This course supports the assessments for Project in Managerial Accounting. The course covers 11 competencies and represents 1 competency unit.

Introduction

This course is aligned to the Project in Managerial Accounting project assessment. The same study materials are utilized in the Managerial Accounting objective assessment. If you have previously completed the Managerial Accounting assessment, then you should have already completed the required study activities found in this course. You may wish to review the assignments here, but you are not required to repeat these activities. If you have not yet completed the Project in Managerial Accounting assessment, then please proceed through this course in full.

Overview
Welcome to Project in Managerial Accounting! This course will help you expand the skills and knowledge you gained in introductory accounting courses, preparing you for more advanced tasks that you are likely to encounter in your business career. In Project in Managerial Accounting, you will focus on identifying, gathering, and interpreting information that will be used for evaluating and managing the performance of a business. You will also study cost measurement for producing goods and services and how to analyze and control these costs. As you progress through this course, look for ways you can use what you are learning in your current or future career.

Competencies
This course provides guidance to help you demonstrate the following 11 competencies:

- **Competency 332.1.1: Managerial Accounting and the Business Environment**
  The graduate assesses the key services and ethical considerations of managerial accounting in today's business environment.

- **Competency 332.1.2: Cost Management Concepts and Classifications**
  The graduate analyzes various cost classifications and the importance of cost management in managerial accounting.

- **Competency 332.1.3: Job-Order and Process Costing**
  The graduate evaluates the suitability and effectiveness of job-order and process costing systems for various business situations.

- **Competency 332.1.4: Cost Management and Cost Behavior**
  The graduate analyzes various approaches to cost management and decision-making based on cost behavior.

- **Competency 332.1.5: Cost-Volume-Profit Analysis**
  The graduate determines the impact of changes on business finances through cost-volume-profit analyses.

- **Competency 332.1.6: Profit Planning**
  The graduate integrates best practices into the development of master budgets that support successful business operations.

- **Competency 332.1.7: Flexible Budgets and Overhead Management**
The graduate integrates best practices for flexible budget planning and accounting for overhead variances.

- **Competency 332.1.8: Decision Making and Relevant Costs**
  The graduate evaluates costs and benefits of alternatives to make informed business decisions using accounting data.

- **Competency 332.1.9: Capital Budgeting**
  The graduate evaluates investment proposals to make informed decisions about capital budgeting.

- **Competency 332.1.10: Documenting Financial Activities and Evaluating Performance**
  The graduate evaluates business performance through the appropriate documentation of financial activities.

- **Competency 332.1.11: Financial Statement Analysis**
  The graduate evaluates the financial strength of organizations.

**Course Instructor Assistance**

As you prepare to demonstrate competency in this subject, remember that course instructors stand ready to help you reach your educational goals. As subject matter experts, mentors enjoy and take pride in helping students become reflective learners, problem solvers, and critical thinkers. Course instructors are excited to hear from you and eager to work with you.

Successful students report that working with a course instructor is the key to their success. Course instructors are able to share tips on approaches, tools, and skills that can help you apply the content you’re studying. They also provide guidance in assessment preparation strategies and troubleshoot areas of deficiency. Even if things don’t work out on your first try, course instructors act as a support system to guide you through the revision process. You should expect to work with course instructors for the duration of your coursework, so you are welcome to contact them as soon as you begin. Course instructors are fully committed to your success!

**Preparing for Success**

The information in this section is provided to detail the resources available for you to use as you complete this course.

**Learning Resources**

The learning resources listed in this section are required to complete the activities in this course. For many resources, WGU has provided automatic access through the course. However, you may need to manually enroll in or independently acquire other resources. Read the full instructions provided to ensure that you have access to all of your resources in a timely manner.

**Manually Enrolled Resources**

Take a moment to enroll in the learning resources listed in this section. To enroll, navigate to the “Learning Resources” tab, click the “Sections” button, and then click the “Enroll Now” button for each resource. Once your mentor approves your enrollment in the resource, you will receive an e-mail with further access instructions. Contact your mentor if you have questions.
McGraw-Hill Connect
This learning resource is required and is considered a valuable resource for understanding the course material. It provides an intensive training program to aid in completion of this course. This resource includes access to the following e-text:


The major activities in the program involve:

- LearnSmart modules or narrated presentations;
- interactive exercises and problems;
- and chapter quizzes.

It is recommended that you complete the LearnSmart module or the narrated presentations for each chapter, then complete the questions assignment, and finally take the quiz for the same chapter. You are also encouraged to complete the chapters in order, without skipping any, including the appendices.

Automatically Enrolled Resources
You can access the learning resources listed in this section by clicking on the links provided in the activities in this course. You may be prompted to log in to the WGU student portal to access the resources.

Supplemental Resource: Introduction to Accounting: The Language of Business
In order to ensure that you have the grounding in accounting fundamentals necessary to successfully complete this assessment, you may wish to review some core concepts prior to and while you engage in this course. The Introduction to Accounting: The Language of Business courseware contains modules with lessons that are instructor-led with on-screen presentation of material. There are numerous helps built into each lesson. This resource is only necessary for those students who need to build a more solid foundation in accounting principles while working through the remainder of this course's activities. Click the following link to access the resource:

- [Introduction to Accounting: The Language of Business](#)

Undergraduate Accounting Core Learning Community
You will need to access the Undergraduate Accounting Core Learning Community. You can access it through the "Learning Resources" tab. In this community, you will receive notices and instructions related to this course, and you will share ideas and thoughts with your course instructor and other students.

Pacing Guide
The pacing guide suggests a weekly structure to pace your completion of learning activities. It is provided as a suggestion and does not represent a mandatory schedule. Follow the pacing guide carefully to complete the course in the suggested timeframe.
Managerial Accounting and the Business Environment

You have probably already learned in your studies about financial accounting, which focuses on providing information to people outside of an organization, and you may have some practical experience in this area if you already work in business. In addition to financial accounting, it is important that business professionals understand managerial accounting, which focuses on providing information to managers within an organization so they can do their jobs more effectively.

In this section, you will be introduced to some of the ethical and practical implications of managerial accounting. You will also begin to learn about the different processes, responsibilities, and roles of managerial accounting that are integral to businesses operations.

Managerial Accounting and the Business Environment

This topic addresses the following competency:

- **Competency 332.1.1: Managerial Accounting and the Business Environment**
  The graduate assesses the key services and ethical considerations of managerial accounting in today’s business environment.

This topic highlights the following key concepts:

- Key ethical standards for an organization and recognize their role in the field of managerial accounting
- How the changing business environment has led to innovations in managerial accounting
- Difference between managerial accounting and financial accounting
- How managerial accounting affects various management functions
- Key roles and responsibilities of a managerial accountant
- Fundamental tools and practices used in managerial accounting

Managerial Accounting Basics

Access McGraw-Hill Connect to read the following pages in *Managerial Accounting*:

- pages 4–8 of Chapter 1 (“Managerial Accounting Concepts and Principles”)

Complete the following activities in McGraw-Hill Connect:

- LearnSmart modules or narrated presentations;
- interactive exercises and problems;
Cost Management Concepts and Classifications

Every business handles costs on a daily basis. Managerial accounting processes help key decision makers in a business understand what these costs are and how they affect the business as a whole. In this section, you will learn to distinguish between different types of costs and perform related accounting functions.

This topic addresses the following competency:

- **Competency 332.1.2: Cost Management Concepts and Classifications**
  The graduate analyzes various cost classifications and the importance of cost management in managerial accounting.

This topic highlights the following key concepts:

- Product costs and period costs distinction
- Fundamental manufacturing cost categories
- Flow of product costs in a manufacturing operation
- Cost components on financial statements
- Income statement and a schedule of cost of goods manufactured
- Direct and indirect costs
- Variable and fixed costs

Managerial Accounting Concepts and Principles

Access McGraw-Hill Connect to read the following pages in *Managerial Accounting*:

- pages 8–21 of Chapter 1 (“Managerial Accounting Concepts and Principles”)

Complete the following activities in McGraw-Hill Connect:

- LearnSmart modules or narrated presentations;
- interactive exercises and problems;
- and chapter quizzes.

Job-Order and Process Costing

Different types of costs require different accounting processes. This section covers both job-order costing and process costing. In order to effectively perform managerial accounting functions, you need to understand both types of costing systems and know when to use each one.

Job-Order Costing System

This topic addresses the following competency:
• **Competency 332.1.3: Job-Order and Process Costing**
  The graduate evaluates the suitability and effectiveness of job-order and process costing systems for various business situations.

This topic highlights the following key concepts:

• Key components of a job-order costing system
• Job-order costing system suitability in manufacturing and nonmanufacturing firms
• Components of a job-order system
• Predetermined overhead rates in a costing process
• Cost accumulation in a job-order system
• Cost recording in a job-order costing system
• Schedule of cost of goods manufactured and cost of goods sold in a job-order costing system

**Job Order Costing and Analysis**

Access McGraw-Hill Connect to read the following chapter in *Managerial Accounting*:

• Chapter 2 (“Job Order Costing and Analysis”)

Complete the following activities in McGraw-Hill Connect:

• LearnSmart modules or narrated presentations;
• interactive exercises and problems;
• and chapter quizzes.

**Process Costing System**

This topic addresses the following competency:

• **Competency 332.1.3: Job-Order and Process Costing**
  The graduate evaluates the suitability and effectiveness of job-order and process costing systems for various business situations.

This topic highlights the following key concepts:

• Flow of costs in a process costing system
• Weighted average process costing
• Cost per equivalent unit under weighted-average method
• Key components of operation costing
• Product costing and process costing
• Suitability of process costing in manufacturing and nonmanufacturing firms

**Process Order Costing and Analysis**
Access McGraw-Hill Connect to read the following chapter in *Managerial Accounting*:

- Chapter 3 ("Process Costing and Analysis")

Complete the following activities in McGraw-Hill Connect:

- LearnSmart modules or narrated presentations;
- interactive exercises and problems;
- and chapter quizzes.

**Cost Management and Cost Behavior**

Besides job-order costing and process costing, managerial accounting also looks to activity-based costing and cost behavior as avenues for accountants to help managers make decisions strategically. It is important that you are able to compare traditional volume-based costing with activity-based costing not only so you can provide managers with the most relevant information possible, but also so you can understand accounting data and their implications if you are a manager or other professional in a business environment.

**Approaches to Cost Management**

This topic addresses the following competency:

- **Competency 332.1.4: Cost Management and Cost Behavior**
  The graduate analyzes various approaches to cost management and decision-making based on cost behavior.

This topic highlights the following key concepts:

- Key components of a traditional volume-based costing system
- Product costs under a traditional volume-based costing system
- Key components of an activity-based costing system
- Product costs under an activity-based costing system
- Cost drivers and data collection in addressing issues such as the need for a new costing system in activity-based costing

**Activity-Based Costing and Analysis**

Read the following chapter in *Managerial Accounting*:

- Chapter 4 ("Activity-Based Costing and Analysis")

Complete the following activities in McGraw-Hill Connect:

- LearnSmart modules or narrated presentations;
- interactive exercises and problems;
- and chapter quizzes.
Analyzing Cost Behavior for Decision Making
This topic addresses the following competency:

- **Competency 332.1.4: Cost Management and Cost Behavior**  
The graduate analyzes various approaches to cost management and decision-making based on cost behavior.

This topic highlights the following key concepts:

- Cost behavior patterns using a scatter plot
- Mixed cost using high-low method and least-squares regression method
- Costs after studying cost behavior patterns
- Contribution approach income statements
- Income statements using the contribution format

Cost Behavior

Access McGraw-Hill Connect to read the following pages in *Managerial Accounting*:

- pages 170–176 from Chapter 5 (“Cost Behavior and Cost-Volume-Profit Analysis”)

Complete the following activities in McGraw-Hill Connect:

- LearnSmart modules or narrated presentations;
- interactive exercises and problems;
- and chapter quizzes.

Cost-Volume-Profit Analysis

Cost-volume-profit (CVP) analysis is a simplified cost accounting model that uses the same type of information that would be gathered in a breakeven analysis, which you may be familiar with from your previous studies of accounting. As you come to understand CVP, along with its applications and limitations, you will be better able to judge the financial health and viability of a business and make recommendations to strengthen various parts of companies.

**Cost-Volume-Profit (CVP) Analysis**

This topic addresses the following competency:

- **Competency 332.1.5: Cost-Volume-Profit Analysis**  
The graduate determines the impact of changes on business finances through cost-volume-profit analyses.

This topic highlights the following key concepts:

- Cost-volume-profit relationship graphs
- Breakeven points using the contribution-margin and equation approach
- Cost-volume-profit analysis to demonstrate the effect of changes in variable cost, fixed cost, and sales volume on profit
- Impact of cost structure on profit stability
- Degrees of operating leverage at a specific sales level

Break-Even and Cost-Volume Analyses

Access McGraw-Hill Connect to read the following pages in *Managerial Accounting*:

- pages 176-185 from Chapter 5 (“Cost Behavior and Cost-Volume-Profit Analysis”)

Complete the following activities in McGraw-Hill Connect:

- LearnSmart modules or narrated presentations;
- interactive exercises and problems;
- and chapter quizzes.

Profit Planning

You may have used budgets in your personal life or in your business activities in the past, but did you know that master budgets can be used to plan long-term business activities for businesses of all sizes? Budgets help managers and business owners plan and coordinate financial and business plans over a period of time.

In this section, you will learn about the importance of budgeting and the preparation of master budgets. As you study this material, consider how you will use budgets to plan for profitable operations in your current or future business career.

Profit Planning

This topic addresses the following competency:

- **Competency 332.1.6: Profit Planning**
  The graduate integrates best practices into the development of master budgets that support successful business operations.

This topic highlights the following key concepts:

- Steps of creating a budget
- Differences among various types of budgets
- Key steps to prepare different types of budgets and budget schedules for the master budget
- Need for an activity-based budgeting system
- Operation of activity-based budgeting
- Importance of budgeting in an organization
**Master Budgets and Performance Planning**

Access McGraw-Hill Connect to read the following chapter in *Managerial Accounting*:

- Chapter 7 ("Master Budgets and Performance Planning")

Complete the following activities in McGraw-Hill Connect:

- LearnSmart modules or narrated presentations;
- interactive exercises and problems;
- and chapter quizzes.

**Flexible Budgets and Overhead Management**

As you expand your knowledge of budgets by studying flexible budgets and overhead management, you will practice preparing budget performance reports and computing values that are important to flexible budgets.

In addition to flexible budgets, this section discusses variance analysis and standard costs, and you will learn how each of these is used to help managers make business decisions and guide business activities.

**Flexible Budgets and Overhead Management**

This topic addresses the following competency:

- **Competency 332.1.7: Flexible Budgets and Overhead Management**
  The graduate integrates best practices for flexible budget planning and accounting for overhead variances.

This topic highlights the following key concepts:

- Key components of a flexible budget
- Importance of flexible budgeting in an organization
- Variable overhead spending and efficiency variances
- Variable overhead variances
- Key steps to prepare an overhead cost performance report and a flexible overhead budget
- Differences between activity-based flexible budgeting and traditional flexible budgeting

**Flexible Budgets and Standard Costing**

Access McGraw-Hill Connect to read the following chapter in *Managerial Accounting*:
Decision Making and Relevant Costs

The management team of any business cannot make sound business decisions if they are operating in a bubble. This is why the managerial accountant is so important to the everyday operations of a business. Managers need relevant, accurate business data so they can make decisions about what a business will do in the future, both short-term and long-term. This section will introduce you to several tools and procedures that are useful for making and evaluating managerial decisions and for assessing the consequences of decisions affecting the business. Overall, managerial accountants are key members of the management team in any business.

Decision Making: Relevant Costs

This topic addresses the following competency:

- **Competency 332.1.8: Decision Making and Relevant Costs**
  The graduate evaluates costs and benefits of alternatives to make informed business decisions using accounting data.

This topic highlights the following key concepts:

- Relevance of a cost or a benefit for various situations
- Concepts of sunk costs, opportunity costs, and unit costs
- Various decision categories using relevant costs and benefits
- Importance of activity-based costing in relevant-cost analysis
- Key steps in the process of decision making
- Quantitative and qualitative analyses in decision making

Relevant Costing for Managerial Decisions

Access McGraw-Hill Connect to read the following chapter in *Managerial Accounting*:

- Chapter 10 (“Relevant Costing for Managerial Decisions”)

Complete the following activities in McGraw-Hill Connect:

- LearnSmart modules or narrated presentations;
- interactive exercises and problems;
- and chapter quizzes.

Capital Budgeting
It is important for business professionals to know how to analyze business health using capital budgets. This section focuses on managers’ decision-making processes using capital budgeting to choose which projects the business will execute based on projected returns. You can do this using several different methods described in the reading and module for this subject.

**Capital Budgeting Decisions**

This topic addresses the following competency:

- **Competency 332.1.9: Capital Budgeting**
  The graduate evaluates investment proposals to make informed decisions about capital budgeting.

This topic highlights the following key concepts:

- Key decision areas in capital budgeting
- Time value of money
- Net present value method of making capital budgeting decisions to evaluate an investment proposal for acceptability
- Internal rate of return method of making capital budgeting decisions to evaluate an investment proposal for acceptability
- Investment proposal grading using the profitability index

**Capital Budgeting and Investment Analysis**

Access McGraw-Hill Connect to read the following chapter in *Managerial Accounting*:

- Chapter 11 (“Capital Budgeting and Investment Analysis”)

Complete the following activities in McGraw-Hill Connect:

- LearnSmart modules or narrated presentations;
- interactive exercises and problems;
- and chapter quizzes.

**Documenting Financial Activities and Evaluating Performance**

As in financial accounting, documentation is an important component of managerial accounting. In this section, you will learn about documenting cost variances, evaluating performance of a business and specific departments in a business, responsibility accounting, and transfer pricing.

These topics will enable you to identify and create the reports that managers will use to make day-to-day business decisions.
Evaluating Performance
This topic addresses the following competency:

- **Competency 332.1.10: Documenting Financial Activities and Evaluating Performance**
  The graduate evaluates business performance through the appropriate documentation of financial activities.

This topic highlights the following key concepts:

- Various ways to set performance standards
- Role of performance standards in cost management
- Significance of cost variances in setting standards
- Variable manufacturing overhead spending variance and overhead efficiency variance
- Journal entries to record cost variances
- Role of a balanced scorecard in developing strategies

**Cost Variances**

Access McGraw-Hill Connect to review the following pages in *Managerial Accounting*:

- pages 291–294 from Chapter 8 (“Flexible Budgets and Standard Costing”)

Complete the following activities in McGraw-Hill Connect:

- LearnSmart modules or narrated presentations;
- interactive exercises and problems;
- and chapter quizzes.

**Responsibility Accounting**
This topic addresses the following competency:

- **Competency 332.1.10: Documenting Financial Activities and Evaluating Performance**
  The graduate evaluates business performance through the appropriate documentation of financial activities.

This topic highlights the following key concepts:

- Key steps to prepare performance reports for various responsibility centers and a segmented income statement
- Advantages and disadvantages of decentralization
- Return on investment and residual income approaches to measure an investment center’s performance
- How responsibility accounting can achieve set goal and list the responsibility centers

**Decentralization and Performance Evaluation**
Access McGraw-Hill Connect to read the following chapter in *Managerial Accounting*:

- Chapter 9 (“Decentralization and Performance Evaluation”)

Complete the following activities in McGraw-Hill Connect:

- LearnSmart modules or narrated presentations;
- interactive exercises and problems;
- and chapter quizzes.

**Financial Statement Analysis**

In this final section, you will learn about some of the formulas and ratios that businesses use to determine whether they are meeting their goals for growth, progress, and sustainability. Information that comes out of analyses using these formulas and ratios is relevant to businesses and investors. Financial statement analysis will be an invaluable skill in your career, regardless of the position you hold in a business, because a critical examination of a company’s current and past financial performance can indicate how well the company will perform in the future.

**Financial Statement Analysis**

This topic addresses the following competency:

- **Competency 332.1.11: Financial Statement Analysis**
  The graduate evaluates the financial strength of organizations.

This topic highlights the following key concepts:

- Financial statements in comparative and common-size form
- Financial ratios for a common stockholder, short-term creditor, and long-term creditor

**Reporting and Analyzing Cash Flows**

Access McGraw-Hill Connect to read the following chapter in *Managerial Accounting*:

- Chapter 12 (“Reporting and Analyzing Cash Flows”)

Complete the following activities in McGraw-Hill Connect:

- LearnSmart modules or narrated presentations;
- interactive exercises and problems;
- and chapter quizzes.

**Analyzing and Interpreting Financial Statements**

Access McGraw-Hill Connect to read the following chapter in *Managerial Accounting*:
Complete the following activities in McGraw-Hill Connect:

- LearnSmart modules or narrated presentations;
- interactive exercises and problems;
- and chapter quizzes.

**Managerial Accounting Student Project**

Complete the following student project in Taskstream:

- Managerial Accounting

You will be evaluating the financial statements of a corporation and recommending actions for the business to take based on your evaluation.

**Final Steps**

Congratulations on completing the activities in this course! This course has prepared you to complete the assessments associated with this course. If you have not already been directed to complete the assessments, schedule and complete your assessments now.