**Course Description:**

Managerial Accounting explores how businesses use financial information to make strategic decisions. Learners will develop knowledge and skills to assess business profitability, measure the cost-effectiveness of expenditures, prepare budget and forecast reports, and set achievable financial goals. This course also includes competencies in inventory, quality, cash and capital management and will assist learners in using financial information to determine risk.

**Strand 1. Business Operations/21st Century Skills**

Learners apply principles of economics, business management, marketing and employability in an entrepreneur, manager and employee role to the leadership, planning, developing and analyzing of business enterprises related to the career field.

**Outcome 1.1 Employability Skills**

Develop career awareness and employability skills (e.g., face‐to‐face, online) needed for gaining and maintaining employment in diverse business settings.

**Competencies**

1.1.2 Identify the scope of career opportunities and the requirements for education, training, certification, licensure and experience.

**Outcome 1.2 Leadership and Communications**

Process, maintain, evaluate and disseminate information in a business. Develop leadership and team building to promote collaboration.

**Competencies**

1.2.2 Deliver formal and informal presentations.

1.2.4 Use negotiation and conflict-resolution skills to reach solutions.

1.2.5 Communicate information (e.g., directions, ideas, vision, workplace expectations) for an intended audience and purpose.

1.2.7 Use problem-solving and consensus-building techniques to draw conclusions and determine next steps.

1.2.10 Use interpersonal skills to provide group leadership, promote collaboration, and work in a team.

1.2.12 Use technical writing skills to complete forms and create reports.

**Outcome 1.3 Business Ethics and Law**

Analyze how professional, ethical and legal behavior contributes to continuous improvement in organizational performance and regulatory compliance.

**Competencies**

1.3.3 Use ethical character traits consistent with workplace standards (e.g., honesty, personal integrity, compassion, justice).

1.3.9 Identify potential conflicts of interest (e.g., personal gain, project bidding) between personal, organizational and professional ethical standards.

**Outcome 1.4 Knowledge Management and Information Technology**

Demonstrate current and emerging strategies and technologies used to collect, analyze, record and share information in business operations.

**Competencies**

1.4.2 Select and use software applications to locate, record, analyze and present information (e.g., word processing, e-mail, spreadsheet, databases, presentation, Internet search engines).

**Outcome 1.9 Financial Management**

Use financial tools, strategies and systems to develop, monitor, and control the use of financial resources to ensure personal and business financial well-being.

**Competencies**

1.9.1 Create, analyze and interpret financial documents (e.g., budgets, income statements).

1.9.2 Identify tax obligations.

1.9.3 Review and summarize savings, investment strategies and purchasing options (e.g., cash, lease, finance, stocks, bonds).

1.9.4 Identify credit types and their uses in order to establish credit.

1.9.5 Identify ways to avoid or correct debt problems.

1.9.6 Explain how credit ratings and the criteria lenders use to evaluate repayment capacity affect access to loans.

1.9.7 Review and summarize categories (types) of insurance and identify how insurances can reduce financial risk.

1.9.8 Identify income sources and expenditures.

1.9.9 Compare and contrast different banking services available through financial institutions.

1.9.10 Identify the role of depreciation in tax planning and liability.

**Strand 2. Business Foundations**

Learners acquire foundational knowledge of business activities supported by economic principles, business processes and global business considerations.

**Outcome 2.2 Economic Principles**

Relate principles of applied economics to business models, operations and strategies.

**Competencies**

2.2.5 Distinguish between gross and net profit, identify factors affecting a business’s profit (e.g., demand, chance, pricing, expenses, costs, the economy), and recognize controllable and non-controllable expenses.

**Outcome 2.3 Global Business**

Relate global business functions to internal business operations, activities and strategies.

**Competencies**

2.3.7 Describe costs associated with global business, methods used to analyze those costs and the role of outsourcing and offshoring in cost management.

**Strand 3. Business Communications**

Learners communicate with internal and external stakeholders by applying relationship management techniques and business communication processes and strategies.

**Outcome 3.3 Business Communications Management**

Plan, create and evaluate internal and external business communications.

**Competencies**

3.3.3 Implement strategies to solicit and provide feedback.

3.3.4 Develop persuasive communications to gain audience commitment.

3.3.5 Communicate the business’s plans, strategies and procedures; and verify the understanding of recipients.

3.3.9 Interpret research data into information for decision-making (e.g., interpret descriptive statistics, correlations), and translate findings into actionable business recommendations.

3.3.10 Communicate research information to others using creative visual and interactive elements.

**Strand 4. Business Governance**

Learners acquire foundational legal knowledge and apply business governance principles to minimize risk, maintain organizational compliance and establish and maintain organizational structure.

**Outcome 4.6 Corporate Social Responsibility**

Identify and evaluate corporate social responsibility policies and strategies.

**Competencies**

4.6.1 Compare and contrast ethical challenges across industry sectors, global markets, nonprofit and for-profit organizations and business activities.

**Strand 6. Business Management**

Learners identify and apply policies, processes and strategies for effective management of information, projects, strategy and talent.

**Outcome 6.1 Management Fundamentals**

Identify business management functions and strategies.

**Competencies**

6.1.3 Describe the types of resources managed in business operations.

6.1.4 Explain the differences between managing internal versus external resources.

6.1.5 Explain the role of management functions (e.g., planning, organizing, staffing, leading, controlling), and how they impact business activities.

6.1.12 Explain the role and function of quality management.

**Strand 7. Operations Management**

Learners identify and apply policies, processes and strategies for business operations.

**Outcome 7.2 Sourcing and Procurement**

Plan, implement and evaluate sourcing and procurement activities.

**Competencies**

7.2.3 Evaluate the impact of using global sources.

7.2.6 Describe the purpose of monitoring and evaluating vendor performance and relationships (e.g., supplier visits, scorecards).

7.2.10 Evaluate whether to make or buy products.

**Outcome 7.3 Inventory Management**

Identify, administer and evaluate inventory management policies, processes and strategies.

**Competencies**

7.3.1 Calculate the cost of carrying inventory.

7.3.2 Identify the advantages and disadvantages of Just-in-Time (JIT) inventory management.

7.3.3 Describe the factors considered in establishing inventory thresholds (e.g., tolerance for stock-outs, supply chain process goals).

7.3.4 Describe inventory systems and controls to efficiently monitor, safeguard and replenish inventory (e.g., JIT, Lean, FIFO, LIFO, inventory counts) based on usage levels, lead times and forecasts.

7.3.12 Describe performance metrics (e.g., sales, stock, inventory performance) used to select a distribution strategy.

**Outcome 7.4 Quality Management**

Identify, administer and evaluate quality control policies, processes and strategies.

**Competencies**

7.4.5 Describe the impacts of quantitative and qualitative quality control methods on risk prevention, appraisal and business performance metrics (e.g., mean time to failure, mean time to repair, training scores, complaint analysis, warranty analysis).

7.4.6 Explain the role and function of documentation systems (e.g., quality manuals, plans, procedures, work instructions, inspections and tests) in quality control and management.

7.4.9 Select, apply and interpret quality controls (e.g., flowcharts, Pareto charts, cause-and-effect diagrams, check sheets, scatter diagrams, histograms).

**Strand 8. Data and Process Management**

Learners apply principles of business process management to collect, analyze and distribute data and maintain business knowledge and information systems.

**Outcome 8.4 Business Applications**

Plan, create and evaluate technology applications.

**Competencies**

8.4.2 Mine standard databases (e.g., accounting, customer, product, vendor, sales, operations, human resources, patient, supplier, procurement), apply analytical tools and interpret the findings.

**Strand 9. Financial Analysis and Evaluation**

Learners apply principles of financial and managerial accounting to collect, analyze and distribute financial data, evaluate investment opportunities and operate financial services.

**Outcome 9.1 Financial Principles**

Identify and apply principles of finance and accounting to plan and monitor the use of financial resources.

**Competencies**

9.1.2 Explain how accounting standards impact business financial performance.

9.1.4 Analyze business performance utilizing financial ratios in the areas of liquidity, profitability, asset management, debt management and market valuation (e.g., current ratio, quick ratio, inventory turnover, debt ratio, gross margin, profit margin, return on assets, return on equity, earnings per share, price-earnings ratio).

9.1.5 Apply cost-benefit analysis to business decisions (e.g., total revenue, marginal revenue, output, profit).

9.1.6 Calculate and interpret financial ratios.

9.1.7 Identify the information needed to calculate existing and forecasted sales.

9.1.10 Explain the impact of net present value and opportunity costs on capital investment decisions.

**Outcome 9.3 Financial Risk Management**

Identify, administer and evaluate policies, processes and strategies to manage financial risk.

**Competencies**

9.3.1 Calculate internal performance measures (e.g., product-line profitability, business unit profitability, return on investments, residual income, measures of working capital).

9.3.2 Calculate long-term capital needs.

9.3.4 Determine business financial goals by analyzing strengths, weaknesses, opportunities and threats (i.e., SWOT analysis).

9.3.5 Analyze transactions and accounts (e.g., receivables, payables, long terms assets and debt, risk of loss and interest rate changes) to identify manageable risks and opportunities.

**Outcome 9.6 Financial Reporting and Auditing**

Collect and analyze financial information and report financial activity in compliance with applicable regulations, policies and processes.

**Competencies**

9.6.16 Classify costs as fixed, variable or mixed costs, and identify how each cost responds to changes in volume.

**Outcome 9.7 Managerial Accounting**

Apply principles of accounting to analyze financial information for internal decision-making.

**Competencies**

9.7.1 Distinguish between the characteristics of information provided by financial and managerial accounting and who are the primary users of financial and managerial accounting reports.

9.7.2 Track and allocate costs to a variety of cost objects (e.g., products, departments, divisions, activities).

9.7.3 Calculate Cost of Goods Manufactured and Cost of Goods Sold using job order, process and activity-based costing systems.

9.7.4 Compute contribution margin and contribution margin ratio. Use these calculations to compute break-even and prepare cost, volume and profit analysis.

9.7.5 Allocate service department costs and corporate support costs.

9.7.6 Apply cost and revenue data for short-term and long-term decision-making, strategic planning, and forecasting (e.g., adding or dropping products, using limited resources, special order decisions, and equipment replacement decisions).

9.7.7 Project future revenues and expenses for budgeting and forecasting purposes.

9.7.8 Interpret pro-forma financial statements (e.g., balance sheet, income statement, cash flow statement) to determine impact of a proposed action.

9.7.9 Develop budgeting process (e.g., top-down, bottom-up, incremental) to support business objectives, and prepare static or flexible budgets as appropriate.

9.7.10 Prepare budget and forecast reports (e.g., overhead, production, operating, capital expenditure) and budgeted operating statements using preliminary budget detail.

9.7.11 Calculate quality costs (e.g., prevention, appraisal, failure).

9.7.12 Improve budgeting and forecasting accuracy by using cost equations (such as high-low or regression analysis) to express and predict costs.

9.7.13 Classify costs as direct materials, direct labor or overhead. Identify prime costs and conversion costs.

9.7.14 Classify costs as product costs or period costs.

9.7.15 Track costs as they move through various stages of production from raw materials to work-in-process to finished goods.

9.7.16 Classify costs as direct or indirect in relation to a specific cost object (such as a product, department or customer).

9.7.17 Assign direct and indirect costs to products in a manufacturing system using job order costing.

9.7.18 Compute an overhead rate and trace overhead costs through a manufacturing cost system.

9.7.19 Allocate indirect costs to products using Activity Based Costing (ABC).

9.7.20 Use standard costs to compute Direct Materials and Direct Labor variances.

9.7.21 Distinguish between revenues and costs relevant to business decisions (e.g., opportunity costs) and irrelevant costs (e.g., sunk costs).

9.7.22 Identify business units as cost, revenue, profit or investment centers. Prepare reports or use the appropriate measures to analyze the performance of each type of business unit.

9.7.23 Analyze the performance of cost, revenue, profit and investment centers.

9.7.24 Identify the events or activities that drive costs.

**Outcome 9.9 Cash Management**

Identify policies, processes and strategies to monitor and control cash flow and currency.

**Competencies**

9.9.1 Prepare short-term, medium-term and long-term cash budgets to determine a business’s cash requirements.

9.9.9 Use variance analysis to correct errors in forecasts and budgets.

**Outcome 9.10 Capital Management**

Identify policies, processes and strategies to manage capital structures and support liquidity and solvency.

**Competencies**

9.10.1 Select technique (e.g., payback, net present value, internal rate of return) to analyze proposed capital investments based on advantages, disadvantages, and available information.

9.10.2 Select appropriate technique (e.g., discounted cash flows, marginal analysis, cost-benefit analysis) to evaluate and prioritize business project funding.

9.10.3 Evaluate the impact of capital expenditures budgets on liquidity, competitiveness, solvency, and goal setting.