Accounting For Managerial Decisions

MBA-53:010:503

Dr. Izzet Kenis

COURSE OUTLINE

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Course objectives: To increase understanding and utilization of accounting information by management in financial and managerial decision making. The course covers such managerial accounting topics as product and service costing, profit planning and budgeting, cost control, cost analysis for pricing, replacement, outsourcing, product performance, and other managerial decisions. It also covers internal and external performance evaluation methods, incentive systems and the balanced scorecard systems.

TOPICS AND ASSIGNMENTS

Financial Performance Evaluation assignment: Students are required to submit a report analyzing the financial performance of two particular companies in the same industry (profitability, liquidity, solvency, and financial structure) using financial statements and other sources of information. The paper should include a brief history of the companies, discussion of their products and markets, followed by financial analysis using ratios and trends, future expectations and a conclusion about the comparative financial health of the companies. A hand-out of financial ratios and sample papers will be provided.

Homework assignments: Students should attempt to solve the assigned problems in order to sharpen their problem solving skills.
I-Review of Objectives of Financial and Managerial Accounting
Chapter 1

II-Financial Statement Analysis and measurement of performance. Consult the hand-out list of financial ratios.

III-Managerial/Cost Accounting Concepts
Chapter 2
Problems: 2-20, 2-22, 2-24, 2-31, 2-34, 2-35

IV-Product Costing: Job Order Costing vs. Process Costing. Costing and Pricing of Services
Chapter 4; Job-Order-Costing: production and services
Problems 4-20, 4-21, 4-23, 4-24, 4-26, 4-31, 4-32

Chapter 17: Process Costing in Manufacturing Industry
Problems: 17-19, 17-20, 17-24, 17-26, 17-31

V-Activity-Based-Costing (ABC) and Activity-Based-Management
Chapter 5; Problems: 5-24, 5-25, 5-28, 5-37

VI-Cost of Quality, Time Management and Constraints
Chapter 19: Problems: 19-17, 19-19, 19-21, 19-25

VII- Estimating Cost Behavior
Chapter 10; Problems: 10-18, 10-19, 10-20, 10-23, 10-27, 10-32

VIII-Cost-Volume-Profit Analysis
Chapter 3; Problems: 3-19, 3-21, 3-22, 3-27, 3-30, 3-38, 3-39

IX- Differential Cost Analysis for Decision Making, Chapter 11
Note: Check chapter 21 and appendix C for NPV discussion

X-Pricing Analysis and Cost Management
Chapter 13; Problems: 13-17, 13-21, 13-23, 13-4, 13-26, 13-28

XI-Inventory Management, JIT, and Backflush Costing
XII- Profit Planning and Budgeting

Chapter 6; Problems: 6-20, 6-22, 6-24, 6-30, 6-32, 6-35, 6-36

XIII- Flexible Budgeting and Cost Control

Variance Analysis for cost centers and profit centers
Chapter 7; Probls: 7-18, 7-20, 7-22, 7-29, 7-36, 7-37

XIV- Divisional Performance Measures and Incentive Systems

Transfer Pricing and Mgt Control Systems:
Chapter 22: Problems: 22-17 ,22-18, 22-19, 22-21, 2-27

Divisional Performance Measurements:

XV-Balanced Scorecard and Strategic Profitability Analysis

Chapter 12: Problems: 12-26, 12,28, 12-30, 12-33, 12-36

GRADING:
Spring/Fall : 1st Exam 25%; 2nd Exam 25%; 3rd Exam 25%; Paper 25%
SUMMER: Mid-Term 40%, Final 40%, Paper 20%
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