

***Kuwait University***

***College of Business Administration***

***Accounting Department***

**Course Syllabus**

**ACCT 214: Managerial Accounting**

**Spring 2020**

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**Class hours**: Sundday – Tuesday - Thursday (S-T-T)

**From:** 11:00am to 11:50am (51)

12:00pm to 12:50pm (01)

**Room**: 1021 C2

**Office Hours:** 1:00pm – 2:00pm (S-T-T) or by appointment

**CBA Vision:**

*To be the leading provider of quality business education in the region.*

**CBA Mission:**

*As part of Kuwait University, the leading national institution of higher education, the College of Business Administration is committed to providing quality business education, engaging in research and community services to contribute to the socio-economic development of the country.*

# Course Description

This is an introductory course which introduces a framework of cost and managerial accounting that emphasizes the role of accounting information for managerial purposes. The aim is to introduce a framework of cost and managerial accounting that emphasizes the role of accounting information management proposes. Since it is a “Core” course for all college students it covers basic methods of cost measurement and reporting the relevant information for planning, control, and decision making. It is also concerned with costing systems within the recent technological environment.

# Course Objectives

The learning outcomes for this course, listed below, relate to the learning goals of the College of Business Administration Undergraduate Program, which can be found in the appendix at the end of this syllabus. The numbers in parenthesis indicate to which specific learning goal the outcome relates.

After completing this course, the students should achieve the following goals:

1. Coverage of an Overview of Managerial Accounting including objectives of managerial accounting compared to financial accounting. (LO5).
2. Understanding of basic cost terms and concepts along with the importance of identifying cost drivers and the economic concept of cost. (LO2 & 5)
3. Understanding the cost behaviors and the several techniques used for cost estimations: accounts classification, high-low method, regression analysis. (LO 2 & 5)
4. Understanding of the role of cost-volume-profit analysis in managerial accounting; application in the case of a single- product and multiple -products firms. (LO2 &5)
5. Measurement of product cost under variable and absorption costing systems and its impact upon income measurement. (LO2 &5)
6. Understanding the process of preparing the Master Budget. (LO2 &5)
7. Introducing standard cost and performance measurement; variance analysis of prime costs (Materials and labor). (LO2 &5)
8. Role of cost in decision-making; the concept of relevant cost and taking short-term decisions. (LO2 &5)
9. Understanding of the analytical techniques for transfer pricing between departments and its relation with performance evaluation. (LO2 &5)
10. Understating the role of cost in pricing decisions, and the different methods used to determine the prices. (LO2 &5)
11. Introduction to capital budgeting decisions. (LO2 &5)

# Policies

***You are responsible for knowing these policies***

***“I didn’t know” is not an excuse***

* ***Respect.*** Respect is number one priority. Show respect and you will be treated with respect. Do not chit chat in class, do not use cell phone in class, come prepared and show you did some effort.
* ***Cheating***. All of the following acts will be considered as cheating:
* Presenting work that you copied from someone else as yours
* Looking over someone else's exam during the exam or quizzes
* Using your mobile phone during exams or quizzes (regardless of what are you using it for)
* Communicating with anyone else during any quiz or exam
* **Punishment for cheating is as follows (from the university guidelines)**
  + Students will be given an F for ALL of their classes for that semester
  + Students can also be denied class registration for the next semester
* ***Class Time***. Be on time for the lecture, I will not lock the door or not allow you to enter if you arrive late, but I will take note and this might affect your final curve
* ***Make-up Exams.*** Make-up Exams will be given for missed exams **only** with a University approved excused absence.
* ***Disability***. Any student who has a need for accommodation based on the impact of a disability should contact me privately to discuss the specific situation NO later than the first week. You should contact the Dean of Students Affairs Office for proper documentation to maintain an individualized service plan of accommodations.

# Class Materials

**Required Text:** Garrison, Noreen, & Brewer Managerial Accounting, 16th Edition, McGraw- Hill, 2018.

**Course Website**

**ALL** of the assignments will be through Mcgraw Connect. It is your responsibility to check the Mcgraw Connect website for assignments and their due dates. Usually, I assign homework at the end of each chapter.Mcgraw Connect is a web-based assignment and assessment solution required for this course. It is designed to assist you with your coursework based on your needs. As outlined in this syllabus, assignments will make up a significant portion of your overall course grade.You need to register using the Access Code provided with your Textbook. Access codes are packaged with a new textbook in the bookstore, at no additional cost.

***Course direct link:***

<https://connect.mheducation.com/class/a-alawadhi-spring-2020>

# Grading

The grades for this class are distributed as follows:

|  |  |
| --- | --- |
| Grade | Activity |
| 20 | First Midterm |
| 20 | Second Midterm |
| 5 | Assignment |
| 15 | Quizzes |
| 40 | Final Exam |
| **100** | **Total** |

# Grades will be posted regularly on my website: [www.aalawadhi.com](http://www.aalawadhi.com) under your course section

# Grade distribution

|  |  |
| --- | --- |
| Range | Grade |
| >= 95 | **A** |
| 90-94 | **A-** |
| 87-89 | **B+** |
| 83-86 | **B** |
| 80-82 | **B-** |
| 77-79 | **C+** |
| 73-76 | **C** |
| 70-72 | **C-** |
| 65-69 | **D+** |
| 60-64 | **D** |
| <= 59 | **F** |

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# Tentative Class Outline\*

|  |  |  |
| --- | --- | --- |
| Week | Chapter | **Topics**  **Pages** |
| 1 | Prologue | Managerial Accounting: An Overview ***What is Managerial Accounting…………………………………………………….........2-5***  ***Why does managerial accounting matter to your career…...……………………………5-8*** |
| 2&3 | 1 | **Managerial Accounting and Cost Concepts**  ***Cost classifications for assigning costs to cost objects………………………………...25-26***  ***Cost classifications for manufacturing companies...………………………………….26-28***  ***Cost classification for preparing financial statements...…..………………………….28-30***  ***Cost classification for predicting cost behavior …………………………..…………..30-36***  ***Cost classification for decision making.…………...………………………………….37-38***  ***Using different cost classifications for different purposes..……………………...….. 38-40*** |
| 4,5&6 | 5 | **Cost-Volume-Profit Relationships**  ***The basics of Cost-Volume-Profit (CVP) Analysis …………………………..…….198-209***  ***Target profit and break-even analysis …………………….………………………. 210-214***  ***CVP considerations in choosing a cost structure ……………………..………….. 214-217***  ***Structuring sales commission ………………………….....……………………………. 218***  ***Sales mix ……………………..………………………………………… ………… 218-220***  ***Appendix 5A: High-low method...……………………………………… ………… 243-244*** |
| 7&8 | 6 | **Variable Costing and Segment Reporting: Tools for Management**  ***Overview of variable and absorption costing ……………………..………………. 258-259***  ***Variable and absorption costing – an example …………………………………… 260-263***  ***Reconciliation of variable costing with absorption costing income …………….... 264-266***  ***Advantages of variable costing and the contribution approach ……………..…… 266-268*** |
| 9&10 | | 8 | **Master Budgeting**  ***Why and how do organizations create budgets..………...………………………… 363-365***  ***The master budget an overview………………..………...………………………… 365-368***  ***Preparing the master budget (excluding income statement and balance sheet .…..368-384*** |
| 11&12 | | 12 | **Differential Analysis: The Key to Decision Making**  ***Decision making six key concepts. …………………….....……………………….. 561-563***  ***Identifying relevant costs and benefits an example...….....……………………….. 563-565***  ***Decision analysis the total cost and differential cost approaches..……………….. 565-567***  ***Adding and dropping product lines and other segments …………………………. 568-571***  ***Make or buy decision ………………...……….…………………………………….571-575***  ***Special orders decisions.…………...………………………………………………. 575-576*** |
| 13 &14 | 13 | **Capital Budgeting Decisions**  ***Capital Budgeting – an overview………….……………………..………………….633-634***  ***The payback method……………………….……………………..………………….635-637***  ***The net present value method ………………………………………………………638-643***  ***The internal rate of return method …………………………………………………644-646***  ***Expanding the net present value method ………………….………..…………….. 646-648***  ***Uncertain cash flows ………………………………….……………..…………….. 649-650***  ***Preference decisions – the ranking of investment projects..………..…………….. 650-651***  ***The simple rate of return ……………………………..……………..…………….. 651-653*** |

\* This tentative schedule is subject to changes.