

***Kuwait University***

***College of Business Administration***

***Accounting Department***

**Course Syllabus**

**ACCT 214: Introduction to Costs and Managerial Accounting**

**Spring 2021 – Online Class**

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**Class hours**: Sunday – Tuesday - Thursday (S-T-T)

**From:** 2:00pm to 2:50pm (53)

3:00pm to 3:50pm (55)

**Place**: MS Teams Platform

**Office Hours:** by appointment

**CBA Vision:**

*To be the leading provider of quality business education in the region.*

**CBA Mission:**

*As part of Kuwait University, the leading national institution of higher education, the College of Business Administration is committed to providing quality business education, engaging in research and community services to contribute to the socio-economic development of the country.*

# Course Description

This is an introductory course which introduces a framework of cost and managerial accounting that emphasizes the role of accounting information for managerial purposes. The aim is to introduce a framework of cost and managerial accounting that emphasizes the role of accounting information management proposes. Since it is a “Core” course for all college students it covers basic methods of cost measurement and reporting the relevant information for planning, control, and decision making. It is also concerned with costing systems within the recent technological environment.

# Course Learning Objectives

The learning objectives for this course, listed below, are mapped to the learning goals of the College of Business Administration Undergraduate Program, which can be found at the end of this syllabus.

After completing this course, the students should achieve the following goals:

1. Coverage of an Overview of Managerial Accounting including objectives of managerial accounting compared to financial accounting.
2. Understanding of basic cost terms, concepts and classifications, along with the importance of identifying cost drivers and the economic concept of cost.
3. Understanding of the role of cost-volume-profit analysis in managerial accounting; application in the case of a single- product and multiple -products firms.
4. Measurement of product cost under variable and absorption costing systems and its impact upon income measurement.
5. Understanding the process of preparing the Master Budget.
6. Role of cost in decision-making; the concept of relevant cost and taking short-term decisions.
7. Introduction to capital budgeting decisions.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Course Learning Objectives** | **Analytical Competency** | **Communication Competency** | **Information Technology Competency** | **Ethical Competency** | **General Business Knowledge** |
| 1 |  |  |  |  | I |
| 2 | A |  |  |  | I |
| 3 | A |  |  |  | I |
| 4 | A |  |  |  | R |
| 5 | A |  |  |  | I |
| 6 | A | I |  |  | I |
| 7 | A |  |  |  | I |

Table 1: Mapping Course Learning Objectives to CBA Skill Based Competency Goals.

Type of Emphases are:

**(I)ntroduce**: Students will be introduced to the skill and their grasp of it assessed in the course.

**(A)pply:** The course will not cover the skill. Students should have a high-level grasp of the skill and are required to apply it in the course.

**(R)einforce:** Students should have an introductory-level grasp of the skill and the course will improve their mastery to a higher level.

# Policies

***You are responsible for knowing these policies***

***“I didn’t know” is not an excuse***

* ***Respect.*** Respect is number one priority. Show respect and you will be treated with respect. Do not chit chat in class, do not use cell phone in class, come prepared and show you did some effort.
* ***Cheating***. All of the following acts will be considered as cheating:
* Presenting work that you copied from someone else as yours
* Looking over someone else's exam during the exam or quizzes
* Using your mobile phone during exams or quizzes (regardless of what are you using it for)
* Communicating with anyone else during any quiz or exam
* Talking to someone during the exam (online exams)
* Looking at someone during the exam and waiting for answers (online exams)
* **Punishment for cheating is as follows (from the university guidelines)**
  + Students will be given an F in this class (and maybe F for ALL other classes)
  + Students can also be denied class registration for the next semester
* ***Make-up Exams.*** No make up exams will be given, instead I will review the situation and either use the final exam grade or double an existing grade. This will only be done with a University approved excused absence.
* ***Disability***. Any student who has a need for accommodation based on the impact of a disability should contact me privately to discuss the specific situation NO later than the first week. You should contact the Dean of Students Affairs Office for proper documentation to maintain an individualized service plan of accommodations

# Class Materials

A lighthouse in the water

Description automatically generated with low confidence

**Required Text:** Garrison, Noreen, & Brewer Managerial Accounting, 16th Edition, McGraw- Hill, 2018.

**Course Website**

**Most** of the exams, assignments and quizes will be through Moodle. It is your responsibility to check the Moodle website for assignments/quizes and their due dates. In addition your grades for the course will be found inside Moodle.

<https://moodle.ku.edu.kw/login/index.php>

# Grading

The grades for this class are distributed as follows:

|  |  |
| --- | --- |
| Grade | Activity |
| 30 | Quiz Exams (online)   * + - 5 on chapters 0,1     - 5 on chapter 5     - 5 on chapter 6     - 5 on chapter 8     - 5 on chapter 12     - 5 on chapter 13 |
| 5 | Attendance / participation / attention |
| 25 | Midterm (1 midterm only midcourse) – date TBD |
| 40 | Final Exam |
| **100** | **Total** |

# Grades will be posted regularly on my your grades section in Moodle Platform under you class section. <https://moodle.ku.edu.kw/login/index.php>

# Grade distribution

|  |  |
| --- | --- |
| Range | Grade |
| >= 95 | **A** |
| 90-94 | **A-** |
| 87-89 | **B+** |
| 83-86 | **B** |
| 80-82 | **B-** |
| 77-79 | **C+** |
| 73-76 | **C** |
| 70-72 | **C-** |
| 65-69 | **D+** |
| 60-64 | **D** |
| <= 59 | **F** |

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# Tentative Class Outline\*

|  |  |  |
| --- | --- | --- |
| Week | Chapter | **Topics**  **Pages** |
| 1 | Prologue | Managerial Accounting: An Overview ***What is Managerial Accounting…………………………………………………….........2-5***  ***Why does managerial accounting matter to your career…...……………………………5-8*** |
| 2&3 | 1 | **Managerial Accounting and Cost Concepts**  ***Cost classifications for assigning costs to cost objects………………………………...25-26***  ***Cost classifications for manufacturing companies...………………………………….26-28***  ***Cost classification for preparing financial statements...…..………………………….28-30***  ***Cost classification for predicting cost behavior …………………………..…………..30-36***  ***Cost classification for decision making.…………...………………………………….37-38***  ***Using different cost classifications for different purposes..……………………...….. 38-40*** |
| 4,5&6 | 5 | **Cost-Volume-Profit Relationships**  ***The basics of Cost-Volume-Profit (CVP) Analysis …………………………..…….198-209***  ***Target profit and break-even analysis …………………….………………………. 210-214***  ***CVP considerations in choosing a cost structure ……………………..………….. 214-217***  ***Structuring sales commission ………………………….....……………………………. 218***  ***Sales mix ……………………..………………………………………… ………… 218-220***  ***Appendix 5A: High-low method...……………………………………… ………… 243-244*** |
| 7&8 | 6 | **Variable Costing and Segment Reporting: Tools for Management**  ***Overview of variable and absorption costing ……………………..………………. 258-259***  ***Variable and absorption costing – an example …………………………………… 260-263***  ***Reconciliation of variable costing with absorption costing income …………….... 264-266***  ***Advantages of variable costing and the contribution approach ……………..…… 266-268*** |
| 9&10 | | 8 | **Master Budgeting**  ***Why and how do organizations create budgets..………...………………………… 363-365***  ***The master budget an overview………………..………...………………………… 365-368***  ***Preparing the master budget (excluding income statement and balance sheet .…..368-384*** |
| 11&12 | | 12 | **Differential Analysis: The Key to Decision Making**  ***Decision making six key concepts. …………………….....……………………….. 561-563***  ***Identifying relevant costs and benefits an example...….....……………………….. 563-565***  ***Decision analysis the total cost and differential cost approaches..……………….. 565-567***  ***Adding and dropping product lines and other segments …………………………. 568-571***  ***Make or buy decision ………………...……….…………………………………….571-575***  ***Special orders decisions.…………...………………………………………………. 575-576*** |
| 13 &14 | 13 | **Capital Budgeting Decisions**  ***Capital Budgeting – an overview………….……………………..………………….633-634***  ***The payback method……………………….……………………..………………….635-637***  ***The net present value method ………………………………………………………638-643***  ***The internal rate of return method …………………………………………………644-646***  ***Expanding the net present value method ………………….………..…………….. 646-648***  ***Uncertain cash flows ………………………………….……………..…………….. 649-650***  ***Preference decisions – the ranking of investment projects..………..…………….. 650-651***  ***The simple rate of return ……………………………..……………..…………….. 651-653*** |

\* This tentative schedule is subject to changes.

**CBA Competency Goals**

1. **Analytical Competency:**A CBA graduate will be able to use analytical skills to solve business problems and make a well-supported business decision.

**Student Learning Objectives:**

* 1. Use appropriate analytical techniques to solve a given business problem.
  2. Critically evaluate multiple solutions to a business problem.
  3. Make well-supported business decisions.

1. **Communication Competency:**A CBA graduate will be able to communicate effectively in a wide variety of business settings.

**Student Learning Objectives:**

* 1. Deliver clear, concise, and audience-centered presentations.
  2. Write clear, concise, and audience-centered business documents.

1. **Information Technology Competency:**A CBA graduate will be able to utilize Information Technology for the completion of business tasks.

**Student Learning Objectives:**

* 1. Use data-processing tools to analyze or solve business problems.

1. **Ethical Competency:** A CBA graduate will be able to recognize ethical issues present in business environment, analyze the tradeoffs between different ethical perspectives, and make a well-supported ethical decision.

**Student Learning Objectives:**

* 1. Identify the ethical dimensions of a business decision.
  2. Recognize and analyze the tradeoffs created by application of competing ethical perspectives.
  3. Formulate and defend a well-supported recommendation for the resolution of an ethical issue.

1. **General Business Knowledge:**A CBA graduate will be able to demonstrate a basic understanding of the main business disciplines’ concepts and theories.

**Student Learning Objectives:**

* 1. Acquire a fundamental understanding of knowledge from the main business disciplines (e.g. finance, accounting, marketing, and management information systems, among others).