

The University of Akron
G.W. Daverio School of Accountancy

Accounting Principles II – 6200:202
Fall Semester 2016
Office Hours: 2:00 – 3:30 p.m. T
2:30 – 4:00 p.m. Th
Or by appointment

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Class: 6200:202:001 T Th 9:15 – 10:30 a.m. CBA 120
6200:202:007 T Th 12:15 – 1:30 p.m. CBA 121

Required Text: *Principles of Accounting II*, Custom Published Text, Garrison, Noreen, and Brewer – 15th Edition ISBN: 13:978-1-25-938387-8. (Hard copy of book and access to Connect available at the bookstore. Ebook and Connect available from McGraw-Hill online.)
Connect, McGraw-Hill (needed to complete homework assignments and LearnSmart assignments which are both required for the class).
Please make sure you **ALWAYS** bring your **textbook and a calculator** to class.

Supplemental Material: Class materials will be available on Springboard, and I will post your grades to Springboard. The address for Springboard is:
<https://id.uakron.edu/idp/Authn/UserPassword>. Use your UAnet ID and password to logon.

Prerequisites: Prerequisites, beyond the willingness to work hard, is successful completion of 6200:201 – Accounting Principles I.

College of Business Administration Mission Statement: The College of Business Administration promotes economic efficiency and the free enterprise system by preparing competent and responsible business leaders through comprehensive educational programs, relevant research, and professional service.

In our free society, effective leaders are indispensable, and effective business leaders are indispensable to the free enterprise system. The CBA educates a vital component of the region's business leaders and has prepared competent and responsible business leaders working throughout the world.

School of Accountancy's Mission Statement: The George W. Daverio School of Accountancy provides students with the educational background to become competent and responsible accounting professionals. With a rich history of (i) accounting education that serves both traditional and non-traditional students and (ii) close relationships with the professional community in Northern Ohio, we emphasize undergraduate and master's-level education with an applied focus. The School offers a Bachelor of Science degree in Accountancy, a Master of Science in Accountancy, and a Master of Taxation.

The School stresses a learning environment that places primary importance on student success through effective teaching, complemented by faculty scholarship, interaction with the professional community, and service.

Bulletin Description: This course focuses on the information needs of management and includes the study of product costing systems, standard costs, planning, budgeting, and control

systems; activity-based costing and activity-based management; cost-volume-profit analysis; overhead cost allocation; relevant costing; and capital budgeting.

Course Learning Objectives: This course is needed to complete your core curriculum accounting classes. Managerial accounting concentrates on information used by managers within the firm to make business decisions. Unlike financial accounting, there are no clear-cut rules and specific procedures. Rather, the emphasis is on the type of information most relevant in a particular situation. The following topics will be covered during the semester:

Managerial Accounting

- Describe the differences between financial and managerial accounting
- Explain and provide examples to the three pillars (planning, controlling, decision making) of managerial accounting
- Discuss the role of ethics in business and the approach used by managerial accountants
- Briefly discuss what is necessary for a firm to be successful long-term

Cost Concepts

- Identify and provide an example of each of the three basic manufacturing cost categories (direct material, direct labor, manufacturing overhead)
- Understand what is meant by direct and indirect cost – provide an example of cost that would be considered both direct and indirect
- Explain the difference between period and product costs and provide an example of each
- Describe the difference between variable costs, fixed costs, and mixed costs – be able to graph each type of cost
- Explain what is meant by the term relevant range
- Graph and compute the variable cost and fixed cost using the high-low method
- Be able to distinguish between a traditional format income statement and a contribution format income statement
- Be able to define and provide examples for differential cost, opportunity cost, and sunk cost

Job-Order Costing

- Identify and provide an example of the costs that are included in absorption costing
- Compute a predetermined overhead rate
- Apply overhead using a predetermined overhead rate
- Compute total cost and average cost/unit of a job
- Prepare journal entries to document the flow of costs in a job-order costing system
- Compute under- or over-applied overhead cost and close to cost of goods sold
- Compute a cost of goods manufactured (COGM) and a cost of goods sold (COGS)

Cost-Volume-Profit Relationships

- Be able to explain and use the profit equation showing how various levels of activity affect the profit
- Prepare and interpret a CVP graph and a profit graph
- Compute the contribution margin ratio and use it to determine profit
- Determine the level of sales needed to achieve a desired target profit
- Compute a breakeven point
- Compute the margin of safety and explain its significance
- Compute the operating leverage and explain how it can be used to predict changes in net operating income

Activity-Based Costing

- Understand how ABC is similar to and differs from traditional costing
- Develop cost pools using first stage allocation
- Compute activity rates for cost pools
- Assign costs to a cost object – second stage cost allocation
- Be able to compute product and customer margins
- Explain what is meant by undercosting and overcosting a product
- Understand the limitations of ABC

Master Budgeting

- List the advantages of budgeting
- Explain the importance of participative (self-imposed) budget
- Prepare a sales budget and a schedule of cash collections
- Prepare a production budget
- Prepare a direct material budget and a schedule of cash disbursements for purchasing the material
- Prepare a direct labor budget
- Prepare a manufacturing overhead budget
- Prepare a selling and administrative expense budget
- Understand the information available in a cash budget
- Be able to use the income statement and balance sheet to make decisions for the firm

Standard Costs and Variances

- Explain what is meant by the term standard cost
- Discuss the term variance and how it relates to standard cost
- Compare and contrast ideal and practical standards (found in footnote 1)
- Know how standards are developed
- Compute direct material price and quantity variances
- Compute direct labor rate and efficiency variances
- Compute variable overhead spending and efficiency variances
- Provide possible explanations for the direct materials, direct labor, and variable overhead variances

Responsibility Accounting

- Explain the term responsibility accounting and the role of cost centers, profit centers, and investment centers
- Compute the return on investment and show how changes in sales, expenses and assets affect the return on investment
- Compute residual income and understand its strengths and weaknesses
- Discuss the importance of nonfinancial measures and how this is achieved with delivery cycle time, throughput time, and manufacturing cycle efficiency
- Describe the balanced scorecard and explain how it can be used by all employees of a company

Short Term Decision Making

- Describe when a cost or benefit is considered relevant or irrelevant when making a decision
- Explain what an avoidable cost is and how it is relevant to making a decision
- Explain the role of sunk costs and future costs in decision making
- Be able to identify relevant costs when deciding between two options
- Analyze relevant costs using a differential analysis
- Analyze whether a product line or business segment should be added or dropped
- Prepare a make or buy analysis
- Prepare an analysis showing whether a special order should be accepted

- Determine the most profitable use of a constrained resource

Capital Budgeting

- Explain in plain English the term capital budgeting
- Discuss the term discounted cash flows and the techniques used in capital budgeting decisions
- Evaluate the acceptability of an investment project using the net present value (NPV) method
- Evaluate the acceptability of an investment project using the internal rate of return (IRR) method
- Determine the payback period of an investment and understand strengths and weakness of payback
- Compute the simple rate of return (accounting rate of return – ARR) of an investment
- Understand the criticisms of the simple rate of return (ARR)

CBA Learning Goals and Expectations: Each student who graduates from the College of Business Administration will:

- Master integrated business knowledge
- Analyze data using quantitative techniques
- Be informed decision makers
- Develop leadership and collaboration competencies
- Use writing and oral communication skills to persuade and to mobilize action
- Demonstrate a global perspective and cross-cultural awareness
- Recognize and understand how to address ethical concerns

Coverage of Ethics: Students should recognize the importance of ethics when making managerial accounting decisions. This will be brought to their attention throughout the semester. In addition, ethical questions and concerns may be included in homework questions.

Attendance and Participation: A student is expected to attend all meetings of a class for which he or she is registered (University Policy).

Students with poor attendance usually end up repeating the course. For many students, learning this material presents a challenge, and class attendance is very important in the learning process.

Points for any in-class engagement activities or quizzes that are not received because of a student's absence from class cannot be made up at a later time and therefore will be lost.

Assignments:

LEARNSMART AND HOMEWORK (CONNECT):

There are two parts to the assignments: (1) LearnSmart modules, and (2) Homework problems. You are responsible for completing both of these in Connect which is the publisher's learning management system.

The purpose of the LearnSmart modules is to help you understand the theoretical information in each chapter as we discuss that chapter in class. The LearnSmart modules are worth 60 points (8 out of 10 chapters at 7.5 points each).

Homework problems are worth 60 points (8 out of 9 chapters at 7.5 points each). If you complete 6 of the 9 homework assignments with a grade of 5.4 or above, 72% correct, you will receive 7 bonus points at the end of the semester. There are also Practice Problems available for you to work but these are not part of your final grade.

Both assignments must be completed by 11:59 p.m. the evening before the exam covering those chapters. You will not be able to work an assignment once the deadline has passed. Additionally, be sure to save your work before you exit Connect. If you elect to complete more than 8 of the LearnSmart modules or more than 8 of the homework assignments I will use your 8 highest grades of each assignment towards your final grade. Due dates for all homework assignments and exams are listed in the Syllabus on the Tentative Class Schedule.

CONNECT:

In order to access CONNECT you will need the following information:

Section 001 - <https://connect.mheducation.com/class/d-keltyka-fall-2016-section-001>

Section 007 - <https://connect.mheducation.com/class/d-keltyka-fall-2016-section-007>

Additional information about accessing Connect can be found in Springboard under “Content” and “Connect.”

For assistance logging on or registering or for any technical problem throughout the semester, contact www.mhhe.com/support or call 1-800-331-5094 during the following hours:

Monday through Thursday	9am – midnight
Friday	9am – 7pm
Sunday	7pm – midnight

Quizzes: Quizzes are worth 30 points (5 – 10 points/quiz) and may be given throughout the semester. The professor will determine when to give a quiz. You must be present the day of the quiz to receive credit. Please note that **make-up quizzes will not be given** under any circumstances (other than University sponsored events).

Tutoring: Tutoring is available within the School of Accountancy office and it is free. Two graduate assistant tutors will be available to answer your questions but you must make an appointment to meet with them. When it becomes available additional information regarding tutoring will be provided in Springboard under the Announcements.

Examinations: There will be three exams plus a departmental comprehensive final exam. The three exams will be of equal weight and will consist of multiple-choice questions. The final exam is worth 150 points or 25% of your grade. It consists of 50 multiple choice questions. All exams will be administered in the assigned classroom; however the final exam room may be in a different classroom. Students will be asked to display their University of Akron ID by placing them on their desks during the exams.

All of the exams are a closed-book exam. Approved calculators will be permitted during examinations. Electronic audio or video devices and cell phones are not permitted during the taking of exams or during exam reviews. **No cell phones may be used as calculators during exams.**

You can review your exam after it has been graded. This will be done in my office and you will need to set up an appointment that is convenient for both you and me. **Exams will not be curved.**

MAKE-UP EXAMS: Please note that make-up exams will not be given under any circumstances (other than University sponsored events). If you fail to take an exam during its regularly scheduled time period you must notify me as soon as you know you will miss the exam. If you have a serious, unavoidable, and documentable reason (e.g. your hospitalization or death of an immediate family member), you will be allowed to substitute your grade on the comprehensive final exam for the missed exam (i.e. your final exam score will count double). This policy applies to one missed exam only; all others will be assigned a grade of zero. If you

do not have a serious, unavoidable, and documentable reason for missing an exam then you will receive a grade of zero.

Grading Policy: Your grade is determined by comparing total points you have earned to the total points (600) available in the course. Your final grade will be based on the percentage of total points that you have earned (see the grading scale below). The final exam must count for 25% of your final grade. Any adjustment in total points will require adjustment of the final exam points to equal 25% of your final grade.

Grading Scale:

Letter Grade	Percentage Range
A	92 - 100
A-	90 - 91
B+	88 - 89
B	82 - 87
B-	80 - 81
C+	78 - 79
C	72 - 77
C-	70 - 71
D+	68 - 69
D	62 - 67
D-	60 - 61
F	Below 60

Grading Components:

Item	Number	Individual Points	Total Points
Exams	3	100	300
Final Exam	1	150	150
Homework(Connect)	8 out of 9	7.5	60
LearnSmart (Connect)	8 out of 10	7.5	60
Quizzes	Will Vary	Will Vary	30
Total			600

No extra credit is available in this class. In addition to learning managerial accounting this class is designed to prepare you for the business world, and the business world does not provide extra credit. Instead the company expects you to provide your best performance at all times. I expect no less from any of you in this class.

Incompletes: At the discretion of the instructor, a student may receive an "I" (incomplete) grade if he/she has completed substantially all of the course (at least 75% of the work) and is unable, for an extraordinary reason that is supported by appropriate evidence in writing, to complete some of the course requirements. A student who receives an "I" grade in this course must complete the remaining requirements by the last day of spring semester 2017 and prior to

final exam week. I will not accept any material relating to this course after that date. This means that an "I" grade that is not changed by the end of spring 2017 becomes a permanent "F".

Administrative Information:

1. Academic dishonesty – It is important for you to be aware of The University of Akron's policy on academic dishonesty. Academic dishonesty is unacceptable and will not be tolerated at UA. Cheating (i.e, copying problem solutions from a solution manual), forgery, dishonest conduct, plagiarism, and collusion in dishonest activities erode the University's educational, research, and social roles. They cheapen the learning experience and its legitimacy not only for the perpetrators but also for the entire community. It is essential that UA students subscribe to the ideal academic integrity and accept individual responsibility for their work.
Academic dishonesty of any form will not be tolerated in this class. Any form of cheating on exams, quizzes, or assignments will result in an F (zero points) for that exam, quiz, or assignment.
2. Professional behavior guidelines:
 - i). **Side Conversations** – Side conversations make it difficult for your classmates to actively listen and learn. Please do not conduct these during class.
 - ii). **Sleeping** – Get a good night's rest before coming to class. Falling asleep in class is not considered professional behavior.
 - iii). **Inattention** – Please do not text other students, read other books or newspapers, study for other courses, or get up and leave during my class. It's not polite and distracts me and the students around you. Please pay attention and join in the class or group discussions. It will help you master the material.
 - iv). **Tardiness** – Please arrive to class on time. If you are late, please enter and take your seat as unobtrusively as possible.
3. Smoking and food consumption – According to the policy of the College of Business, there is to be neither smoking nor consumption of food or beverages on the first floor and in the second floor seminar rooms and adjacent hallways in the CBA.
4. **Students with Disabilities:** Any student who feels she/he may need an accommodation based on the effect of a disability should contact the Office of Accessibility at 330-972-7928. Only accommodations from the Office of Accessibility will be honored in this class.
5. **Cell Phone Usage:** Use of cell phones in the classroom is not allowed since using them in class is distracting to other students as well as to the instructor. Cell phones cannot be used as a calculator while taking in-class exams and quizzes. All cell phones should be turned off or muted while class is in session. In addition, texting from cell phones or smart phones should not occur during class.
6. If a class is cancelled for any reason, and a Homework/Learn Smart assignment was due it will still be due on this day. If the in-class exam was scheduled the day the class was cancelled, the exam will be given in the next scheduled class.
7. The instructor reserves the right to change assignments and the order of coverage of certain chapters should it be necessary in order to achieve the objectives outlined for the course. If it is necessary to make such changes it will be announced in class.
8. **Withdrawals:** The last day to withdraw from class is Monday, October 17, 2016. Withdrawals will be completed by the student through My Akron and does not require the instructor's signature.

Tentative Class Syllabus

Week	Chapter	Review Questions	Practice Problems	Homework Problems	Learn Smart
8-28	Class Introduction Chapter 1 - Managerial Accounting: An Overview (omit pages 23 – 25)	1, 3, 5, 9, 12, 14, 15			Due 9/26
9-4	Chapter 2 – Managerial Accounting and Cost Concepts (omit pages 42 – 44, 67 – 82)	2, 3, 5, 6, 9, 10, 12, 14, 16	1, 2, 3, 4, 5, 6, 7, 10, 14, 18	19, 20, 25 – due 9/26	Due 9/26
9-11	Chapter 3 – Job Order Costing	2, 3, 4, 5, 8, 9, 11	1, 2, 3, 6, 7, 10, 11, 12, 13, 15, 18, 19, 22, 23, 26 (parts 1-3)	4, 14, 25 – due 9/26	Due 9/26
9-18	Chapter 3 – Job Order Costing Chapter 5 – Cost Volume Profit Relationships (omit pages 209 – 210)	1, 3, 4, 5, 6, 7, 9	1, 2, 3, 4, 5, 7, 8, 9, 10, 11, 12, 14, 17, 25, 28, 29	18, 23, 26, – due 10/24	Due 10/24
9-25	Exam 1 – covering chapters 1, 2, and 3 Chapter 5 – Cost Volume Profit Relationships				
10-2	Chapter 5 – Cost Volume Profit Relationships Chapter 7 – Activity-Based Costing (omit pages 331 – 341)	1, 4, 5, 6, 8	1, 5, 18	2, 3, 4, 7, 8, 16 – due 10/24	Due 10/24
10-9	Chapter 7 – Activity-Based Costing (omit pages 331 – 341) Chapter 8 – Master Budgeting	1, 2, 4, 6, 9, 10	1, 2, 3, 4, 5, 6, 22, 27	14, 15, 16, 19, 25, 28 – due 10/24	Due 10/24

Week	Chapter	Review Questions	Practice Problems	Homework Problems	Learn Smart
10-16	Chapter 8 – Master Budgeting Chapter 10 – Standard Costs and Variances (omit pages 459 – 476)	1, 2, 3, 4, 5, 8, 9	1, 2, 3, 6, 7, 11	4, 8, 9, 12, 13, 15 – due 11/30	Due 11/30
10-23	Exam 2 – covering chapters 5, 7, and 8 Chapter 10 – Standard Costs and Variances				
10-30	Chapter 11 – Performance Measurement in Decentralized Organizations (omit pages 512 – 530)	1, 3, 4, 5, 6, 7, 8, 10	1, 2, 3, 5, 7, 13, 15, 20	6, 9, 11, 12, 14, 18 – due 11-30	Due 11-30
11-6	Chapter 11 – Performance Measurement in Decentralized Organizations Chapter 12 – Differential Analysis	1, 2, 3, 5, 6, 8, 9	2, 3, 4, 5, 9, 14, 21, 28	1, 8, 11, 15, 18, 22 – due 11/30	Due 11/30
11-13	Chapter 12 – Differential Analysis				
11-20	Chapter 13 – Capital Budgeting Decisions	1, 2, 3, 4, 5, 6, 9, 10, 11, 12, 13, 14, 15	1, 2, 3, 4, 5, 6, 8, 18, 19, 20, 22, 25	15, 16, 21, 23, 26, 27 – due 12/13	Due 12/13
11-27	Exam 3 – covering chapters 10, 11, and 12 Chapter 13 – Capital Budgeting Decisions				
12-4	Chapter 13 – Capital Budgeting Decisions Review for final exam				
12-11	Final Exam Week!!!! – common final scheduled 12 -14 from 7:45 – 9:45 a.m. Room to be determined at a later date				

* The instructor reserves the right to make any changes in the class schedule. If changes are made they will be announced in class.

*Homework and LearnSmart are to be completed in Connect by McGraw-Hill, Inc. The

homework and LearnSmart questions for the chapters covered on each exam are due at 11:59 p.m. the night before the scheduled exam in which those chapters are tested. There should be sufficient time to complete the homework and LearnSmart prior to each exam; therefore, there will be **NO EXTENSION OF HOMEWORK OR LEARNSMART DUE DATES (please do not ask for fear of penalty).**