



**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 managers 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%
<b>Total</b>	<b>100%</b>

## 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/](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. 7<sup>th</sup> edition, 2007.
- ✓ McWatters, S. and Morse, D., *Management Accounting: Analysis and Interpretation*, McGraw-Hill, 2<sup>nd</sup> edition, 2000.

**Detailed Outline Depends on Garrison et al., 2013**

Week	Contents	Assignments
<b>Week1</b>	<input type="checkbox"/> <b>Managerial Accounting: An Overview, Ch. 1</b> <input type="checkbox"/> What is managerial accounting <input type="checkbox"/> What skills do managers need to succeed <input type="checkbox"/> The Importance of ethics in business	Questions 1-7
<b>Week2</b>	<input type="checkbox"/> <b>Managerial Accounting and Cost Concepts, Cost behavior analysis and use , Ch.2</b> <input type="checkbox"/> <b>Cost Terms and Concepts</b> Types of Cost Behavior Patterns <input type="checkbox"/> The Analysis of Mixed Cost <input type="checkbox"/> Predict Costs	Questions 1-17 EXERCISES 1,2,3,4,5,8,11 and13 Problem 18
<b>Week3</b>	<input type="checkbox"/> <b>Cost-volume-profit relationships, Ch.5</b> <input type="checkbox"/> The Basics of Cost-Volume-Profit Analysis <input type="checkbox"/> The Break-even Analysis <input type="checkbox"/> Target Profit Analysis <input type="checkbox"/> Applying CVP Analysis	Questions 1-9, EXERCISES 1,2,3,4,5,6,7,8,9,10,11 and18
<b>Week4</b>	<b>CVP Considerations in Choosing A Cost Structure, Ch.5</b> <input type="checkbox"/> The Concept of Sales Mix	<b>Problem 21 to be handed out at the end of week 4 (3 marks)</b>
<b>Week5</b>	<input type="checkbox"/> <b>Variable Costing: A Tool for management, Ch.6</b> <input type="checkbox"/> Overview of Absorption and Variable Costing <input type="checkbox"/> Absorption and Variables Costing <input type="checkbox"/> Effect of Changes on Net operating Income	Questions 1-16 EXERCISES 1,2,3,4,7,8,9,10,12 and13 Problem 17
<b>Week6</b>	<input type="checkbox"/> <b>Segmented Income Statement, Ch.6</b>	
<b>Week7</b>	<input type="checkbox"/> <b>Profit Planning , Ch.8</b> <input type="checkbox"/> The Basic Framework of Budgeting <input type="checkbox"/> Preparing The Master Budget <input type="checkbox"/> Budgeted Financial Statements	EXERCISES 1-9 and13,14 and 15 PROBLEM 20 to be handed out end of week 9 (7 marks)
<b>Week8</b>	<input type="checkbox"/> <b>Relevant Cost for Decision Making, Ch.12</b> <input type="checkbox"/> Cost Concepts for Decision Making <input type="checkbox"/> Managerial Accountant's Role in Decision Making <input type="checkbox"/> Relevant Information	EXERCISES 2,7,10,11,12 and14 Problems 19 and 20
<b>Week9</b>	<input type="checkbox"/> Identifying Relevant Cost and Benefits <input type="checkbox"/> Adding and Dropping production Lines <b>Mid term Exam (30 marks) end of week nine</b>	
<b>Week10</b>	<input type="checkbox"/> The Make or Buy Decision <input type="checkbox"/> Special Orders <input type="checkbox"/> Utilization of A Constrained Resources <input type="checkbox"/> Sell or Process Further Decisions	
<b>Week11</b>	<input type="checkbox"/> <b>Capital Budgeting Decisions, Ch.13</b> <input type="checkbox"/> Typical Capital Budgeting Decisions <input type="checkbox"/> The Time Value of Money <input type="checkbox"/> The Net Present Value method	EXERCISES 1,2,4,5,6,9,14 and 15 Problem 22
<b>Week12</b>	<input type="checkbox"/> Discounted Cash Flow Analysis - The Internal Rate of Return method <input type="checkbox"/> Preference Decisions- The Ranking of Investment Projects	
<b>Week13</b>	<input type="checkbox"/> Other Approaches to Capital Budgeting Decisions <input type="checkbox"/> Income Taxes in Capital Budgeting Decisions	

<b>Week14</b>	Review	
<b>Week15</b>	<b>FINAL EXAM</b>	