Hashemite University
Faculty of Economic and Administrative Sciences

Department of Accounting

Course Title: Managerial Accounting ,code 202311
Prerequisite: Accounting (2) 2202102
Module leader: Dr. Ahmed Al Omush

Course Description: This course emphasizes the use of accounting information in effective management through highlighting the importance of a company's accounting data to assess management in making rational decisions. Whereas the financial accounting courses concentrate on formal financial statements that are typically of value to external users, the managerial course deals with accounting information that is more typically of value to internal users mainly decision makers.

Course Objectives: Learning Outcomes:

This course focuses on the use of accounting information in efficiently operating an organization. The concepts are sufficiently general to be applicable in both profit and not-for-profit organizations, but most of our discussion will deal with profit oriented firms. This general objective will be achieved through the following learning outcomes:

A- Knowledge and Understanding, the students should be able to

1. Identify the differences between the financial and managerial accounting
2. Analyze behavior of fixed, variable and mixed costs, and prepare income statements using the contribution margin format.
3. Prepare cost-volume profit analysis.
4. Understand the advantages and disadvantages of both variable and absorption costing
5. Prepare budgeted financial statements
6. Identify relevant and irrelevant costs and benefits in a decision situation
7. Identify the methods used in accepting an investment projects

B- Intellectual Skills- Students should be able to

1. Employ cost terms and concepts in estimating and predicting a cost.
2. Identify the relevant costs and present it for the mangers to make rational decisions
3. Choose the most profitable investment project by employing the scientific methods

C- Practical skills-with ability to

1. Use appropriate tools such as Excel sheets to formulate some records
2. Be aware of the practical problems facing the Jordanian firms in using the scientific methods (covered in this course) in taking rational decisions.

This course is appropriate for undergraduate curricula at a third year. The level of the course is to be supplemented by using real-world projects and available materials and resources. Teaching Methods: Lectures, exercises and cases discussions, assignments
Duration: 8 weeks in the summer and 16 weeks for normal semester, 48 hours in total
Laboratory : 2 hours, Computer Lab

Assessment

You will be assessed on the following criteria:

Criteria	Assessment
Mid-term exam	30%
Participation and Discussions	10%
Home works	10%
Time essay home works	10%
Final exam	40%
Total	100%

Main Text book:

- Garrison, R., Noreen, E., and Brewer, P., *Managerial Accounting*, Custom Edition: **Compiled by: Dr Husam Al-Khadash and Dr Mohammad Abu Nassar, McGraw-Hill, 2012,**

http://highered.mcgraw-hill.com/sites/0078111005/information_center_view0/

This site includes many resources relating to each chapter that will help you in understanding this course such as:

- Multiple Choice Quiz
- Practice Exams
- Power Point Presentation
- Flash Cards
- Internet Exercises

Supplementary:

- ✓ Ronald W. Hilton, *Managerial Accounting*, McGraw-Hill. 7th edition, 2007.
- ✓ McWatters, S. and Morse, D., *Management Accounting: Analysis and Interpretation*, McGraw-Hill, 2nd edition, 2000.

Detailed Outline Depends on Garrison et al., 2013

Week	Contents	Assignments
Week1	**Managerial Accounting: An Overview, Ch. 1** ➢ What is managerial accounting ➢ What skills do managers need to succeed ➢ The Importance of ethics in business	Questions 1-7
Week2	**Managerial Accounting and Cost Concepts, Cost behavior analysis and use , Ch.2** **Cost Terms and Concepts** Types of Cost Behavior Patterns ➢ The Analysis of Mixed Cost ➢ Predict Costs	Questions 1-17 EXERCISES 1,2,3,4,5,8,11 and13 Problem 18
Week3	**Cost-volume-profit relationships, Ch.5** The Basics of Cost-Volume-Profit Analysis The Break-even Analysis Target Profit Analysis Applying CVP Analysis	Questions 1-9, EXERCISES 1,2,3,4,5,6,7,8,9,10,11 and18 **Problem 21 to be handed out at the end of week 4 (3 marks)**
Week4	CVP Considerations in Choosing A Cost Structure, **Ch.5** The Concept of Sales Mix	
Week5	**Variable Costing: A Tool for management, Ch.6** ➢ Overview of Absorption and Variable Costing ➢ Absorption and Variables Costing ➢ Effect of Changes on Net operating Income	Questions 1-16 EXERCISES 1,2,3,4,7,8,9,10,12 and13 Problem 17
Week6	➢ Segmented Income Statement**, Ch.6**	
Week7	**Profit Planning , Ch.**8 The Basic Framework of Budgeting Preparing The Master Budget Budgeted Financial Statements	EXERCISES 1-9 and13,14 and 15 PROBLEM 20 to be handed out end of week 9 (7 marks)
Week8	**Relevant Cost for Decision Making, Ch.1**2 Cost Concepts for Decision Making ➢ Managerial Accountant's Role in Decision Making Relevant Information	EXERCISES 2,7,10,11,12 and14 Problems 19 and 20
Week9	Identifying Relevant Cost and Benefits Adding and Dropping production Lines **Mid term Exam (30 marks) end of week nine**	
Week10	The Make or Buy Decision Special Orders Utilization of A Constrained Resources ➢ Sell or Process Further Decisions	
Week11	**Capital Budgeting Decisions, Ch.1**3 Typical Capital Budgeting Decisions The Time Value of Money ➢ The Net Present Value method	EXERCISES 1,2,4,5,6,9,14 and 15 Problem 22
Week12	Discounted Cash Flow Analysis - The Internal Rate of Return method Preference Decisions- The Ranking of Investment Projects	
Week13	Other Approaches to Capital Budgeting Decisions Income Taxes in Capital Budgeting Decisions	

Week14	Review	
Week15	**FINAL EXAM**	