



**The REACH Program of
Trinity International University**

BUS 360
Managerial Accounting

Student's Manual 3.0

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I. Course Description

The acquisition, analysis, and reporting of accounting information is examined from the perspective of effective management decision making with special emphasis on the planning and control responsibilities of practicing managers. *Three hours.*

II. Course Overview

This course focuses on the manager's use of financial accounting data rather than the technical preparation of accounts or financial statements. The fundamental goal of this course is to provide future managers with tools to use accounting information to make business decisions. Accounting is often referred to as the "language of business." This is so because much of the information about a company and its operations is denominated in the structure and terminology of accounting. Before we can understand the financial results of a company's operations, we must have an understanding of underlying financial accounting concepts.

The course provides the student with a basic business vocabulary and an understanding of financial concepts and quantitative tools commensurate with what would be expected of a competent manager in a for-profit or nonprofit context.

We will start this course by learning basic financial terms and the most commonly used financial statements, including various types of accounts. Once this foundation is established, we will study the actual elements of financial data: assets, liabilities, revenues, and various types of costs. We will understand how the time value of money impacts most financial decisions.

This course will then analyze typical cost structures in modern business, how those costs often behave and can be predicted, and how cost standards can be developed and applied to future periods. This course will include a study of common financial ratios and their meaning with an emphasis on how such ratios can be used by internal decision makers.

We will build upon these ideas by studying accounting concepts such as fixed costs, variable costs, and overhead. These phenomena will be applied to a variety of tools and techniques including forecasting, break even analysis, budgeting, and variances.

It is always appropriate to blend business and financial topics with general business ethics and Biblical principles. This course will incorporate a discussion of how ethics and Biblical authority can be applied to financial concepts, and we will discuss the various temptations, motivations, and opportunities that exist to manipulate financial data.

III. Course Materials

1. Required

- a. Fundamental Accounting Principles (2009). New York, NY: McGrawHill/Irwin. ISBN: 13:978-0-07-337954-8
- b. A basic financial calculator. Instructor recommends a Texas Instruments BA-II Plus (Preferred) (\$30) or a Texas Instruments BA-20 (\$15)

2. Recommended

- a. Optional materials as assigned by Instructor

IV. Course Policies

1. APA Documentation

All written work (e.g. worksheets/essay questions, reflection papers, final projects, etc.) in the REACH Program must conform to the APA parenthetical notation style (please consult *A Pocket Style Manual* listed above). This includes:

- an APA title page (including a running header and page number)
- an “Abstract” page with a 1-2 paragraph summary of your paper (an abstract is only necessary for your Applied Learning Papers, but not for your smaller assignments)
- In-text citations (with author(s), date, and page number (if applicable))
Note Well: Even discussion board postings and PowerPoint presentations, for example, must use in-text citations when you cite another person’s work or ideas.
- a “References” page (it is not called a “bibliography”)
- one inch margins
- 12 point font
- double spaced

Failure to use and cite others’ work or ideas properly will lead to charges of academic dishonesty. See below for more information.

2. Academic Integrity

As a member of the Trinity community, we ask you to hold yourself and others to the highest standards of academic integrity and honesty. Violations take many forms, which include, but are not limited to, the following:

- Plagiarism: using another’s work or ideas without proper documentation, which requires citing the author or authors’ name(s), date of publication, and page number (if applicable)
- Cheating: using notes, books, or crib sheets during closed-book quizzes or exams, or copying from another’s student’s work
- Submitting Previous Work: submitting your work that was previously turned in for credit
- Ghosting: writing a paper or taking a quiz (or any other evaluation) in place of another student
- Aiding and Abetting: helping others to commit acts of academic dishonesty, or failing to report those who have or plan to commit dishonest acts

Faculty members will investigate all violations of academic integrity, whether deliberate or non-deliberate. If a violation is confirmed, the student may receive an “F” for the assignment and the course. In such a case, the student may not drop the course. The faculty member will document the case of dishonesty, explaining the incident and the action taken. The Associate Dean of Nontraditional Education will receive a copy of this

report, and a copy will be placed in the student's file. In serious cases of academic dishonesty, the Associate Dean may choose to meet with the student and faculty member to review the case. Multiple violations may lead to a student's dismissal from the program.

3. Late Work

All assignments must be turned in on or before the date they are due. Any assignment turned in late will be deducted as follows:

- a. 10% off for up to one day late
- b. 20% off for up to two days late
- c. assignments more than two days late will receive a zero

An extension on the time needed to submit final course requirements (such as the ALP) will be granted only in unusual circumstances and if the instructor and the Associate Dean grant the request.

4. Attendance Policy

Because of the accelerated and collaborative nature of the REACH courses, students are required to attend every class session. Missing a single class means a significant portion of contact with the instructor and the learning community has been lost.

For face-to-face courses, students missing one class session will be penalized between one-half and one full letter grade. Students missing two class sessions will receive an "F" for the course. Any student missing more than 30 minutes of a course session will be considered absent for the full course session.

For online courses, students must participate actively in class discussions and activities. Failure to do so will result in a grade reduction of one-half to a full letter grade at the discretion of the instructor.

5. Basic Writing and Speaking Proficiency

The REACH Program expects you to maintain basic standards of writing and speaking proficiency. If you believe you need support in one or both areas, please contact your academic advisor and/or use the resources in the following section.

V. Course Outcomes

At the end of this course, students will:

1. Possess a basic financial vocabulary and be conversant in common financial topics.
2. Be able to analyze basic financial statements employing such tools as ratio and trend analysis.
3. Identify typical costs behavior patterns.
4. Be able to employ common analytical tools to solve business problems such as break even and financial optimization scenarios.
5. Be able to employ present value tables to calculate present and future value.
6. Explain basic budgeting concepts.
7. Be able to apply ethical and Biblical considerations to financial decision making.

VI. Course Requirements

1. Class participation (20 points each session)	120 points
2. Weekly homework assignments (6 @ 50 points each)	300 points
3. Special assignments 1-6 (6 @ 100 points each)	600 points

Total Points = 1,020

Note Well: A good faith, complete attempt at all weekly homework assignments (see #2 above) will earn full credit. “Special assignments” (see #3 above) must be accurate to receive full credit. Partial credit will be earned based on the quality of the answer.

VII. Grading Scale

Your final course grade will be based on the total number of points that you earn throughout the course:

Percentage	Grade
92-100	A
90-91	A-
88-89	B+
82-87	B
80-81	B-
78-79	C+
72-77	C
70-71	C-
68-69	D+
62-67	D
60-61	D-
0-59	F

VIII. Course Schedule

Session One Overview

Outcomes for Session One

At the end of this session, the students will be able to..."

1. Identify common business/financial terms and be able to recall simple definitions such as "asset", "liability", "revenue", "income", "profit", "gross margin", and "equity."
2. Identify the components and uses of the standard financial statements: Balance Sheet, Income Statement, and Statement of Cash Flows.
3. Discuss basic elements of GAAP and define accrual basis accounting.
4. Apply Biblical and ethical analysis to common financial decisions.

Assignments Due for Session One

1. Read Chapters 1, 3, and 4
2. Complete Exercises 1-4, 1-7, 1-13 (prepare BOTH the income statement and the balance sheet), 3-7, 3-9

Session Two Overview

Outcomes for Session Two

"At the end of this session, the students will be able to..."

1. Perform trend analysis to evaluate multiple period financial statements.
2. Perform horizontal analysis to evaluate a business' income statement.
3. Understand the concepts of profitability, liquidity, solvency, and financial efficiency.
4. Calculate common financial ratios to evaluate/differentiate financial statements and understand the underlying meaning of common financial ratios.
5. Competently use a financial calculator to perform common business calculations.
6. Appreciate the concept of maximization of shareholder value and its place in financial decision making.

Assignments Due for Session Two

1. Read Chapter 17
2. Review, in particular, Exhibit 17.16 "Financial Statement Analysis Ratios."

If necessary, review detailed ratio explanations as follows:

- | | |
|-----------------------------------|---------------|
| i. Current Ratio: | Pages 147-148 |
| ii. Accounts Receivable Turnover: | Page 372 |
| iii. Inventory Turnover: | Page 236 |
| iv. Days' Sales Uncollected: | Page 332 |
| v. Days' Sales in Inventory: | Page 237 |
| vi. Debt to Equity Ratio: | Page 564 |
| vii. Times Interest Earned: | Page 447 |
| viii. Gross Profit Margin: | Page 193 |
| ix. Profit Margin: | Page 106 |

3. Complete Quick Study 17-6
4. Complete Exercises 17-1, 17-3 (only compute gross profit margin and profit margin)

Session Three Overview

Outcomes for Session Three

“At the end of this session, the students will be able to...”

1. Identify costs as either direct, indirect or other.
2. Identify and graph fixed, variable, and step costs.
3. Draw a cost-volume-profit chart for a given set of facts.
4. Compute break even problems in dollars and units.

Assignments Due for Session Three

1. Read Chapters 18 and 22
2. Complete Quick Studies 18-5, 18-6, 22-1, 22-2
3. Complete Special Assignment #1: Financial statement analysis project as assigned by instructor

Session Four Overview

Outcomes for Session Four

“At the end of this session, the students will be able to...”

1. Explain the role and importance of cash to any financial entity.
2. Appreciate and explain the role of internal control in any organization.
3. Use present and future value tables to compute present and future value in a variety of settings.
4. Compute investment income for a given set of facts.
5. Employ various capital budgeting tools (payback, NPV) to make business decisions.
6. Explain the basic characteristics of bonds and their behavior.

Assignments Due for Session Four

1. Complete Special Assignment #2: Problem 22-2A and Problem 22-4A
2. Read Chapters 8 (pp. 314 to 322) and 25
3. Complete Exercises 25-1, 25-5

Session Five Overview

Outcomes for Session Five

“At the end of this session, the students will be able to...”

1. Compute common statistical values for a given set of data.
2. Understand standard costs and their role in managing and budgeting.
3. Understand the role of budgeting as a management tool and how to prepare simple budgets.
4. Perform common financial optimization calculations and apply them to real life situations.

Assignments Due for Session Five

1. Special Assignment #3: Problem 25-3B
2. Read Chapters 23 and 24
3. Complete Exercises 23-4, 24-2
4. Special Assignment #4: Prepare a one page paper, single spaced response to BTN 23-6 (p. 975).

Session Six Overview

Outcomes for Session Six

“At the end of this session, the students will be able to...”

1. Understand and discuss the basic mechanics of common and preferred stock.
2. Compute common stock ratios.
3. Understand the basics of financial markets.
4. Discuss recent financial scandals and the factors that contributed to them as well as the current regulation environment.
5. Discuss common forms of business and their advantages/disadvantages.

Assignments Due for Session Six

1. Special Assignment #5: Complete Exercises 25-11, 25-12, 25-13
2. Read Chapter 13
3. Complete Quick Studies 13-12, 13-13, 13-14, and 13-15
4. Special Assignment # 6: Complete Exercises 13-1 and 13-5
5. There is no ALP for this course.