

## OBU011 - INTRODUCTION TO MANAGERIAL ACCOUNTING

<b>Credit Hours:</b> 3-4 Semester Hours
<b>Related TAG:</b> Business
<p><b>General Course Description:</b> This is a course of study that introduces managerial accounting for business entities.</p>
<p><b>Learning Outcomes and Academic Skills:</b> Any introductory course of study in managerial accounting that is included in the Business Transfer Assurance Guide must use business-related materials to develop the following general learning outcomes and academic skills:</p> <ol style="list-style-type: none"> <li>1. <b>Recognize the differing information needs of internal management and external users of financial information*</b></li> <li>2. <b>Comprehend the various roles of managerial accounting in planning, controlling, making decisions, and evaluating performance*</b></li> <li>3. <b>Define and describe the basic terminology and concepts of managerial accounting*</b></li> <li>4. <b>Apply managerial accounting techniques, including planning, controlling, decision making and performance evaluation to problem solving and decision making*</b></li> <li>5. <b>Analyze and provide information to other disciplines for planning, controlling, decision making and performance evaluation*</b></li> </ol>
<p><b>Body of Knowledge Requirements:</b> Any introductory course of study in managerial accounting that is included in the Business Transfer Assurance Guide must provide coverage of <i>at least seventy percent</i> of the following topics:</p>
<p><b>I. Overview of Managerial Accounting</b></p>
<p>1.00 Managerial Accounting and Business Organizations</p> <ol style="list-style-type: none"> <li>1.01 <b>Distinction between financial accounting and managerial accounting*</b></li> <li>1.02 Information needs of internal users</li> <li>1.03 Cost benefit principle for information and reporting</li> <li>1.04 <b>Ethics and integrity in today's organizations*</b></li> </ol>
<p><b>II. Cost Measurement and Decisions</b></p>
<p>2.00 Cost Concepts</p> <ol style="list-style-type: none"> <li>2.01 <b>Costs and cost drivers*</b></li> <li>2.02 <b>Variable, fixed and mixed costs*</b></li> <li>2.03 <b>Direct and indirect costs*</b></li> <li>2.04 <b>Cost functions and cost behavior*</b></li> <li>2.05 Prime and conversion costs</li> </ol>
<p>3.00 Cost-Volume-Profit</p> <ol style="list-style-type: none"> <li>3.01 <b>Contribution margin and contribution margin ratio*</b></li> <li>3.02 <b>Use cost-volume–profit analysis to find break-even points and target profit volumes*</b></li> <li>3.03 Sales mix analysis</li> </ol>
<p>4.00 Cost Behavior</p> <ol style="list-style-type: none"> <li>4.01 Methods of measuring cost functions (regression, high-low, etc.)</li> </ol>

<b>4.02 Use of cost equations to express and predict costs*</b> 4.03 The value chain
5.00 Cost Accounting Systems <b>5.01 Cost accumulation and cost assignment*</b> <b>5.02 Categories of manufacturing cost*</b> <b>5.03 Product and period costs*</b> 5.04 Activity-based costing (ABC) systems <b>5.05 Cost of goods manufactured*</b>
6.00 Cost Decisions <b>6.01 Relevant and irrelevant costs in decision contexts*</b> 6.02 Special order decisions 6.03 Adding and dropping products 6.04 Using limited resources 6.05 Cost-plus pricing and target costing 6.06 Make or buy decisions 6.07 Processing joint products 6.08 Influence of performance measures on production decisions
7.00 Capital Investment Decisions <b>7.01 Discounted cash flow analysis*</b> <b>7.02 Evaluation of individual projects - payback, return on investment, and net present value*</b> <b>7.03 Comparison of alternative projects*</b> 7.04 Equipment replacement decisions 7.05 Income taxes and cash flow analysis
<b>III. Planning and Control</b>
8.00 Budgeting <b>8.01 Preparation of the master/operational budget*</b> 8.02 Budgets and organizational behavior 8.03 Financial planning models
9.00 Flexible Budgets and Variance Analysis <b>9.01 Static and flexible budgets*</b> <b>9.02 Standard costs and prime cost variance analysis*</b> 9.03 Standard costs and overhead variance analysis 9.04 Standard cost journal entries
10.00 Performance Evaluation 10.01 Centralized vs. decentralized organizations 10.02 Responsibility accounting—cost centers, revenue centers, profit centers, investment centers 10.03 Goal congruence, managerial effort and motivation 10.04 Performance measurement—residual income and return on investment 10.05 Non-financial measures of performance and the balanced scorecard 10.06 Transfer prices
<b>IV. Product Costing</b>
11.00 Cost Allocation <b>11.01 Cost objects and allocations*</b> 11.02 Allocation of service department costs 11.03 Allocation of joint costs

11.04 Allocation of corporate support costs 11.05 Strengths and weaknesses of allocations in decision contexts
12.00 Accounting for Overhead Costs <b>12.01 Overhead rates*</b> <b>12.02 Accounting for manufacturing overhead*</b> 12.03 Variable and absorption costing 12.04 Overhead variance analysis
13.00 Job Costing and Process Costing Systems 13.01 Manufacturing inventories <b>13.02 Distinction between job-order and process systems*</b> <b>13.03 Job costing and accounting for manufacturing costs*</b> 13.04 Process costing
<b><i>Note: Body of knowledge and learning outcomes marked with an asterisk (*) are considered fundamental and essential.</i></b>

**BUSINESS TAG: MANAGERIAL ACCOUNTING TAG COURSE  
FACULTY PARTICIPANTS**

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