



LBA202 ACCOUNTING II
3-Credit Module
SPRING SEMESTER

SYLLABUS

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Available in office on Tuesdays, Wednesdays, Thursdays, from 10:30 am till 12:30 am

Module Description: the objective of Accounting II is to provide an overview of managerial accounting and financial control processes, including budget financial statements and the uses of incremental analysis and capital budgeting techniques in management's decision making process. The focus is on practical applications and on how these relate to organizational objectives. Students are stimulated to develop team work to solve the problems assigned based on cooperative learning. Students are also required to prepare individual readings and exercises to be reported in class.

Learning Objectives: on successfully completing this subject, students will be able to:

1. Analyze and interpret a company's financial performance;
2. Prepare the analysis of Cost Behavior
3. Prepare the analysis of Cost-Volume-Profit Analysis;
4. Explain and prepare Operating and Financial Budgets;
5. Explain Budgetary Control;
6. Explain and determine Standard Costs;
7. Explain and prepare incremental analysis and capital budgeting in decision making.

Learning materials and resources: Weygandt, Kieso and Kimmel (2010), "Accounting Principles", 10th edition (international students' edition), New York (Wiley); materials used in class will be made available to students through the USJ Hub.

Assessment and final grading: knowledge will be assessed using exercises and quizzes, all of them being closed-book in-class tests. There will be a test after each major topic where questions are drawn from lectures, class discussion, exercises and assignments. Thus in-class exercises and assignments are the study guide for tests. Grading is as follows:

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|---------------------------|-----|
| 1. Class participation | 20% |
| 2. Class exercises | 20% |
| 3. Two quizzes plus exam: | 60% |

Attendance, punctuality: failure to take a quiz and/or exercise without validated reasons will be awarded a zero. In-class exercises are to be submitted during the class in which the exercise is assigned. Late submission will not be graded.

Evaluation and grades' description:

1. Excellent: 19-20 marks: awarded when a student has shown attainment of all course objectives and learning outcomes, with a high level of intellectual and effective initiative and makes outstanding contributions to pair/teamwork, exercise critical evaluation and review of own work and the work of others.
2. Very good: 17-18 marks: awarded when all the objectives and learning outcomes have been addressed. Makes a significant contribution to teamwork and ability to reflect on

- own learning and decision making to a high level.
3. Good: 14-16 marks: awarded when all objectives have been addressed satisfactorily, or where the evidence is strong in some and weaker in others. Student has made an effective contribution to pair/team work and development of some effective skills.
 4. Satisfactory Pass: 12-13 marks: awarded when the objectives have been addressed adequately, or there is evidence of strong learning in some and weaker in others. Knows a reasonable amount of content, but does not transfer or apply it easily. Student has made minimum contribution to pair/team work and shows weak effective skills.
 5. Weak Pass: 10-11 marks: awarded when the objectives have been addressed minimally. The student demonstrates sparse understanding, evidence of some effort in the acquisition of terminology; higher level understanding offset by some misunderstandings. The student shows sufficient familiarity with the subject matter to enable progress without repeating the course. Student has made minimum contribution to pair/team work and shows development of some effective skills.
 6. Below Pass: 9 marks and below: awarded when student shows fundamental misunderstandings and total lack of effort/involvement in the course. Student has not achieved at least 50 percent of the credit on every course component. Work not submitted.

Course schedule and syllabus: the course comprises 14 sessions, each with a 3-hour class. Notwithstanding the need to introduce unexpected changes, the course schedule is as follows:

session	1	Managerial Accounting (Ch 19) Manufacturing costs
	2	Managerial Accounting (Ch 19) Cost of goods sold
	3	Cost-Volume-Profit Relationships (Ch 22)
	4	Exercises and quiz number 1
	5	Cost-Volume-Profit Relationships (Ch 22)
	6	Budgetary Planning (Ch 23)
	7	Budgetary Planning (Ch 23)
	8	Exercises and quiz number 2
	9	Budgetary Control Responsibility Accounting (Ch 24)
	10	Budgetary Control Responsibility Accounting (Ch 24)
	11	Standard Costs and Balanced Scorecard (Ch 25)
	12	Incremental Analysis and Capital Budgeting (Ch 26)
	13	Incremental Analysis and Capital Budgeting (Ch 26)
	14	Exercises and exam

Detailed description of contents and learning objectives of sessions: chapter numbers refer to the recommended textbook.

Chapter 19: Managerial Accounting

1. Managerial Accounting Basics
2. Managerial Cost Concepts
3. Manufacturing Costs in Financial Statements
4. Managerial Accounting Today

Learning Objectives for Chapter 19

- [1] Explain the distinguishing features of managerial accounting.
- [2] Identify the three broad functions of management.
- [3] Define the three classes of manufacturing costs.
- [4] Distinguish between product and period costs.
- [5] Explain difference between merchandising and manufacturing income statement.

- [6] Indicate how cost of goods manufactured is determined.
- [7] Explain the difference between a merchandising and a manufacturing balance sheet.
- [8] Identify trends in managerial accounting.

Chapter 22: Cost-Volume-Profit

- 1. Cost Behavior Analysis
- 2. Cost-Volume-Profit Analysis

Learning Objectives for Chapter 22

- [1] Distinguish between variable and fixed costs.
- [2] Explain the significance of the relevant range.
- [3] Explain the concept of mixed costs.
- [4] List the five components of cost-volume-profit analysis.
- [5] Indicate what contribution margin is and how it can be expressed.
- [6] Identify the three ways to determine the break-even point.
- [7] Give the formulas for determining sales required to earn target net income.
- [8] Define margin of safety, and give the formulas for computing it.
- [9] Describe the essential features of a cost-volume-profit income statement.

Chapter 23: Budgetary Planning

- 1. Budgeting Basics
- 2. Preparing the Operating Budgets
- 3. Preparing the Financial Budgets
- 4. Budgeting in Nonmanufacturing Companies

Learning Objectives for Chapter 23

- [1] Indicate the benefits of budgeting.
- [2] State the essentials of effective budgeting.
- [3] Identify the budgets that comprise the master budget.
- [4] Describe the sources for preparing the budgeted income statement.
- [5] Explain the principal sections of a cash budget.
- [6] Indicate the applicability of budgeting in nonmanufacturing companies.

Chapter 24: Budgetary Control and Responsibility Accounting

- 1. Budgetary Control
- 2. Static Budget Reports
- 3. Flexible Budgets
- 4. Responsibility Accounting
- 5. Types of Responsibility Centers

Learning Objectives for Chapter 24

- [1] Describe the concept of budgetary control.
- [2] Evaluate the usefulness of static budget reports.
- [3] Explain development of flexible budgets and the usefulness of flexible budget reports.
- [4] Describe the concept of responsibility accounting.
- [5] Indicate the features of responsibility reports for cost centers.
- [6] Identify the content of responsibility reports for profit centers.
- [7] Explain the basis and formula used in evaluating performance in investment centers

Chapter 25: Standard Costs and Balanced Scorecard

- 1. The Need for Standards
- 2. Setting Standard Costs
- 3. Analyzing and Reporting Variances from Standards
- 4. Balanced Scorecard

Learning Objectives for Chapter 25

- [1] Distinguish between a standard and a budget.
- [2] Identify the advantages of standard costs.
- [3] Describe how companies set standards.
- [4] State the formulas for determining direct materials and direct labor variances.
- [5] State the formula for determining the total manufacturing overhead variance.
- [6] Discuss the reporting of variances.
- [7] Prepare an income statement for management under a standard costing system.
- [8] Describe the balanced scorecard approach to performance evaluation.

Chapter 26: Incremental Analysis and Capital Budgeting

5. Incremental Analysis

6. Capital Budgeting

Learning Objectives for Chapter 26

- [1] Identify the steps in management's decision-making process.
- [2] Describe the concept of incremental analysis.
- [3] Identify the relevant costs in accepting an order at a special price.
- [4] Identify the relevant costs in a make-or-buy decision.
- [5] Identify the relevant costs in determining whether to sell or process materials further.
- [6] Identify relevant costs to be considered in repairing, retaining, or replacing equipment.
- [7] Identify relevant costs in deciding whether to eliminate unprofitable segment product.
- [8] Determine which products to make and sell when resources are limited.
- [9] Contrast annual rate of return and cash payback in capital budgeting.
Distinguish between the net present value and internal rate of return methods.

Policies to be followed:

1. **Plagiarism:** plagiarism is the action or practice of taking and using as one's own, the thoughts, writings or other work of someone else with the intent to deceive. Plagiarism includes (a) the use of the whole or part of a written work including the use of paragraphs or sentences in essays or other assessable work which are neither enclosed in quotation marks nor otherwise properly acknowledged; (b) the paraphrasing of another's work without attribution; (c) The use of musical composition, audio visual, graphic, photographic models, without attribution; (d) if plagiarism is found then that piece of work will be awarded a zero.
2. **Academic dishonesty** such as cheating, fabrication, plagiarism, unauthorized collaboration, participation in academically dishonest activities and facilitating academic dishonesty are serious offenses that will not be tolerated, and they will be dealt with severely. Further elaboration can be found in the student handbook.
3. **Referencing:** students are encouraged to adopt the American Psychological Association (APA) reference style. For further information on how-to reference the Publication Manual of the American Psychological Association (2001) is available in the USJ library (call number R 808.06615 PUB 2001) or on the HUB under Library.