



Kuwait University
College of Business Administration
Department of Accounting



Course Syllabus
Acct 214 – Introduction to Cost and Managerial Accounting

Dr. Yahya Abdullah

Spring 2025

Lecture time and location

Acct 214/ 04A : 24, 11:00 am, D2 1001

Acct 214/ 05A : 24, 2:00 pm, D2 1017

Contact Information

Location: Department of Accounting – 4th Floor

Email: Yahya.abdullah@ku.edu.kw

Office hours: Wednesday at 12:15 pm, S-04 1040, or by appointment.

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 Objectives

The learning outcomes for this course, listed below, relate to the learning goals of the College of Business Administration Undergraduate Program, which can be found in the appendix at the end of this syllabus. The numbers in parenthesis indicate to which specific learning goal the outcome relates.

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

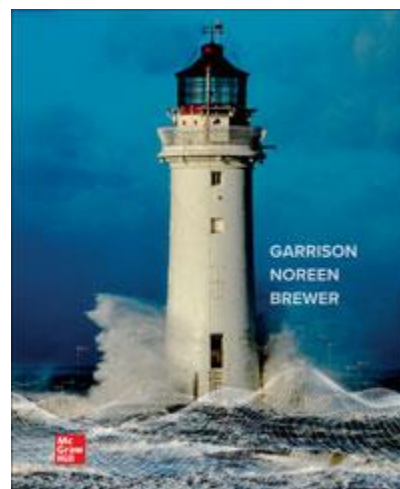
1. Coverage of an Overview of Managerial Accounting including objectives of managerial accounting compared to financial accounting. (LO5).
2. Understanding of basic cost terms and concepts along with the importance of identifying cost drivers and the economic concept of cost. (LO2 & 5)
3. Understanding the cost behaviors and the several techniques used for cost estimations: accounts classification, high-low method, regression analysis. (LO 2 & 5)
4. Understanding of the role of cost-volume-profit analysis in managerial accounting; application in the case of a single- product and multiple -products firms. (LO2 &5)
5. Measurement of product cost under variable and absorption costing systems and its impact upon income measurement. (LO2 &5)
6. Understanding the process of preparing the Master Budget. (LO2 &5)
7. Introducing standard cost and performance measurement; variance analysis of prime costs (Materials and labor). (LO2 &5)
8. Role of cost in decision-making; the concept of relevant cost and taking short-term decisions. (LO2 &5)
9. Understanding of the analytical techniques for transfer pricing between departments and its relation with performance evaluation. (LO2 &5)
10. Understating the role of cost in pricing decisions, and the different methods used to determine the prices. (LO2 &5)
11. Introduction to capital budgeting decisions. (LO2 &5)

Class Materials

Required Text: *Garrison, Noreen, & Brewer Managerial Accounting, 18th Edition, McGraw-Hill, 2023.*

ISBN10: 1266634509

ISBN13: 9781266634505



Course Requirement Policies

You are responsible for knowing these policies

“I didn’t know” is not an excuse

- **Classroom Conduct**

Using your phone (or any electronic device, unless for taking notes with the slides) and talking in class is distracting and disrespectful to your fellow colleagues and professors.

- Inappropriate and disruptive classroom behavior might lead to your dismissal from class.

- **Attendance**

Please arrive on time. Attendance will be taken within *five minutes*.

Every Student in this course must abide by the Kuwait University policy of attendance (published in the Student Guide, chapter 3, section 13). A copy of the student guide can be accessed on: http://www.kuniv.edu/cs/groups/ku/documents/ku_content/kuw055940.pdf

- **Participation**

It is very important that students are prepared for each class period. The quality of our classroom discussions in large part depends on you and your preparation for class. Your questions help me explain the material effectively.

- **Cheating and Plagiarism**

Every student in this course must abide by the Kuwait University Policy on Cheating and Plagiarism (Published in the student guide, chapter 3, section 2). A copy of the study guide can be accessed online on:

http://www.kuniv.edu/cs/groups/ku/documents/ku_content/kuw055940.pdf

- **Make-up Exams:**

Make-up Exams will be given for missed exams only in cases of a University-approved excused absence. You must contact me **before the exam** to notify me of your inability to take the exam. Otherwise, no make-up exams will be granted.

- **Communication:**

Class announcements will be posted on Teams. Please do not message me on teams, as I do not check those chats. If you need to communicate with me, I will **ONLY** respond to emails sent from university email addresses (@ku.edu.kw). Ensure that the subject of your email includes the **course number** and the class **starting time**.

- **Disability:**

Any student who has a need for special accommodation 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 accommodation

Student Evaluation

The grades for this class are distributed as follows:

Grade	Activity
13	Quizzes
4	Assignments and Participation
3	Excel Assignment
20	First Midterm – 17/03/2025, 7:30 PM
20	Second Midterm – 14/04/2025, 12:30 PM
40	Final Exam – Wednesday, 25/05/2025, 5:00-7:00 pm
100	Total

NOTE:

The weight of the scores may change.

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

Tentative Class Outline*

Week	Chapter	Topics Pages
1	Prologue	<u>Managerial Accounting: An Overview</u> <i>What is Managerial Accounting</i>2-5 <i>Why Does Managerial Accounting Matter to Your Career</i>5-8
2-3	1	<u>Managerial Accounting and Cost Concepts</u> <i>Cost Classifications for Assigning Costs to Cost Objects</i> 25-27 <i>Cost Classifications for Manufacturing Companies</i> 27-28 <i>Cost Classification for Preparing Financial Statements</i> 29-30 <i>Cost Classification for Predicting Cost Behavior</i> 31-36 <i>Cost Classification for Decision Making</i>37-39 <i>Using Different Cost Classifications for Different Purposes</i> 39-40
4-6	5	<u>Cost-Volume-Profit Relationships</u> <i>CVP Analysis: The Foundational Tools</i>195-200 <i>CVP Analysis: Focusing on Unit Sales</i> 200-202 <i>Break-Even and Target Profit analysis</i> 203-207 <i>CVP Analysis: Expanding Our Focus to Four Profit Levers</i> 207-211 <i>Prepare and Intercept a CVP and a Profit Graph</i>211 -213 <i>Multiproduct Break-Even Analysis</i> 214-217 <i>Appendix 5A: Analyzing Mixed Costs and the High-low method</i> 237-240
7	6	<u>Variable Costing and Segment Reporting: Tools for Management</u> <i>Overview of Variable and Absorption costing</i> 254-259 <i>Reconciliation of Variable Costing with Absorption Costing Income</i> 259-261 <i>Advantages of Variable Costing and the Contribution Approach</i> 261-263 <i>Segmented Income Statements and the Contribution Approach</i> 264-270 <i>Segmented Income Statements – Decision Making and Break-Even Analysis</i> 270-272 <i>Segmented Income Statements – Common Mistakes</i> 273
8-9	8	<u>Master Budgeting</u> <i>Why and How Do Organizations Create Budgets</i> 354-355 <i>The Master Budget: An Overview</i> 355-357 <i>Preparing the Master Budget - excluding The Ending Finished Goods Inventory Budget and The Budgeted Balance Sheet LO (8-2, 8-3, 8-4, 8-5, 8-6, and 8-8)</i>358-373
10-11	13	<u>Differential Analysis: The Key to Decision Making</u> <i>Decision Making Six Key Concepts</i> 567-568 <i>Identifying Relevant Costs and Benefits: An Example</i> 569-571 <i>Adding and Dropping Product Lines and Other Segments</i> 571-573 <i>Sourcing Decisions</i> 573-576 <i>Special Orders Decisions</i> 577 <i>Volume Trade-Off Decisions</i> 578-582 <i>Joint Product Costs and Sell or Process Further Decisions</i> 583-586
12 -13	14	<u>Capital Budgeting Decisions</u> <i>Capital Budgeting – An Overview</i>631-632 <i>The Payback Method</i> 632-636 <i>The Net Present Value Method</i> 636-641 <i>The Internal Rate of Return Method</i>642-643 <i>Expanding the Net Present Value Method</i> 643-645 <i>Uncertain Cash Flows</i> 646-647 <i>Preference Decisions – The Ranking of Investment Projects</i> 647-648 <i>The Simple Rate of Return</i> 649-651 <i>Postaudit of Investment Projects</i> 651

* 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.

Students Learning Objectives:

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

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

Students Learning Objectives:

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

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

Students Learning Objectives:

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

4. **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.

Students Learning Objectives:

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

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

Students Learning Objectives:

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