

**KING'S COLLEGE**  
**William G. McGowan School of Business**  
**Department of Accounting and Finance**  
**MSB 120 – Introduction to Management Accounting and Planning**  
**Course Syllabus**

**Catalog Description:**

Introduction to the role of accounting information in the measurement of business and employee performance, and facilitating planning decisions such as product and service selection, budgeting, investments, and profit measurement.

**Prerequisites: MSB 110 - Introduction to Financial Reporting**

Any student who has enrolled in this course without receiving a grade of D or better in MSB 110 should see the instructor and their advisor for a course withdrawal.

**Course Objectives:**

This course is the second course in the accounting sequence. While the first accounting course, MSB 110, focused the students learning on principles directed at understanding, analyzing and interpreting financial information in the form of financial statements, this course has an internal decision making focus. Activities within a company and its' management require a different type of accounting information for decision making. . The course will help student to:

- Determine what financial information is needed to run a successful business in the 21<sup>st</sup> century.
- Develop a strong foundation in the concepts of measuring and recording economic information in the accounting records of corporations.
- Develop a strong foundation in means and methods of cost classification and how such helps us to understand costs and their behavior.
- Determine the costs in the unit cost determination and how they are assigned in order to determine unit costs.
- Determine how costs interact with sales and how they relate to the decision making process.
- Develop a budget and utilize it to monitor the company's performance.
- Practice problem solving, critical thinking, and communication skills that are necessary to use accounting information, to form conclusions about business activities, and to communicate these conclusions to others.

**Course Topics and Coverage**

Accounting and Management Decisions

- Role of Management Accounting in Planning and Control
- Interaction between accounting, marketing, and Operations

Financial Statement Analysis

- Computing and interpreting common ratios
- Preparing common-size income statements and balance sheets
- Using the DuPont framework for analyzing financial statements

### Cost Categorization, Cost Flow, and Measurement Decisions

- Distinguishing between period costs and product costs
- Applying overhead using predetermined rates
- Assigning costs to jobs or cost centers
- Preparing journal entries for manufacturing transactions
- Computing total manufacturing costs and cost of goods manufactured

### Cost Allocation and Business Strategy

- Using volume-based and activity-based cost allocation
- Allocating batch-level and product line manufacturing costs
- Computing profit using activity-based costing

### The Role of Budgets in Decision Making

- Preparing personal budgets
- Budgeting sales revenue and cash collections
- Preparing production, labor and direct materials budgets
- Identifying behavioral concerns in budgeting

### Evaluating Performance Within an Organization

- Performing variance analysis for direct materials, direct labor, and sales
- Creating responsibility accounting reports
- Evaluating segment and contribution margins
- Understanding the limitations on variance analysis

### Cost Analysis for Domestic and International Management Decisions

- Identifying relevant costs, differential costs, and opportunity costs
- Preparing contribution margin income statements
- Computing break-even points and target income
- Using graphs and quantitative methods to analysis mixed costs
- Performing cost-volume-profit analysis to aid in management decisions, such as special order pricing, make-or-buy decisions, discontinuing or adding a product line

### Capital Investment Decisions

- Analyzing competing investments using payback method, unadjusted rate of return method, net present value method, and internal rate of return
- Performing an analysis for lease-or-buy decision
- Identifying non-quantitative factors that affect capital decisions

### Analysis of Cash Flows

- Classification of cash flows
- Determining cash receipts and payments
- Determining cash provided by operations (indirect method)
- Preparing a statement of cash flows (indirect method)

### New Performance Measures for Multi-National Organizations

- Measuring invested capital assets
- Computing and applying EVA® [Economic Value Added] performance measures
- Identifying value-added and non-value-added activities

## **William G. McGowan School of Business Mission Statement:**

The King's College McGowan School of Business seeks to develop in its students the professional knowledge and skills needed to function successfully in the global economy and a commitment to exercising their professional responsibilities in an ethical and socially responsible manner. To achieve these goals, the School of Business provides a student centered learning environment designed to stimulate intellectual development, encourage critical and ethical thinking, and develop professional competencies that are current with today's business environment. Through a broad based liberal education in the Catholic tradition, graduates make ethical and humanistic contributions to the dynamic, global marketplace, based on a lifetime of learning and personal growth.

This second course in accounting, while requiring some memorization of facts, terms, and concepts necessary for the course, requires the student to expand their skills beyond memorization. A student will be required to continue the intellectual development regarding interpretation and development of accounting information through a series of problem identification and identification of the information needed to solve the problem. Such problem based learning will enhance the student learning experience and critical thinking abilities by adapting facts and concepts to new situations, and to develop logical and understandable solutions to problems. Students completing this course will further the foundation of intellectual development, critical thinking and professional competency development necessary for success in succeeding courses within the William G. McGowan School of Business. In furtherance of these guiding principles a student completing this course will be able to:

- Describe transactions accurately and effectively.
- Understand and use organizing principles.
- Synthesize facts, concepts and principles.
- Develop a broad vocabulary and sensitivity to language.
- Develop a respect for ideas supported by evidence and logical argumentation.
- Introduce students to basic differences in global accounting methods.

## Course Outline

### Spring Semester, 2008

**Professor:** Dr. Marian Boscia, CPA  
Associate Professor of Accounting

**Office:** McGowan School of Business, Room 114

**Class Schedule:** Section D: Monday, Wednesday at 2:00PM to 3:15PM at MC 104

**Office Hours:**

Monday	3:15 – 4:30 pm
Tuesday	By appointment only
Wednesday	3:15 – 4:30 pm
Thursday	2:00 – 3:00 pm
Friday	10:00 – 10:50 am

Should you need to be in touch or wish to schedule a time to meet with me, the best way is to send me an e-mail to the address listed below.

**Telephone:** 570-208-5900, Ext. 5780

**E-Mail Address:** [marianboscia@kings.edu](mailto:marianboscia@kings.edu)

**Required Texts:** Accounting: Concepts and Applications, 10e by Albrecht, Stice, Stice and Swain, South-Western College Publishing. ISBN: 0324376154

**Book Web Site:**  
[http://websites.swlearning.com/cgi-wadsworth/course\\_products\\_wp.pl?fid=M20b&flag=student&product\\_isbn\\_issn=9780324376159&disciplinenum=400](http://websites.swlearning.com/cgi-wadsworth/course_products_wp.pl?fid=M20b&flag=student&product_isbn_issn=9780324376159&disciplinenum=400)

**Other Required Materials:** A four-function calculator – Programmable calculators, PDAs, Smartphone, cell-phones, and other devices capable of storing instructions or sending and receiving information are not permitted for use during examinations.

## Course Procedures

### Student Responsibilities:

1. **Attendance in Class.** Accounting courses are problem oriented and require review and reinforcement which can only be achieved through attendance in class. Excessive absences will affect your class participation portion of the final grade.
2. **Homework.** Timely completion of homework assignments is necessary to keep pace with the flow of coursework. Homework assignments will be collected on a regular basis and will be used in determining the final course grade. Failure to turn in assigned homework, late homework, and failure to prepare class assignments on a timely basis will affect your final course grade.

3. Class Participation. The free interchange of ideas, questions and concerns is a major part of the learning process and is required. Participation in class discussion will affect your final course grade.
4. Resource Chapters. It is the student's responsibility to read the material assigned prior to class. The professor reserves the right to make changes in this syllabus during the semester.
5. Examinations. MSB 120 is a departmentalized course; exams are prepared for all sections and will be given at the same time. Each exam will be scheduled in advance and all students are expected to take each exam when scheduled. The exams will be graded and returned on a timely basis. **ALL EXAMINATIONS ARE SCHEDULED OUT OF CLASS AND GENERALLY FOR LATE AFTERNOON.** Students are required to notify the professor of any conflict **PRIOR** to the scheduled exam, failure to notify the professor prior to the exam or failure to take the exam will result in a zero for the exam.
6. Accommodations for Students with Disabilities. All students who have a learning disability or a physical handicap should schedule an appointment with the instructor during the first week of class to discuss accommodations for the classroom and/or assignments and examinations.
7. Grade Computation:

Your grade will reflect your overall class performance as measured by attendance, participation, homework, and testing. You will be required to demonstrate your learning through three examinations and a final examination.

The final course grade will be computed as Follows:

Three Examinations and Final Examination.....	90%
Class Participation and Homework.....	10%
Total	<u>100%</u>

Letter grades are based upon the following numerical equivalents:

A	=	95 – 100
A-	=	92 - 94
B+	=	89 - 91
B	=	85 – 88
B-	=	82 - 84
C+	=	78 - 81
C	=	73 – 77
C-	=	70 – 72
D	=	65 – 69
F	=	Below 65

"By three methods we may learn wisdom: First, by reflection, which is noblest; Second, by imitation, which is easiest; and third by experience, which is the bitterest." Confucius (551-479 B.C.)

## Course Schedule and Homework Assignments

All homework assignments and topics are subject to change at the discretion of the professor.

### Approximate Start

<b>Week Beginning</b>	<b>Chapter</b>	<b>Exercises</b>	<b>Problems</b>
January 14, 2008	13	18, 19, 23, 26, 30, 31, 33	
January 21, 2008	14	33, 36, 37, 42, 46, 49, 50, 51	55
January 28, 2008	<b>Test #1</b>	Exact date to be announced	
February 4, 2008	15	17, 19, 20, 23, 25, 27, 29, 31	
February 11, 2008	16	25, 26, 28, 32, 35	46
February 18, 2008	17	15, 17, 19, 20	24, 26
February 25, 2008	<b>Test # 2</b>	Exact date to be announced	
March 10, 2008	18	18, 20, 21, 24, 25, 28	44, 47
March 17, 2008	19	22, 24, 28, 29, 31, 32, 34, 36	
March 25, 2008	<b>Test # 3</b>	Exact date to be announced	
April 7, 2008	20	25, 30, 32, 37, 38, 40, 41,	48, 50, 54
April 14, 2008	21	14, 16, 17, 19, 23, 24, 25, 27	32
April 21, 2008	22	21, 22, 23, 24, 25, 26, 27, 30	38, 42, 45
May 2, 2008	<b>Final Exam</b>	Exact date to be announced	

### Other important dates:

January 14 [Mon.]	All Day & Evening classes begin
January 18 [Fri.]	Last day for course ADD
January 25 [Fri.]	Last day for course DROP
March 3 – 7 [Mon. – Fri.]	Winter Recess - No Day or Evening classes
March 10 [Mon.]	All classes resume - Day & Evening
March 12 [Wed.]	Mid-semester grades due - Day & Evening classes
March 20 - 24 [Thurs-Mon]	Easter Recess – No classes
March 25 [Tues.]	All Day classes resume
March 25 - April 4 [Tues. – Fri.]	Advisement period
March 28 [Fri.]	Last day for authorized course Withdrawal (no refund)
April 29 [Tues.]	Day Classes FOLLOW THURSDAY CLASS SCHEDULE
April 30 [Wed.]	Last meeting of day of classes Day Classes FOLLOW FRIDAY CLASS SCHEDULE
May 2 – 9 [Fri. – Fri.]	Final Examinations