ACCT 231 – Principles of Accounting II (3 credits)

Section 1 (Online, Course ID 002209, M7/27/12-W12/11/12)

Minnesota State University Moorhead

Course Syllabus Fall 2012 (revised 8/27/12)

Instructor: Mr. Kim T. Mollberg, CPA, CMA, MBT

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**Office Hours:** MWF 825am-1025am, M 300pm-700pm; other hours by appointment.

**Course Description:**  This course is an introduction to the content and concepts of financial information for management's use in directing operations. Topics include cost behavior, product costing, actual and standard costs, cost-volume-profit analysis, relevant costs, operational and capital budgeting, and present-value analysis. Prerequisite: ACCT 230

**Required Texts/Readings:** Managerial Accounting, 14th Edition, Garrison, Noreen, & Brewer, McGraw-Hill/Irwin, 2012. Students are also required to acquire access to the textbook publisher’s internet product called Connect. You have several choices when it comes to textbooks: 1) for $197.30 purchase a loose-leaf textbook from the MSUM Bookstore which is bundled with a ConnectPlus, which means you get a physical version of the textbook, access to Connect (Connect is McGraw-Hill’s internet product which is required to summit homework, quizzes, exams, and extra credit), plus you get an online version of the textbook (“Plus” means online textbook), 2) for $145.94 purchase a ConnectPlus access card from the MSUM Bookstore, which means you get Connect, plus you get an online version (but not a physical version) of the textbook, 3) for $62.50 purchase a Connect access card from the MSUM Bookstore, which means you get Connect, but no physical or online versions of the textbook, or 4) purchase your materials from somewhere other than the MSUM Bookstore. Regardless of which option you choose, you might want to check out the free 3-week trial offered by the textbook publisher (made available to you when you first register at the course site in Connect).

**­Course Objectives/Student Learning Outcomes:** Students have a responsibility to learn by accomplishing specific objectives. Specific objectives expected to be accomplished by the student may include:

1. Compare and contrast financial accounting and managerial accounting, explain how managerial accounting information can be relevant to different careers, describe a CMA, identify skills a manager needs to succeed, and defend why ethics are important.
2. Categorize costs as manufacturing (versus non-manufacturing), product (versus period), fixed (versus variable versus mixed), direct (versus indirect), differential, opportunity, and/or sunk, generate a cost formula for a mixed cost using the scatter-graph and high-low methods, create and explain traditional and contribution format income statements.
3. Create a job-cost sheet, illustrate the flow of costs in a job-order costing system, select and evaluate a driver in a pre-determined overhead rate calculation, compile a job-cost sheet that includes an application of overhead, explain how to dispose of under-applied or over-applied overhead, compile cost of goods sold and cost of goods manufactured schedules, and relate total costs to cost per unit.
4. Compare and contrast job-order costing and process costing, and summarize differences between plant-wide overhead rates and departmental overhead rates.
5. Describe how changes in activity, variable costs, fixed costs, and selling price will impact contribution margin and net operating income, evaluate a cost-volume-profit graph, relate contribution margin ratio to contribution margin and net operating income, reconstruct contribution format income statements at break-even and/or target profit levels, explain significance of margin of safety and degree of operating leverage, and criticize the assumptions of CVP analysis (including sales mix).
6. Differentiate and reconcile between variable and absorption costing, contrast a traditional income statement with a segmented income statement, and explain significance of segment margin, traceable fixed costs, and common costs.
7. Design and evaluate an activity-based costing system, contrast an ABC costing system with other allocation methods, and compute and analyze product and customer margins using an ABC costing system.
8. Explain the budget process, identify human factors in budgeting, construct a master budget, and interpret budget versus actual differences.
9. Create and interpret a flexible budget performance report (whether single or multiple cost drivers) with activity, revenue and spending variances.
10. Create a standard cost card, compute and evaluate material quantity, material price, labor efficiency, labor rate, variable manufacturing overhead efficiency and variable manufacturing overhead rate variances, and apply management by exception.
11. Defend and criticize decentralization, identify ways decentralized management responsibility centers can be evaluated, compare and contrast return on investment (including DuPont formula) and residual income approaches to evaluating investment centers, and summarize other operating performance measures.
12. Identify relevant benefits and costs, illustrate total and differential approaches, evaluate add/drop product line/segment, make or buy, special order, sell or process further, and managing constrained resource decisions using relevant costing.
13. Explain differences between net present value, internal rate of return, payback and accounting rate of return methods used to make capital budgeting decisions, explain and justify a capital budget decision, and rank competing projects in order of preference.
14. Prepare and interpret vertical and horizontal analysis, critique financial statements using ratios, and differentiate ratios used by common stockholders, short-term creditors and long-term creditors**.**

**Course Requirements: Moodle and McGraw-Hill/Irwin’s Connect will be used extensively:** We will be using MSUM’s Moodle learning management system and the textbook publisher’s internet product called Connect in conjunction with this course. As discussed elsewhere, note that Connect Plus will also work with this course.

To access Moodle, go to <http://teach.mnstate.edu/>, and complete the steps in the “First Time User” tab. Once you are ready to launch Moodle, click on “Go” on the Moodle main page, and follow the instructions provided. Moodle will have links to an exam review, check figures, the student online learning center at <http://highered.mcgraw-hill.com/sites/0078111005/student_view0/index.html>, narrated PowerPoint slides (VideoLectures), PowerPoint slides with speaker notes, the textbook discussion question solutions, narrated solutions to selected end-of-chapter questions (VideoSolutions), practice quizzes, practice exams, the Connect homework, the Connect quizzes, the Connect exams, the Connect LearnSmart extra credits, the course gradebook, and much more.

To access Connect (which is where you will submit your online homework, quizzes, exams, and the LearnSmart extra credits), you will need to go to the course website at <http://connect.mcgraw-hill.com/class/acct231fall2012mollberg>, and enter your access code. Save your access code as you may need it again at some point during the course should you experience technical difficulties.

Class and Chapter Schedule:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Chapter | Online Homework Due | Online Quiz Due | Online **PROCTORED** Exam Due | Online LearnSmart ExtraCredit Due | Other |
| 1 | Su9/2 | Su9/2 |  | W12/11 | F8/31 4pm Add/Drop, M9/3 No Class |
| 2 | Su9/9 | Su9/9 |  | W12/11 |  |
| 3 | Su9/16 | Su9/16 |  | W12/11 | Th9/13 4pm-7pm Meet the Firms |
| 4 | Su9/23 | Su9/23 |  | W12/11 |  |
| 5 | Sa9/29 | Sa9/29 | M10/1 Ch1-5 | W12/11 |  |
| 6 | Th10/11 | Th10/11 |  | W12/11 | T10/2 Acctg&AuditingStudentConfTh10/4 Spring Advising |
| 7 | Su10/21 | Su10/21 |  | W12/11 | M10/15-T10/16 No Classes |
| 8 | T10/25 | T10/25  |  | W12/11 |  |
| 9 | T11/1 | T11/1 |  | W12/11 | M10/29 Spring Registration |
| 10 | T11/6 | T11/6 | W11/7 Ch6-10 | W12/11 |  |
| 11 | Su11/18 | Su11/18 |  | W12/11 | W11/14 “W” |
| 12 | T11/29 | T11/29 |  | W12/11 | W11/21, Th11/22, F11/23 No Class |
| 13 (skip Ch14) | Th12/6 | Th12/6 |  | W12/11 |  |
| 15 | T12/11 | T12/11 | Th12/13 Ch11-13,15 | W12/11 | W12/12 Study DayTh12/20 CommencementF12/21 4pm Grades Due |

Please note that each item in Connect has 6/25/12 listed as the starting date, and the date indicated above listed as the ending date. This means that if you so desire, you can work at your own pace, and possibly complete the course before 7/27/12.

**Evaluation Standards/Course Grading Policy:** You are responsible for all the material in Chapters 1-13 & 15 whether or not the Chapter material is specifically covered in class. Your grade for this course will be based on the following points that will be available during the semester:

1. Proctored Examinations (3) 300
2. Online Quizzes (top 12 of 14) 120 **Percentage of total cumulative points**
3. Online Homework (14) 140
4. Projects (2) 60 **A:90%, B+:87%-89%, B:84-86%,**

 620 **B-:80%-83%, C+:77%-79%, C:74%-76%,**

 **C-:70%-73%, D+:67%-69%, D:60%-66%,**

Online LearnSmart Extra Credits (3 points per chapter) 42

Keep a personal record of scores for all examinations, quizzes, homework, and LearnSmart extra credits. You can calculate your grade at any time by dividing your points earned to date by total points possible to date. Periodically, the Instructor will post student point totals in Moodle (your scores in Connect will not automatically show up in Moodle). If any error has been made, it is the student’s responsibility to present written proof of the correct point total as soon as possible after the posting. *That means you should* ***SAVE******ALL*** *of your work until the end of the semester.* If your grade falls below what is acceptable to you, take immediate action. DO NOT WAIT TO SEEK HELP. Consider the following, not necessarily in this order: (1) Are you working more hours and studying less? Can you correct that situation? (2) Form a study group. (3) Do the LearnSmart extra credits, (4) work extra problems and see the Instructor for solutions. (5) seek assistance through the Academic Support Center (go to Flora Frick Room 154, or call 218-477-4318) and (6) finally, ask the Instructor if you do not understand something.

If you are repeating this course, note that only the higher grade will be used to compute your grade point average (GPA). Repeating a course more than once will result in the removal of only one previous grade from the student’s GPA computation. To assure that the GPA is correct, the student must submit a “Repeated Course” form to the Records Office. All course attempts will remain on the student’s permanent academic record.

**Proctored Examinations:** Three (3) proctored examinations, with time limits, must be taken online in Connect no later than the dates indicated on the Class and Chapter Schedule. Late examinations will be scored zero. A proctor is someone approved by the Instructor who will make sure you use no books, notes, or other aids during the examinations. Note that the Instructor must send your Proctor a password before you can access your examinations. Please be prepared to show your proctor a picture identification card before each proctored examination. Also, remember to bring a pencil and a simple-function calculator to all proctored examinations. Cell-phones, smart phones, translators, and other electronic devices cannot be used during the examinations. Proctors will be permitted to provide you with a blank piece of paper, which should be returned to the proctored (who will destroy) following the examination.

You have three choices in selecting a proctor:

1) Instructor can be your proctor on any Monday between 3:00pm and 7:00pm (keeping in mind that Instructor will leave promptly at 7:00pm so plan your arrival accordingly),

2) MnSCU test proctoring services may be available at a campus located near your home. A list of MnSCU test proctoring centers in Minnesota can be found at [http://minnesotaonline.org/index.html](http://minnesotaonline.org/index.html%20). For example, the proctoring center at the Minnesota State Community and Technical College Moorhead Library, 1900 28th Ave S, Moorhead MN 56560, phone 218-299-6530, email Mhd-LibProctor@minnesota.edu (they ask that you call and make an appointment a few days before your exam, they remind you their hours may vary due to holidays, weather or illness, and they remind you that if you cannot make your scheduled time they are unable to guarantee that you will be able to test just by dropping in),

3) other options (subject to Instructor approval), for students living anywhere in the US or abroad: a) Most public libraries, universities and colleges will proctor exams, b) National College Testing Services ( <http://www.ncta-testing.org/cctc/find.php>) will proctor exams for a fee, c) Sylvan Learning Center has a branch called ‘Prometric’ which does proctoring and assessment. The last time I checked the cost was $20 /hour with advanced appointment required (local address is 901 28th St S, Fargo, North Dakota 58103: local phone is 701-293-1234). Other test center locations can be found by visiting <http://tutoring.sylvanlearning.com/>.

Please email the Instructor as soon as possible (but no later than Monday September 10th) with your proctoring plans for all three proctored examinations. Include your proctor contact information (proctor name, proctor’s employers name, proctor address, proctor title, proctor phone number, proctor email address, and location where the proctoring will take place). If you want the Instructor to be your proctor, send him an email no later than September 10th asking him to be your proctor. Remember, all proctoring arrangements must be approved by the Instructor in advance.

The examinations will typically be a combination of multiple-choice questions and/or short answer problem-solving/essay questions. The last examination will be considered your final examination but will not be comprehensive. Each question will include a space where you can show your work if you want a chance at partial credit. You will not be given partial credit on missed questions, unless you show work that supports the granting of partial credit.

You will not be able to see your examination score immediately upon submission since the Instructor will need to manually grade each question in the examination to determine partial credit, if any. It has been a customary practice of MSUM accounting faculty to NOT allow students to keep old examinations; accordingly, the only way you will be able to review your answers and the solutions to a previously submitted examination will be to contact the Instructor.

**Online Quizzes:** You will be using Connect to submit fourteen (14) online quizzes, of which you can throw out the two (2) lowest scores. All online quizzes are **DUE BY 11:55pm ON THE ONLINE QUIZ DUE DATE** for each Chapter as per the Class and Chapter Schedule. Late quizzes will be scored zero. You are expected to do the online quizzes on your own without the help of others. You will be allowed only one attempt and will be subject to a time limit on all quizzes.

Note that many of the questions in Connect (whether in exams, quizzes or homework) are algorithmic (meaning your current version of the question has the same words as another student, but your numbers are different).

You can review your answers and the solutions to a previously submitted online quiz by clicking on the particular quiz in the Connect gradebook. Note that a particular quiz (or homework) in Connect might be worth (for example) 90 points according to Connect. However, when Instructor transfers that particular score over to Moodle, he will convert to a 10-point scale (since all quizzes and homework are worth 10 points each per the syllabus).

**Online Homework***:* You will be using Connect to submit fourteen (14) online homework sets. All homework is **DUE BY 11:55pm ON THE ONLINE HOMEWORK DUE DATE** for each Chapter as per the Class and Chapter Schedule. You are expected to do the homework in a study group or on your own. Each student must submit his/her own homework to get credit. Late homework will be scored zero. **NOTE:** You can attempt the homework an unlimited number of times (but remember the numbers may change in algorithmic problems). You can also check your answers as you go. You can also print out the homework in advance. There are no time limits on homework, so you can start homework, leave the site, and return later to complete, starting where you left off.

Each homework assignment is organized by learning objective, consisting of short interactive presentations (most imbedded with questions which are graded), and other brief exercises, exercises, or problems (all of which are also graded).

You can review your answers and the solutions to a previously submitted online homework by clicking on the particular homework in the Connect gradebook. Since you can attempt homework an unlimited number of times, you might want to attempt the homework, see what you did wrong, and then retry for a better grade.

**Projects:** Instructor will post two (2) projects on Moodle later in the semester for student to complete, then upload using a Moodle dropbox. The projects will apply concepts learned in the course.

**Online LearnSmart Extra Credits:** LearnSmart is an adaptive learning system designed to help students learn faster, study more efficiently, and retain more knowledge for greater success. You can learn up to 3 points extra credit by completing the chapter LearnSmart exercise in Connect. All LearnSmart extra credits are **DUE BY 11:55pm ON FRIDAY 12/11/12**. You are expected to do these on your own. Late submissions will be scored zero. **NOTE:** You can attempt the LearnSmart exercises an unlimited number of times. There are no time limits for LearnSmart exercises.

**Course Outline:**

1. Managerial accounting overview, including differences between financial accounting and managerial accounting, relevance of managerial accounting to various careers, CMA, skills managers need, and importance of ethics.
2. Managerial accounting concepts, including introduction to general cost classifications (manufacturing versus non-manufacturing, product versus period, fixed versus variable versus mixed, direct versus indirect, differential, opportunity, and sunk costs), analysis of mixed costs (using scatter-graph and high-low methods), and preparation and analysis of traditional and contribution margin income statemen­­­­ts.
3. Introduction to job-order costing, including job-cost sheets and flow of costs in job-order costing systems, computation and analysis of predetermined overhead rates, applying overhead, disposition of under-applied or over-applied overhead, preparation of cost of goods sold and cost of goods manufactured schedules, and computation of unit costs.
4. Overview of process costing, including comparison to job-order costing, flow of costs in process costing systems, computing departmental overhead rates and contrasting departmental rates with plant-wide rates.
5. Cost-volume-profit basics, including calculation of contribution margin and contribution margin ratio, consideration of CVP relationships in equation and graphic forms, break-even and target profit analysis, and assumptions of CVP analysis (including sales mix).
6. Overview of variable costing, including reconciliation between variable and absorption costing, and preparation and analysis of segmented income statements (including segment margin, traceable fixed costs, and common costs).
7. Activity-based costing concepts, including defining activities, assigning overhead costs to activity cost pools, assigning costs in activity cost pools to cost objects, computation of product margins, and comparison of product margins using ABC to product margins using other allocation methods, and computation of customer margins.
8. Basics of budgeting, including advantages, consideration of human factors in budgeting, process of preparing the master budget, and budget versus actual analysis.
9. Introduction to flexible budgets, including preparation and analysis of activity and revenue/spending variances, and preparation of flexible budgets with multiple cost drivers.
10. Introduction to standard costs and variance analysis, including development of standards, and calculation and interpretation of material quantity variances, material price variances, labor efficiency variances, labor rate variances, and variable overhead variances, and introduction to management by exception.
11. Advantages and disadvantages of decentralization, accounting for decentralized management responsibility centers, evaluation of investment center performance using return on investment (including DuPont formula) and residual income, and overview of other operating performance measures.
12. Identification of relevant benefits and costs, overview of total and differential approaches, application of relevant costing to add/drop product line/segment decisions, make or buy decisions, special order decisions, and sell or process further decisions, and managing constrained resources.
13. Basics of capital budgeting decisions, including time value of money approaches (net present value and internal rate of return methods), and non-time value of money approaches (payback and accounting rate of return methods), and ranking of investment projects.
14. Financial statement analysis, including vertical and horizontal analysis, ratio analysis (ratios used by common stockholders, short-term creditors and long-term creditors).

**Other:**

**School of Business Mission:** We provide a quality undergraduate business learning experience designed to prepare students for successful and responsible careers. Faculty intellectual contributions are focused on learning and pedagogical research, discipline-based scholarship and contributions to practice. Through involvement in professional activities, the faculty also serves students, the University, and the community.

**School of Business Student Learning Goals:** Students who graduate from Minnesota State University Moorhead with a major from the School of Business should be able to:

-Exhibit basic knowledge of business principles and processes

-Write in a clear and professional manner

- Prepare and deliver an effective business presentation

-Identify and analyze ethical issues in a professional context

-Demonstrate basic understanding of business from a global perspective

**Time Requirements:** Each student should expect to spend a minimum of 8-9 hours per week in preparation. This includes reading the text, completing the homework and quizzes, and reviewing for examinations; anything less and you will be depriving yourself from obtaining your best grade.

**Emergency Procedures:** If required to evacuate a classroom or building during an examination proctored by Instructor, students are to proceed to a clear and safe area away from the evacuated site. Take all personal belongings with you. If the emergency procedure occurs during an examination, the examination may be suspended and a new examination may be given at a later date.

**General:** The course syllabus is subject to change. In particular, use the due dates in Moodle and/or Connect if different than the dates in this syllabus. In the event of a change, an announcement will be made in Moodle and/or Connect, or through an email. It is the responsibility of the student to keep current and develop a clear understanding of all course policies.

**Academic Honesty:** The University expects all students to represent themselves in an honest fashion. In academic work, students are expected to present original ideas and give credit to the ideas of others. The value of a college degree depends on the integrity of the work completed by the student. When an Instructor has convincing evidence of cheating or plagiarism, the following actions may be taken: assign a failing grade for the course in which the student cheated or Instructors may choose to report the offense, the evidence, and their action to the Dean of their college or the Vice President for Academic Affairs. If the Instructor (or any other person) feels the seriousness of the offense warrants additional action, the incident may be reported to the Student Conduct Committee through the Student Support Services Office. The Student Conduct Committee will follow procedures set out in the Student Conduct Code. After its review of the case and a fair, unbiased hearing, the Student Conduct Committee may take disciplinary action if the student is found responsible (see Student Conduct Code for details).

A student who has a course grade reduced by an Instructor because of cheating or plagiarism, and who disputes the Instructor’s finding, may appeal the grade, but only using the Grade Appeal Policy, which states that the student must prove the grade was arbitrary, prejudicial, or in error.

**Flood Policy:** In the event of short-term campus closure, and unless otherwise notified, all instructors are required to continue engaging their enrolled students in instruction by using alternative methods of interaction. For this class, the methods of communication with students will be via Moodle, Connect, or email. I would encourage students to make sure they have access to Moodle, Connect, and email, and that they check them periodically for updates. Future assignments (homework, quizzes, examinations, and LearnSmart extra credits) will be assigned through Moodle, Connect, and/or email. Students will still need to complete homeworks, quizzes, examinations, and LearnSmart extra credits by the applicable dates as specified in Moodle, Connect, and/or email.

If you have not already done so, you are encouraged to sign up for the E2Campus emergency notification system (<http://www.mnstate.edu/security/>) which will be used to notify students about class cancellations and other emergency-related information.

**Special Accommodations:** Students with disabilities who believe they may need an accommodation in this class are encouraged to contact Greg Toutges, Coordinator of Disability Services at 477-4318 (Voice), 1-800-627-3529 (MRS/TTY), toutges@mnstate.edu, Flora Frick 154C, as soon as possible to ensure that accommodations are implemented in a timely fashion.

I hope you have an enjoyable learning experience. Good luck!