaluation of a company's financial performance.
- State how managers use information about costs in the management cycle.
- Identify various approaches managers use to classify costs.
- Define and give examples of the three elements of product cost and compute a product's unit cost for a manufacturing organization.
- Describe the flow of product-related activities, documents, and costs through the Materials Inventory, Work in Process Inventory, and Finished Goods Inventory accounts.
- Prepare a statement of cost of goods manufactured and an income statement for a manufacturing organization.
- Define cost allocation and explain how cost objects, cost pools, and cost drivers are used to apply manufacturing overhead.
- Distinguish between the different types of product costing systems and identify the information each provides.
- Explain the cost flow in a job order costing system for a manufacturing company.
- Prepare a job order cost card and compute a job order's product unit cost.
- Explain the product flow and the cost flow in a process costing system.
- Prepare a process cost report.
- Define cost behavior and explain how managers use this concept in the management cycle.
- Identify specific types of variable and fixed cost behavior, and discuss how operating capacity and relevant range relate to cost behavior.
- Define mixed cost, and use the high-low method to separate the variable and fixed components of a mixed cost.
- Define cost-volume-profit analysis and discuss how managers use this analysis.
- Compute break-even point in units of output and in sales dollars.
- Define contribution margin and use the concept to determine a company's break-even point for a single product and for multiple products.
- Apply cost-volume-profit analysis to estimated levels of future sales and to changes in costs and selling expenses.
- Define budgeting and explain its role in the management cycle.
- Describe the master budget process for different types of organizations, and list the guidelines for preparing budgets.
- Prepare a budgeted income statement and supporting operating budgets.
- Prepare a cash budget.
- Prepare a budgeted balance sheet.
- Define standard costs and describe how managers use standard costs in the management cycle.
- Identify the six elements of, and compute, a standard unit cost.
- Describe how to control costs through variance analysis.
- Compute and analyze direct materials, direct labor, and manufacturing overhead variances.
- Define and prepare a flexible budget.
- Explain how variances are used to evaluate managers' performance.
- Explain how managers make short-run decisions during the management cycle, and identify the steps in the management decision cycle.
- Define and explain incremental analysis and its related concepts.
- Prepare evaluations of alternatives for make-or-buy decisions, special order decisions, product mix decisions, and sell or process-further decisions.

- Identify the types of projected costs and revenues used to evaluate alternatives for capital investments.
- Apply the concept of the time value of money.
- Analyze capital investment proposals using the net present value method.
- Analyze capital investment proposals using the accounting rate-of-return method and the payback period method.

### ***Skills and Competencies:***

In order to successfully pass this course, you will need to possess and apply the following skills/competencies:

- Reading skills - required in order to grasp the essential business and accounting terminology and techniques needed to understand accounting objectives and concepts.
- Analytical/technical skills (critical thinking) - needed to successfully solve the assigned homework assignments and the exam problems.
- Desire to learn and their willingness to work hard - involves the discipline to attend all classes and the completion of all homework assignment on a regular basis.
- Interpersonal skills – ability to work with others to trying to grasp accounting concepts and solving homework problems.
- Time management skills – completing your reading assignments and solving homework problems require a great deal of time. Budget your time carefully.

### **Mode of Instruction**

Class will be conducted through discussion of assigned readings and homework problems. Completion of the assignments prior to class is recommended so that each student can receive assistance as needed, and all materials can be covered in the allotted time.

Although teaching will be from a traditional classroom approach, a student may be given alternative instructional materials and objectives as needed to complete all Tasks. Review of sections causing difficulties is available through individual meetings with the instructor.

The nature of accounting is such that students will find completion of problems and attendance (arriving promptly) extremely helpful when attempting to complete the Tasks. If a student will miss class on a scheduled exam date or due date for homework assignments or practice case, the student will be responsible for making proper arrangements with the instructor well in advance of the exam/due date. Make-ups/extensions are *not* automatic.

### **Objectives of the Course**

1. Identify accounting principles and apply accounting procedures for the topics mentioned above.
2. Demonstrate your self-discipline and teamwork skills by attending class on a regular basis and by participating in classroom discussions.
3. Demonstrate your problem-solving and critical thinking skills as they relate to solving of accounting problems and homework assignments.
  - Task 1. Participate in classroom discussions, and complete all homework assignments. On a random and unannounced basis, homework may be collected and graded.
4. Identify and apply accounting principles and standards.
  - Task 2. During four (4) announced class exams, answer at least 60% of the questions correctly. There are no make-ups (See Additional Matters #3).

## Assessment Tasks and Grading

1. You must complete Skills and Competencies 2, 3, 4 & 5 or you will fail the course.
2. Tasks will be given the following weights:
  - 100 Attendance
  - 100 Homework and classroom participation
  - 200 Mid-term exam #1
  - 200 Mid-term exam #2
  - 200 Mid-term exam #3
  - 200 Final exam
  - 1000
3. Letter grades will be given at the end of the course. Letter grades assigned will be as follows:
  - A 900 or better weighted average
  - B 800 to 899
  - C 700 to 799
  - D 600 to 699
  - F below 600
  
  - I Incompletes will not be given
  
  - C/NC Credit/No Credit option is available for this course.
  
  - W Withdrawal grade will only be given if official withdrawal is processed according to published procedures and no later than the deadline date. (See current schedule and college catalog)

## Learning Resources and Materials

Principles of Accounting (2005e edition), authors – Needles, Powers, Crosson, publisher – Houghton Mifflin Co. – 2005, Chapters 13 -27

## Additional Information

1. Attendance is required. It is encouraged to complete the Tasks noted. Missing class, arriving late for class or leaving early will affect your grade. Also, it should be emphasized that there is a high correlation between class attendance and successful completion of the course. If you arrive late to class, it is your responsibility to notify the instructor of your tardiness for attendance record-keeping purposes.
2. All work that is to be graded must be given to the instructor in person. At the discretion of the instructor, very late work may be accepted, and/or it *may not* be graded.
3. Make-up examinations are not automatic. They will be given only due to fully warranted extenuating circumstances that are beyond the control of the student. Further, any warranted make-up examination must be taken prior to the student's next scheduled class. It is up to the student to initiate a request to the instructor in order to make arrangements for any make-up examination. However, please remember that the *final decision to grant a make-up exam will rest with the instructor*.
4. The use of tape recorders in class will not be permitted, unless prior approval has been obtained from the instructor for special learning situations.
5. There are no extra credit options. To earn the desired grade the student must complete the Tasks shown under Objectives of the Course and Method of Grading.
6. The office hours shown may be changed during the semester for the following reasons; to accommodate the majority of students' schedules, change in the instructor's non-teaching assignments, etc. Any changes in office hours will be announced to the class prior to the changes.
7. As a courtesy to your fellow students and the instructor, cellular phones and/or pagers should be turned off, or set to silent, while class is in session. Repeated violations will result in the lowering of your grade.
8. Only those students who have registered and paid for the course will be allowed to attend class. Friends, children and spouses will not be allowed in the classroom while class is in session.

## Academic Dishonesty

Students enrolled in this course are expected to abide by the academic honor code of the College. Acts of academic dishonesty will not be tolerated and will be dealt with in accordance with the College guidelines.

## Disabilities Accommodation Statement

If you have a physical, sensory, health, cognitive, or mental health disability that could limit your ability to fully participate in this class, you are encouraged to contact the Disability Specialist Counselor to discuss reasonable accommodations that will help you succeed in this class. Ann Lemke can be reached at (808) 235-7448, [lemke@hawaii.edu](mailto:lemke@hawaii.edu), or you may stop by Hale 'Akoakoa 213 for more information.