

MANAGERIAL COST ANALYSIS AND APPLICATIONS (ACC 214)
State University of New York, Korea
Fall 2022

Instructor	Professor Soo Young KWON, Ph.D., CPA
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Classes	9:00~11:50 a.m., Friday
Office Hours	1:00~1:30 p.m., Friday or by appointment

Purpose of Course

Managerial accounting is concerned with providing information to managers for use within the organization. Managerial accounting is a company's internal language, and is used for decision making, production management, product design and pricing, marketing, and for motivating and evaluating employees. This course is an introduction to the determination, development, and uses of internal accounting information needed by management while continuously controlling and containing costs.

Learning Objectives

- Obtain a basic understanding of managerial accounting concepts
- Differentiate between job-order and process costing
- Conduct cost-volume-profit analyses
- Develop an understanding of the role of activity-based costing (ABC) and management in decision making
- Discuss how relevant information is used to make marketing and production decisions
- Prepare schedules used for profit planning and analyses of budget variances
- Incorporate financial and nonfinancial measures in an integrated system that links performance measurement and a company's strategic goals

The course will emphasize communication skills, critical thinking and decision-making skills, and real-world issues in accounting.

Course Materials

• Text

Managerial Accounting: Tools for Business Decision Making, 9th Edition, Jerry J. Weygandt, Paul D. Kimmel, Jill E. Mitchell, John Wiley and Sons, Inc. New York, NY, 2020.

Even though the hard copy is not available in Asia-Pacific countries, you may purchase directly from abroad, which is, however, quite expensive. Alternatively, you can buy a e-book code at a reasonable price from the following website:

http://www.hanteemedia.co.kr/bbs/board.php?bo_table=notice&wr_id=1591

- Lecture notes and other in-class handouts are available on the blackboard.

Course Requirements

The class will be conducted on a combination of lecture/ discussion basis. Classes will be devoted on the material for the day. Some of the problems will be discussed in class as desired by students.

Students are expected to read the materials before class, review the assigned in-class problems, and complete the homework problems. Class time will consist of lecture over the reading materials, Q&A session, and workout of the in-class problems (Practice exercises).

Grading

Exams

Mid-term	100	
Final	<u>100</u>	200 points
Homework (90), Quizzes (80) and Case Analyses (60)		230
Class participation		<u>100</u>
		<u>530</u> points

Exams

One mid-term and the final will be given as scheduled. Neither mid-term nor the final is cumulative, but keep in mind that accounting knowledge is a building block. The exams will consist of multiple choices and problems. The exam will be designed to measure your knowledge and understanding of the material presented in the textbook, in the homework problems, and in the class lectures. All exams are closed book. You may bring a non-programmable calculator to the exams.

Homework, Quizzes, and Case Analyses

During the semester there will be nine homework assignments. The required homework problem set is laid out in the class schedule below, denoted as **HW#**. Handwrite homework problems, scan them page-by-page, make **ONE** pdf file, and upload the file in the 'Assignments and Tests' section of the Blackboard. Neither computer generated output nor late homework will be accepted. Homework assignments are due at the ***beginning of class*** on the date indicated in the class schedule. I will grade homework assignment based on whether you try to develop your own approach and **show the process of solving the problem, not whether you get the right answer**. Homework assignments are graded as 'E' (Excellent), 'G' (Very Good), 'A' (Average), and 'B' (Below Average).

There are four in-class quizzes, which test whether you understand the basic concepts covered in class. They will be all multiple-choice questions. The purpose of these quizzes is to ensure that you are keeping up with the material covered in class. There will be **NO** opportunities for makeup quizzes.

There will be two case analyses where 3~4 students form a group and write a case report. You need to let me know the members of your group by September 23. I will help you find group members if you have difficulty finding them. We will have intensive discussion on case analysis in class. Each group is expected to review and prepare each case that is listed

below. Each case assignment should be submitted to me by email before class on the day the case analysis is to be discussed.

Class Participation

Class participation includes, but not limited to, attending class regularly and on time, taking active part in class discussions, preparing well in advance for class, etc.

There are two articles you're required to read. I think that these seminal articles will be useful in constructing the framework of strategic cost management and the balance of performance measures, respectively. I will give you the list of questions you need to think about while you read them. We will have a discussion session for each article.

Class Schedule

Date	Chapter	Practice, Case and homework
Week 1 Sep. 2	Ch.1 Managerial Accounting	Practice: E1.3, E1.12 HW#1: E1.4, E1.13
Week 2 Sep. 9	No Class	Chu-Seok (Mid-Autumn) Holidays
Week 3 Sep. 16	Ch.2 Job Order Costing	Practice: E2.4, E2.8 HW#2: E2.5, E2.9
Week 4 Sep. 23	Ch.3 Process Costing	Practice: E3.3, E3.8 QUIZ#1 HW#3: E3.4, E3.9
Week 5 Sep. 30	Ch.4 Activity-Based Costing Article #1	Practice: E4.1, E4.4 HW#4: E4.3, E4.9 Read & Discuss: Govindarajan and Shank. 1992. Tailoring controls to strategies. <i>Journal of Cost Management</i> .
Week 6 Oct. 7	Ch.5 Cost-Volume-Profit	Practice: E5.1, E5.5, E5.9 QUIZ#2 HW#5: E5.2, E5.6, E5.10
Week 7 Oct. 14	Case #1 Review Session	CT4.2 Managerial Analysis: <i>Activity- Based Costing</i>
Week 8 Oct. 21	Mid-Term Exam	Ch.1~5
Week 9 Oct. 28	Ch.7 Incremental Analysis	Practice: E7.2, E7.5, E7.9 HW#6: E7.3, E7.6, E7.10

Date	Chapter	Practice, Case and homework
Week 10 Nov. 4	No Class	Make-up class on Dec. 9
Week 11 Nov. 11	Ch.8 Pricing Ch.* Transfer Pricing	Practice: E8.3, E8.8, E8.13 QUIZ#3 HW#7: E8.4, E8.9, E8.14
Week 12 Nov. 18	Ch.10 Budgetary Control and Responsibility Accounting	Practice: E10.3, E10.6, E10.13
Week 13 Nov. 25	Ch.10 Budgetary Control and Responsibility Accounting Ch.** Performance Evaluation Article #2	HW#8: E10.4, E10.7, E10.14 Read & Discuss: Kaplan and Norton. 1993. Putting the balanced scorecard to work. <i>Harvard Business Review.</i>
Week 14 Dec. 2	Ch.11 Standard Costs and Balanced Scorecard	Practice: E11.2, E11.14 QUIZ#4 HW#9: E11.3, E11.8, E11.15
Week 15 Dec. 9	Ch.11 Standard Costs and Balanced Scorecard Case #2	Make-up class for the class canceled on Nov. 4 CT11.2 <i>Managerial Analysis: Standard Costs</i>
Week 16 Dec. 16	Final Exam	Ch.7~8, 10~11