ACCT 231 – Principles of Accounting II (3 credits)

Section 1 (Face-to-Face, Course ID 001000, M8/25/14-W12/17/14)

MWF 900am-950am, CB113

Minnesota State University Moorhead

Course Syllabus – Fall 2014

Instructor: Mr. Kim T. Mollberg, CPA, CMA, CGMA, MBT

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**Office Telephone Numbers:** MSUM 218-477-4647, Detroit Lakes 218-847-3879

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**Office Hours:** MW 955am-125pm, F 955am-1255pm, other hours by appointment

**Course Description:**  This course is an introduction to the content and concepts of financial information for management's use in directing operations. Topics include cost behavior, product costing, actual and standard costs, cost-volume-profit analysis, relevant costs, operational and capital budgeting, and present-value analysis. Prerequisite: ACCT 230

**Required Texts/Materials:** Managerial Accounting, 15th Edition, Garrison, Noreen, & Brewer, McGraw-Hill/Irwin, 2015. Students are also required to acquire access to the textbook publisher’s internet product called ConnectPlus. You have several choices when it comes to the textbook: 1) purchase a $265 loose-leaf textbook from the MSUM Bookstore, which is bundled with a ConnectPlus access card, meaning you get a loose-leaf version of the textbook, and access to ConnectPlus (“Connect” is McGraw-Hill’s internet product required to submit LearnSmart assignments, homework, Applying Excel assignments, Excel Simulation assignments, exams, and extra credit, and “Plus” is an eBook version of the textbook), 2) purchase a $156.25 ConnectPlus access card from the MSUM Bookstore, or 3) purchase a $125.00 ConnectPlus access card from McGraw-Hill/Irwin, (same as 2). The publisher does not publish stand-alone “Connect” access cards (i.e., Connect without eBook) for this edition of the textbook. Regardless of which option you choose, you might want to check out the free 14-day Courtesy Access offered by the McGraw-Hill (made available to you when you first register at the course site in Connect).

You will be required to use Microsoft Excel in completing some of the requirements of this course.

**­Course Objectives/Student Learning Outcomes:** Students have a responsibility to learn by accomplishing specific objectives. Specific objectives expected to be accomplished by the student may include:

1. Compare and contrast financial accounting and managerial accounting, explain how managerial accounting information can be relevant to different careers, describe a CMA, identify skills a manager needs to succeed, and defend why ethics are important.
2. Categorize costs as manufacturing (versus non-manufacturing), product (versus period), fixed (versus variable versus mixed), direct (versus indirect), and differential, opportunity, and/or sunk, generate a cost formula for a mixed cost using the scatter-graph and high-low methods, and create and explain traditional and contribution format income statements.
3. Create a job-cost sheet, illustrate the flow of costs in a job-order costing system, select and evaluate a driver in a pre-determined overhead rate calculation, compile a job-cost sheet that includes an application of overhead, explain how to dispose of under-applied or over-applied overhead, compile cost of goods sold and cost of goods manufactured schedules, and relate total costs to cost per unit.
4. Compare and contrast job-order costing and process costing, and summarize differences between plant-wide overhead rates and departmental overhead rates.
5. Describe how changes in activity, variable costs, fixed costs, and selling price will impact contribution margin and net operating income, evaluate a cost-volume-profit graph, relate contribution margin ratio to contribution margin and net operating income, reconstruct contribution format income statements at break-even and/or target profit levels, explain significance of margin of safety and degree of operating leverage, and criticize the assumptions of CVP analysis (including sales mix).
6. Differentiate and reconcile between variable and absorption costing, contrast a traditional income statement with a segmented income statement, and explain significance of segment margin, traceable fixed costs, and common costs.
7. Design and evaluate an activity-based costing (ABC) system, contrast an ABC costing system with other allocation methods, and compute and analyze product and customer margins using an ABC costing system.
8. Explain the budget process, identify human factors in budgeting, construct a master budget, and interpret budget versus actual differences.
9. Create and interpret a flexible budget performance report (whether single or multiple cost drivers) with activity, revenue and spending variances.
10. Create a standard cost card, compute and evaluate material quantity, material price, labor efficiency, labor rate, variable manufacturing overhead efficiency and variable manufacturing overhead rate variances, and apply management by exception.
11. Defend and criticize decentralization, identify ways decentralized management responsibility centers can be evaluated, compare and contrast return on investment (including DuPont formula) and residual income approaches to evaluating investment centers, and summarize other operating performance measures.
12. Identify relevant benefits and costs, illustrate total and differential approaches, evaluate add/drop product line/segment, make or buy, special order, sell or process further, and managing constrained resource decisions using relevant costing.
13. Explain differences between net present value, internal rate of return, payback and accounting rate of return methods used to make capital budgeting decisions, explain and justify a capital budget decision, and rank competing projects in order of preference.
14. Prepare and interpret vertical and horizontal analysis, critique financial statements using ratios, and differentiate ratios used by common stockholders, short-term creditors and long-term creditors**.**

**Course Requirements: Desire2Learn (D2L) and McGraw-Hill/Irwin’s ConnectPlus will be used extensively.** We will be using MSUM’s D2L learning management system and the textbook publisher’s internet product called ConnectPlus in conjunction with this course.

To access D2L, go to <https://mnstate.ims.mnscu.edu/> and complete the steps in the “Please click here for a System Check”. Once you are ready to launch D2L, enter your DragonNet Username (the first part of your MSUM email address) and your DragonNet Password (same as your MSUM email password), click on “Login” on the D2L main page, and open the course by clicking on the link provided. The D2L course contains lots of resources, including links to the student online learning center at

<http://highered.mcgraw-hill.com/sites/007802563x/student_view0/index.html> (where you can find check figures, practice (not graded) quizzes, and PowerPoint Presentations for each chapter), end-of-chapter discussion question solutions, solutions to selected end-of-chapter exercises and problems, assignments, extra credits, and the course grade book.

To access Connect (which is where you will submit your work), log into the D2L course, click on Materials, Course-Wide Content, the McGraw-Hill Campus link, and the follow instructions provided. For a better experience, you might consider using Google Crome or Mozilla Firefox (rather than Internet Explorer browser). Save your access code as you may need it again at some point during the course should you experience technical issues. As discussed above, you might want to check out the free 14-day Courtesy Access offered by the textbook publisher (made available to you when you first register at the course site in Connect).

Class and Chapter Schedule (pay particular attention to the portions of textbook NOT covered):

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Chapter Lecture, Discussion, and In-Class Problems | Online LearnSmart Due | Online  Homework Due | Online Applying Excel Due | Online Excel Simulations Due | Exam Due | Online Extra Credit Due | Other |
| 1 (skip Appx 1A)-MW8/25,27 | Tu9/2 |  |  |  |  |  | F8/29-last day to  add/drop; M9/1-Labor Day  (no class) |
| 2 (skip Appxs 2A&2B)-F8/29,WFM9/3,5,8 | Tu9/9 | Tu9/9 | Tu9/9 |  |  | Tu9/9 |  |
| 3 & 4 (skip Appxs  3A&3B and LO4-2  thru Appxs 4A&4B)-WFMW9/10,12,15,17 | W9/17 (Ch3 & Ch 4) (5 points total) | W9/17 (Ch 3/4) |  | W9/17 (Ch3) | F9/19-Exam1 (Ch1-4) | W9/17 (Ch3) |  |
| 5-MWF9/22,24,26 | Su9/28 | Su9/28 |  | Su9/28 |  | Su9/28 |  |
| 6 (skip Appx 6A)-M9/29,W10/1 | Th10/2 | Th10/2 |  |  |  | Th10/2 |  |
| 7 (skip Appx 7A)-FMW10/3,6,8 | W10/8 | W10/8 | W10/8 |  | F10/10-Exam2 (Ch5-7) | W10/8 | M10/6-Spring Advising  begins; M10/13&Tu10/14  -Fall Breather (no class) |
| 8-WFM10/15,17,20 | Tu10/21 | Tu10/21 |  |  |  | Tu10/21 | M10/20-Spring Registration |
| 9-WF10/22,24 | Su10/26 | Su10/26 | Su10/26 |  |  | Su10/26 |  |
| 10 (skip Appxs  10A&10B)-MWF10/27,29,31, M11/3 | M11/3 | M11/3 | M11/3 |  | W11/5-Exam3 (Ch8-10) | M11/3 |  |
| 11 (skip Appxs  11A&11B)-FM11/7,10 | Tu11/11 | Tu11/11 |  |  |  | Tu11/11 |  |
| 12-WFMW  11/12,14,17,19 | Th11/20 | Th11/20 |  | Th11/20 |  | Th11/20 | M11/24-last day to “W”;  W11/26-F11/26-Fall Break  (no class) |
| 13 (skip Appx 13C)-FM11/21,24, M12/1 | Tu12/2 | Tu12/2 |  | Tu12/2 |  | Tu12/2 |  |
| 14 (skip Ch14) |  |  |  |  |  |  |  |
| 15 (skip end-of-book  Appxs A&B)-WFM12/3,5,8 | Tu12/9 | Tu12/9 |  |  | F12/12 9am-Exam4 (Ch11-13,15) | Tu12/9 | W12/10-Study Day; Th12/18  -Commencement; F12/19  -grades due to MSUM  Records Office by 430pm |

**Evaluation Standards/Course Grading Policy:** You are responsible for all the material in Chapters 1-13 & 15, whether or not the Chapter material is specifically covered in by the Instructor. Your grade for this course will be based on the following points that will be available during the semester:

1. Online LearnSmart (13x5) 65 **% of total cumulative points**
2. Online Homework (12x10) 120 **A:90%, B+:87%-89%, B:84-86%,**
3. Online Applying Excel (4x5) 20 **B-:80%-83%,, C+:77%-79%,**
4. Online Excel Simulations (4x5) 20 **C:74%-76%, C-:70%-73%,**
5. Face-to-Face Examinations (4x100) 400 **D+:67%-69%, D:60%-66%,**

625

Online Extra Credits Problems (12x3) 36

Participation in Collegiate DECA (up to 3 points Extra Credit-ask faculty

advisor to sign note saying you attended event) 3

Participation in MSUM Accounting Club (up to 3 points Extra Credit-ask

faculty advisor to sign note saying you attended event) 3

Although the D2L gradebook should automatically update each time work is graded in Connect, you might keep a personal record of scores for all LearnSmart, Homework, Applying Excel, Excel Simulations, Examinations, and Extra Credit. You can calculate your grade at any time by dividing your points earned to date by total points possible to date. Periodically, the Instructor will verify that student points in D2L agree with Connect. If any error has been made, it is the student’s responsibility to present written proof of the correct point total as soon as possible after the posting. *That means you should* ***SAVE******ALL*** *of your work until the end of the semester.*

If your grade falls below what is acceptable to you, take immediate action. DO NOT WAIT TO SEEK HELP. Consider the following, not necessarily in this order: (1) Are you working more hours and studying less? Can you correct that situation? (2) Form a study group, (3) Work through the Guide Examples located in the Video tab in the eBook, (4) Do the Extra Credit Problems, (5) Work extra problems and see the Instructor for solutions, (6) Seek assistance through the Academic Support Center (go to Flora Frick Room 154, or call 218-477-4318) and (7) Ask the Instructor if you do not understand something.

If you are repeating this course, note that only the higher grade will be used to compute your grade point average (GPA). Repeating a course more than once will result in the removal of only one previous grade from the student’s GPA computation. To assure that the GPA is correct, the student must submit a “Repeated Course” form to the Records Office. All course attempts will remain on the student’s permanent academic record.

**Online LearnSmart:** Thirteen (13) LearnSmart assignments (adaptive learning assignments designed to help students learn faster, study more efficiently, and retain more knowledge for greater success and worth 5 points each), must be completed in Connect no later than the dates indicated in the Class and Chapter Schedule. You are expected to complete the LearnSmart assignments in a study group or on your own (note each student must submit his/her own assignment). There are no time limits on the LearnSmart assignments, which can be taken an unlimited number of times, with your highest attempt score counting toward your course grade.

**Online Homework***:* Twelve (12) Homework assignments, worth 10 points each, must be completed online in Connect no later than the dates indicated in the Class and Chapter Schedule. You are expected to do the Homework in a study group or on your own (each student must submit his/her own assignment). Note that many of the questions in Connect (whether in Homework or other assignments) are algorithmic (meaning your current version of the question has the same words as another student, but your numbers are different). You can print out the Homework questions in advance if you prefer to work on paper before entering answers into Connect. You can also check your homework answers as you go by clicking the “check my work” button in Connect. Although you can attempt each Homework assignment only once, there are no time limits (meaning you can start Homework, leave the site, and return later to complete, starting where you left off). Imbedded in the Homework assignments are Interactive Presentations (short videos imbedded with knowledge check questions). To receive credit for each of the Interactive Presentations, the progress bar must indicate (in green) that all pages have been reviewed, the knowledge check questions must be submitted, **AND** the exit button for the presentation must be clicked. After the due dates, these assignments will be available to students without affecting their grade (please note, must sign directly into Connect, not through D2L, to access study attempts).

**Online Applying Excel:** Four (4) Applying Excel assignments, worth 5 points each, must be completed online in Connect no later than the dates indicated in the Class and Chapter Schedule. Although you can attempt each Applying Excel assignment only once, there are no time limits (meaning you can start, leave the site, and return later to complete, starting where you left off). You are expected to do the Applying Excel assignments on your own. Make sure you remember to upload your Excel file in Connect as part of this assignment.

**Online Excel Simulations:** Four (4) Excel Simulations, worth 5 points each, must be completed online in Connect no later than the dates indicated in the Class and Chapter Schedule. Although you can attempt each Excel Simulation assignment only once, there are no time limits (meaning you can start, leave the site, and return later to complete, starting where you left off). Note you can make only 3 attempts per cell in the spread sheet simulations. You are expected to do the Excel Simulations on your own.

**Face-to-Face Examinations:** Four (4) examinations (worth 100 points each), with 60-minute time limits, must be taken in the classroom on the dates indicated on the Class and Chapter Schedule. Late examinations will be scored zero. Please be prepared to show your picture identification card before each proctored examination. Also, remember to bring a pencil and a simple-function calculator to all proctored examinations.

Cell-phones, smart phones, translators, and other electronic devices cannot be used during the examinations.

The examinations will typically be a combination of multiple-choice questions and/or short answer problem-solving/essay questions. The last examination will be considered your final examination but will not be comprehensive. Each question will include a space where you will provide your answer and space where you can show your work if you want a chance at partial credit. You will not be given partial credit on missed questions, unless you show work that supports the granting of partial credit. SHOW YOUR WORK IF YOU WANT CHANCE AT PARTIAL CREDIT.

You will not be able to see your examinations score immediately upon submission since the Instructor will need to manually grade each question in the examinations to determine partial credit, if any. It has been a customary practice of MSUM Accounting Faculty to NOT allow students to keep old examinations.

**Online Extra Credit Problems:** Twelve (12) Extra Credit Problem sets, worth 3 points each, will be offered so that you can better understand the material, while earning valuable points that will improve your grade. Although you can attempt each Extra Credit Problem set only once, there are no time limits (meaning you can start, leave the site, and return later to complete, starting where you left off). Although you are expected to do the Extra Credit Problems on your own, you can check your work as you go by clicking on the appropriate button in Connect.

**Course Outline:**

1. Managerial accounting overview, including differences between financial accounting and managerial accounting, relevance of managerial accounting to various careers, CMA, skills managers need, and importance of ethics.
2. Managerial accounting concepts, including introduction to general cost classifications (manufacturing versus non-manufacturing, product versus period, fixed versus variable versus mixed, direct versus indirect, differential, opportunity, and sunk costs), analysis of mixed costs (using scatter-graph and high-low methods), and preparation and analysis of traditional and contribution margin income statemen­­­­ts.
3. Introduction to job-order costing, including job-cost sheets and flow of costs in job-order costing systems, computation and analysis of predetermined overhead rates, applying overhead, disposition of under-applied or over-applied overhead, preparation of cost of goods sold and cost of goods manufactured schedules, and computation of unit costs.
4. Overview of process costing, including comparison to job-order costing, flow of costs in process costing systems, computing departmental overhead rates, and contrasting departmental rates with plant-wide rates.
5. Cost-volume-profit basics, including calculation of contribution margin and contribution margin ratio, consideration of CVP relationships in equation and graphic forms, break-even and target profit analysis, and assumptions of CVP analysis (including sales mix).
6. Overview of variable costing, including reconciliation between variable and absorption costing, and preparation and analysis of segmented income statements (including segment margin, traceable fixed costs, and common costs).
7. Activity-based costing concepts, including defining activities, assigning overhead costs to activity cost pools, assigning costs in activity cost pools to cost objects, computation of product margins, comparison of product margins using ABC to product margins using other allocation methods, and computation of customer margins.
8. Basics of budgeting, including advantages, consideration of human factors in budgeting, process of preparing the master budget, and budget versus actual analysis.
9. Introduction to flexible budgets, including preparation and analysis of activity and revenue/spending variances, and preparation of flexible budgets with multiple cost drivers.
10. Introduction to standard costs and variance analysis, including development of standards, calculation and interpretation of material quantity variances, material price variances, labor efficiency variances, labor rate variances, and variable overhead variances, and introduction to management by exception.
11. Advantages and disadvantages of decentralization, accounting for decentralized management responsibility centers, evaluation of investment center performance using return on investment (including DuPont formula) and residual income, and overview of other operating performance measures.
12. Identification of relevant benefits and costs, overview of total and differential approaches, application of relevant costing to add/drop product line/segment decisions, make or buy decisions, special order decisions, and sell or process further decisions, and managing constrained resources.
13. Basics of capital budgeting decisions, including time value of money approaches (net present value and internal rate of return methods), and non-time value of money approaches (payback and accounting rate of return methods), and ranking of investment projects.
14. Financial statement analysis, including vertical and horizontal analysis, and ratio analysis (ratios used by common stockholders, short-term creditors and long-term creditors).

**Other:**

**MSUM College of Business and Innovation Mission:** The College of Business and Innovation, building on a strong foundation of liberal studies, provides professional career and leadership preparation through student-centered learning that incorporates technology, experiential learning, and interaction with industry and community.

**MSUM School of Business Mission:** We provide a quality business learning experience designed to prepare students for successful and responsible careers. Faculty intellectual contributions are focused on the practice and teaching of business and management. Through involvement in professional activities, the faculty also serves students, the University, and the community.

**MSUM School of Business Vision:** The School of Business will provide a quality business learning experience designed to prepare students for successful and responsible careers.

**School of Business Student Learning Goals:** Students who graduate from Minnesota State University Moorhead with a major from the School of Business should be able to:

-Exhibit basic knowledge of business principles and processes

-Write in a clear and professional manner

-Prepare and deliver an effective business presentation

-Identify and analyze ethical issues in a professional context

-Demonstrate basic understanding of business from a global perspective

**Time Requirements:** Each student should expect to spend a minimum of 8 hours per week in preparation. This includes reading the text, completing the required assignments, and preparing for examinations; anything less and you will be depriving yourself from obtaining your best grade.

**Emergency Procedures:** If required to evacuate a classroom or building during an examination proctored by Instructor, students are to proceed to a clear and safe area away from the evacuated site. Take all personal belongings with you. If the emergency procedure occurs during an examination, the examination may be suspended and a new examination may be given at a later date.

**General:** The course syllabus is subject to change. In particular, use the due dates in D2L and/or Connect if different than the dates in this syllabus. In the event of a change, an announcement will be made in D2L and/or Connect, or through an email. It is the responsibility of the student to keep current and develop a clear understanding of all course policies.

**Academic Honesty:** The University expects all students to represent themselves in an honest fashion. In academic work, students are expected to present original ideas and give credit to the ideas of others. The value of a college degree depends on the integrity of the work completed by the student.

When an Instructor has convincing evidence of cheating or plagiarism, a failing grade may be assigned for the course in which the student cheated. Instructors may also choose to report the offense, the evidence, and their action to the Dean of their college or the Provost and Senior Vice President for Academic Affairs. If the Instructor (or any other person) feels the seriousness of the offense warrants additional action, the incident may be reported to the Director of Student Conduct and Resolution. The Director of Student Conduct and Resolution will follow the procedures set out in the Student Conduct Code. After the review of the case and a fair, unbiased hearing, the Director of Student Conduct and Resolution may take disciplinary action if the student is found responsible (see [Student Conduct Code](http://web.mnstate.edu/sthandbook/scc/index.cfm) for details).

A student who has a course grade reduced by an Instructor because of cheating or plagiarism, and who disputes the Instructor’s finding, may appeal the grade, but only using the Grade Appeal Policy, which states that the student must prove the grade was arbitrary, prejudicial, or in error.

**Attendance Policy:** Students are expected to attend all class meetings unless they are ill or officially excused as the result of participation in a university function. In the case of individual absence due to jury duty or other legal obligations, the student must notify me prior to the absence. In the case of individual absence due to health or other emergency, the student must notify me as soon as feasible.

**Flood Policy:** In the event of short-term campus closure, and unless otherwise notified, all instructors are required to continue engaging their enrolled students in instruction by using alternative methods of interaction. For this class, the methods of communication with students will be via D2L, Connect, or email. I would encourage students to make sure they have access to D2L, Connect, and email, and that they check them periodically for updates. Future assignments will be assigned through D2L, Connect, and/or email, which students will still need to complete by the applicable dates specified.

If you have not already done so, please sign up for the e2campus emergency notification system <http://www.mnstate.edu/publicsafety/>, which will be used to notify students about class cancellations and other emergency-related information.

**Special Accommodations:** Students with disabilities who believe they may need an accommodation in this class are encouraged to contact Greg Toutges, Coordinator of Disability Services at 477-4318 (Voice), 1-800-627-3529 (MRS/TTY), Flora Frick 154C, as soon as possible to ensure that accommodations are implemented in a timely fashion. **Information regarding Disability Services is available at** [**www.mnstate.edu/disability/**](http://www.mnstate.edu/disability/)**.**

I hope you have an enjoyable learning experience. Good luck! (Revised 8/24/14)