

MGT 241: MANAGERIAL ACCOUNTING

Course Objectives

The Course deals with examining Cost Accounting as a tool for providing information for manufacturing, internal reporting, external reporting as well as for managerial decision making. The broad course objectives are to help students to understand the central concepts of Cost Accounting.

-) The importance of Cost Accounting as a first step in the Manufacturing process.
-) Cost Accounting and explain its purpose within an organization.
-) The steps involved in the Accumulation of Total Cost in different departments.
-) Financial accounting and Cost Accounting.
-) Cost data for the decision making of the higher management.
-) Product costing preparation and process costing analysis.
-) Cost of production and cost of goods sold statements for onward reporting to financial statements.

Course Contents

-) Introduction to financial accounting, Purpose and nature of accounting, various area of accounting, Forms of Business Enterprises, Managerial Accounting & its Objectives
-) Concepts and classification, cost terms, Responsibility accounting and cost allocation, responsibility accounting centers and performance reports
-) 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
-) Grarrison: Managerial Accounting, McGraw Hill, 14th Edition, Jan 2011
-) Managerial Accounting by Charles E. Davis and Elizabeth Davis, Oct 2013