

Virginia Western Community College
ACC 212
Principles of Accounting II

Prerequisites

ACC 211

Course Description

Introduces accounting principles with respect to cost and managerial accounting. Focuses on the application of accounting information with respect to product costing, as well as its use within the organization to provide direction and to judge performance.

Semester Credits: 4 Lecture Hours: 4 Lab/Clinical/Internship Hours: 0

Required Materials**Textbook:**

Managerial Accounting by Wild. 6th Edition, McGraw-Hill. Digital textbook and Connect provided through a student fee (via McGraw-Hill IncludEd).

Other Required Materials:

Calculator (4 function)

Course Outcomes

At the completion of this course, the student should be able to:

I. Managerial accounting and cost concepts

1. Distinguish managerial accounting from financial accounting
2. Describe the various cost classifications.
3. Explain manufacturing in JIT environment.

II. Manufactured product costing

1. Explain manufacturing costs.
2. Record the flow of manufacturing costs in job order and process cost accounting systems.
3. Calculate pre-determined overhead rates and over and under applied overhead.

III. Activity based costing

1. Assign costs to cost pools
2. Calculate activity rates for cost pools.
3. Assign overhead to cost objects using activity rates

IV. Cost-volume-profit and variable costing

1. Estimate fixed and variable costs using appropriate methods.
2. Compute unit cost under both absorption and variable costing.
3. Reconcile income between variable and absorption costing methods.
4. Perform cost-volume-profit analysis.
5. Explain the significance of Operating Leverage

V. Performance measurement and responsibility accounting

1. Prepare departmental and segmented income statements with allocated service department costs where appropriate.
2. Evaluate investment center performance by computing the profit margin, investment turnover, residual income, and rate of return on investment (ROI).
3. Describe the balanced scorecard approach.

VI. Budgeting

1. Describe the budgeting process and the benefits it provides.
2. Prepare a master budget.
3. Prepare a flexible budget

VII. Standard Costs and Variance Analysis

1. Explain the use and development of standard costs.
2. Calculate direct material, direct labor and manufacturing overhead variances

VIII. Relevant Costs

1. Describe relevant costs that are helpful in decision-making.
2. Prepare analyses of manufacturing decisions such as make or buy, special orders, sell or process further, retain or eliminate a product or service.
3. Explain the Theory of Constraints in relationship to limited resources.

IX. Capital budgeting

1. Evaluate capital investment proposals by using accounting rate of return, payback method, net present value, internal rate of return and profitability index.

Topical Description

- Chapter 1: Managerial Accounting Concepts and Principles
- Chapter 2: Job Order Costing and Analysis
- Chapter 3: Process Costing and Analysis
- Chapter 4: Activity Based Costing and Analysis
- Chapter 5: Cost Behavior and CVP Analysis
- Chapter 6: Variable Costing and Performance Reporting
- Chapter 7: Master Budgets and Performance Planning
- Chapter 8: Flexible Budgets and Standard Costs
- Chapter 9: Performance Measurement and Responsibility Accounting
- Chapter 10: Relevant Costing for Managerial Decisions
- Chapter 11: Capital Budgeting and Investment Analysis

Notes to Instructors

There will be a **department-wide comprehensive final exam** given in this course.
This exam will be used as an **Institutional Effectiveness Assessment**.