

MGT 140: FINANCIAL ACCOUNTING I

Course Objectives

The primary aim of Financial Accounting is to provide students with an introduction to the process and function of financial reporting. Whilst a large proportion of the course is aimed at understanding accounting as a process, taking a preparers' perspective, we will also seek to develop an understanding of the importance of the role of accounting in today's society.

-) The importance of Cost Accounting as a first step in the Manufacturing process.
-) The steps involved in the Accumulation of Total Cost in different departments.
-) Financial accounting and Cost Accounting.
-) Product costing preparation and process costing analysis.
-) Cost of production and cost of goods sold statements for onward reporting to financial statements.

Course Contents

-) Cost flows and accumulation: the basic cost flow; cost accumulation
-) Financial Statement: The base for planning & control
-) Merchandising; Manufacturing and services organization; costing systems
-) Job order costing systems; Process costing, Practice problems
-) hybrid product costing system, cost management system, cost behavior and estimation
-) Cost behavior pattern; cost estimation methods and account analysis;
-) Cost-volume- profit analysis, The breakeven point
-) CVP analysis; CVP with multiple products. Cost structure and leverage analysis;
-) Standard Costing system; Standard costs and control; Setting of Standards
-) Overhead application in a standard costing system; differential cost analysis
-) Differential costs versus variable costs; Differential costs versus total costs; cost analysis is for pricing; variable costing
-) Variable costing versus full absorption costing;
-) appropriateness of variable costing & full absorption costing methods; flexible budgeting

) Capital Budgeting, budgeting & monitoring

Reference Books

-) Charles T. Hongren: Introduction to Managerial Accounting; Prentice Hall, International, 16th Edition, 2013
-) Ronald W. Hilton: Managerial Accounting; McGraw Hill, 9th Edition, Sep 2010
-) Garrison: Managerial Accounting, McGraw Hill, 14th Edition, Jan 2011
-) Managerial Accounting by Charles E. Davis and Elizabeth Davis, Oct 2013