

**J. Sargeant Reynolds Community College
Course Content Summary**

Course Prefix and Number: ACC 212 **Credit Hours:** 3

Course Title: Principles of Accounting II

Course Description:

Introduces accounting principles with respect to cost and managerial accounting. Focuses on the application of accounting information with respect to product costing, as well as its use within the organization to provide direction and to judge performance. This course was developed as part of statewide standardization process. Lecture 3 hours. Total 3 hours per week. 3 credits

General Course Purpose:

This course is designed to give students a general understanding of cost and managerial accounting principles. Students will perform basic managerial accounting analyses to be utilized primarily by management for decision making. It is intended for students whose college and career paths require knowledge of the fundamentals of the managerial accounting concepts which will lead them to better analyze managerial information for manufacturing and service industry operations in a small business and corporate setting.

Course Prerequisites and Co-requisites:

Prerequisite: ACC 211 - Principles of Accounting I

Student Learning Outcomes:

Upon completing the course, the student will be able to

- Critical Thinking
 - Evaluate financial and managerial data to better make decisions that are specific to manufacturing and service industry operations
- Quantitative Reasoning
 - Perform managerial accounting calculation to better understand past manufacturing cost behaviors to best allocate costs and maximize profits
- Communication
 - Analyze and interpret managerial accounting information and learn to communicate information to internal stakeholders of the company such as employees, managers and CEOs.

Major Topics to Be Included:

- Introduction to Managerial Accounting
 - Distinguish managerial accounting from financial accounting
- Job Order Costing
 - Describe the various cost classifications
 - Explain manufacturing in JIT environment
 - Explain product/service costs
 - Record the flow of manufacturing costs in job order costing accounting systems
- Process Cost Systems

- Record the flow of manufacturing costs in process cost accounting systems
 - Calculate predetermined overhead rates and over and under applied overhead
 - Assign costs to cost pools
- Activity-Based Costing & Support Department and Joint Cost Allocation
 - Assign costs to cost pools
 - Calculate activity rates for cost pools
 - Assign overhead to cost objects using activity rates
- Cost-Volume-Profit Analysis
 - Perform and explain the significance of cost-volume-profit analysis
- Variable Costing for Management Analysis
 - Estimate fixed and variable costs using appropriate methods
 - Prepare segmented income statements.
 - Compute unit cost under both absorption and variable costing
 - Reconcile income between variable and absorption costing methods
- Budgeting
 - Describe the budgeting process and the benefits it provides
 - Prepare a master budget
 - Prepare a flexible budget
- Evaluating Variances from Standard Costs
 - Explain the use and development of standard costs
 - Prepare and calculate direct material, direct labor and overhead variances
- Evaluating Decentralized Operations
 - Evaluate investment center performance
 - Differentiate cost, profit and investment centers
- Differential Analysis and Product Pricing
 - Describe relevant costs that are helpful in decision-making
 - Prepare analyses of manufacturing decisions such as make or buy, special orders, sell or process further, retain or eliminate a product or service
- Capital Investment Analysis
 - Evaluate capital investment proposals by using accounting rate of return, payback method, net present value, internal rate of return and profitability index
 - Prepare projected cashflow and a capital budget
- Lean Manufacturing and Activity Analysis
 - Explain the Theory of Constraints in relationship to limited resources
- The Balance Scorecard and Corporate Social Responsibility
 - Describe the balanced scorecard approach

Effective Date/Updated: November 13, 2024