

# Advanced Managerial Accounting (ACCT 300): Fall 2022



Dr. Eunsup “Daniel” Shim  
MVS School of Business





# Fun-Fact about Accounting??? Let's Kahoot.it!

- **For students:**
- Go to [www.kahoot.it](http://www.kahoot.it)
- When I show you a PIN number,
- Please enter game pin number
- Please add your first name and last name initial.
- You're now ready to play!!!



- <https://create.kahoot.it/details/5a80be79-19f4-4b62-91a1-ade269ee3585>
- [Library - Kahoot!](#)
- <https://play.kahoot.it/v2/?quizId=53fd7d1c-537a-40bc-8050-9b5ce5927e02>



“You have to understand accounting and you have to understand the nuances of accounting. It’s the language of business and it’s an imperfect language, but unless you are willing to put in the effort to learn accounting – how to read and interpret financial statements – you really shouldn’t select stocks yourself” – Warren Buffett



# Language of Business!!!



## Quoting Warren Buffett...

“Accounting is the language of business. If you cant speak the language its difficult to win the game”

World famous investor  
One of the World’s wealthiest people  
Over \$50 Billion net worth



Accounting is a “language all of its own,” Buffett said, “Getting comfortable in a foreign language takes a little experience, a little study, early on but it pays off big later on.”

– Warren Buffett

Bridgely Finance  
Source: CNBC

“Accounting is the Language of Business”

– Warren Buffett

LibAbun  
Liberators of Abundance  
Business Coaching & Training  
Helping you Grow, Automate & Thrive

Infusionsoft  
CONFIDENTIAL



## Course Description

- To provide accurate, relevant and useful product and service cost information and to learn how to manage and control both multinational and domestic corporations. Written assignments, real-life problem solving and team project comprise much of the classroom learning.



# COURSE OBJECTIVES:

- To discuss financial accounting and reporting issues
- To provide relevant and useful managerial/cost information for planning and controlling business operations:
  - Introduction to Modern Cost Management Systems;
  - Cost Concepts and Behavior Analysis,
  - Cost-Volume-Profit Analysis
- To introduce cost accounting systems and contemporary cost management practices (e.g., ABC/ABM, Benchmarking )
  - Cost Accounting Systems (Job Order, Process and Activity-Based Costing)
- To discuss Budgeting and variance.
  - Budgeting for Planning and Control
  - Profit, Revenue & Cost Variance Analysis



## COURSE OBJECTIVES:

- To develop, solve and present real-company case by working with a team.
- To enhance oral and written communication skills, presentation skills, analytic abilities and problem solving skills.
- To enhance critical thinking skill by peer evaluations of the team cases presentations (Empowerment of grade).
- To familiarize and embellish computer applications in accounting system.
- Introduce career in Accounting and the professional exams an such as CPA and CMA.

## TEXTBOOK & Supplementary Materials:

- **Dr. Shim's Modules and Relevant Articles**
  - Dr. Shim's Modules posted
  - Relevant articles and videos.
- **Strongly recommended but not Required textbook**
  - Horngren's Cost Accounting, Pearson, 16<sup>th</sup> Edition (2018) or later Edition,
  - Kenny, Raiborn and Dragoo, Cost Accounting, Cambridge Business Publisher, 2019 or later Edition,
  - Study relevant Modules and Chapters from above textbooks for this course.



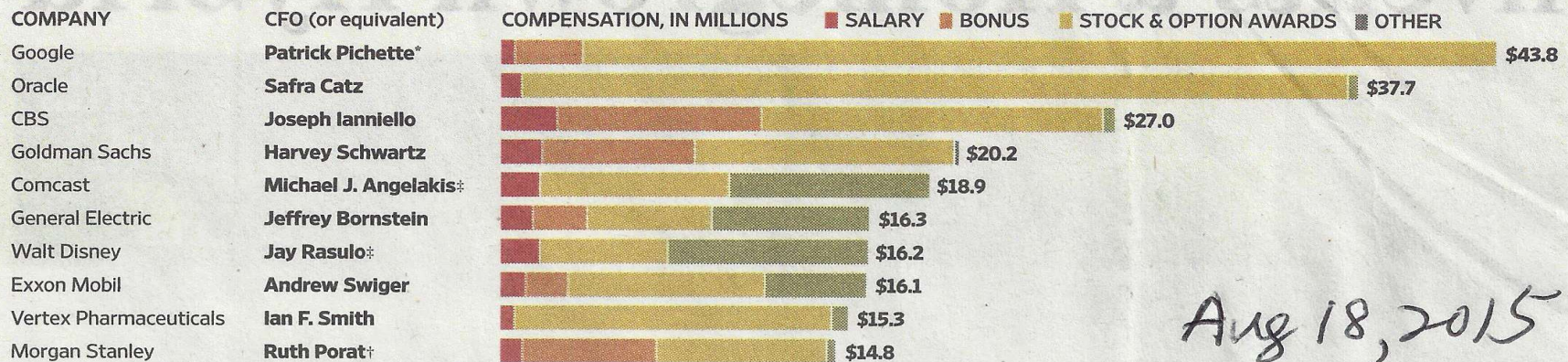
# What the Bean Counters Brought Home?

B6 | Tuesday, August 18, 2015

## CFO JOURNAL.

### What the Bean Counters Brought Home

The top 10 highest-paid financial chiefs in the S&P 500 for the most recent fiscal year as of May 29.



\*Retired †Now CFO at Google ‡No longer CFO Source: S&P Capital IQ

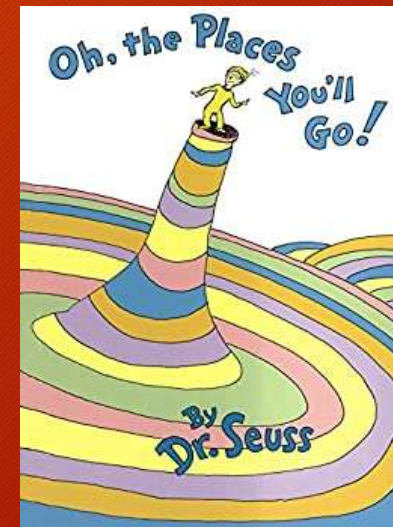
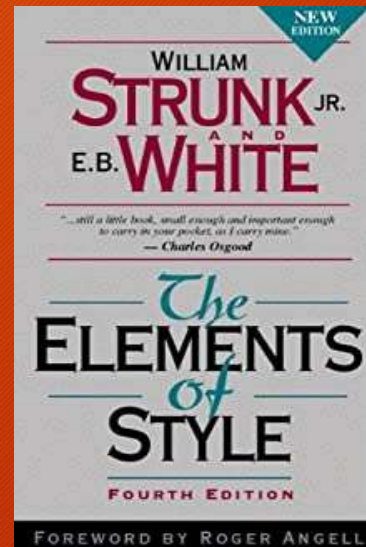
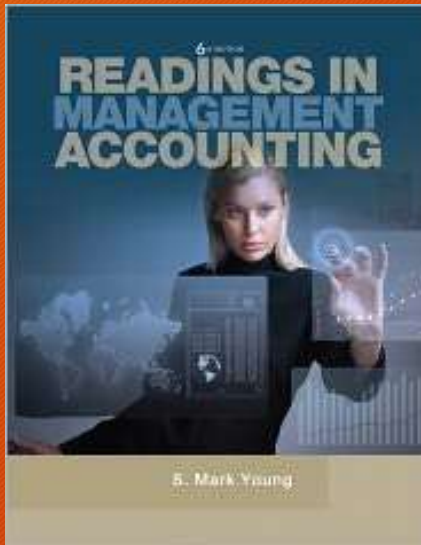
Aug 18, 2015

THE WALL STREET JOURNAL.



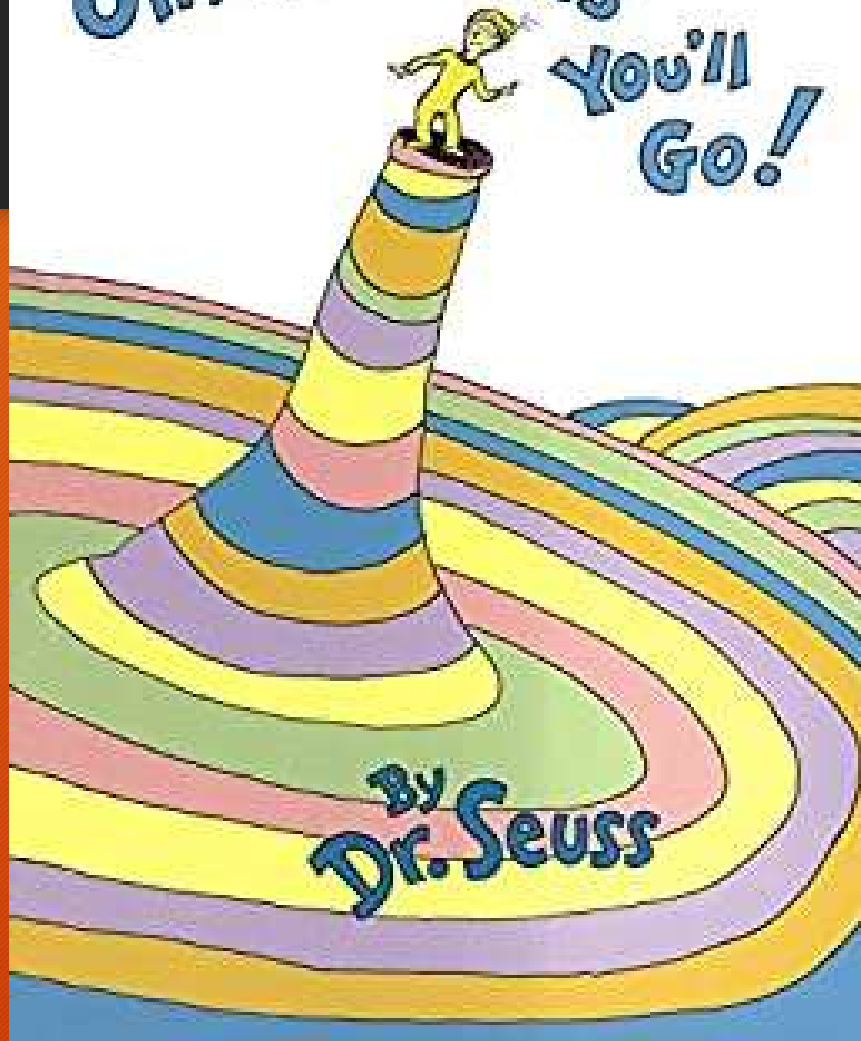
# STRONGLY SUGGESTED READINGS

- For Management Accounting & Control: (Library holdings)
  - Young, Mark, Readings In Management Accounting, Latest Edition, Prentice Hall
- For English Writing:
  - Strunk Jr., W. and White, E.B., The Elements of Style, latest edition, Allyn and Beacon,
- For Life Lessons:
  - Dr. Seuss, Oh, the Places You'll Go!, Random House, New York





Oh, the Places  
You'll  
Go!



By  
Dr. Seuss

# PERFORMANCE EVALUATION

• Mid-term	25%
• Final Exam	30%
• Real Life Team Presentation & PowerPoints	30%
• Attendance & Participations	15%
• -----	
• TOTAL	100%



# Office Hours: (In person or Zoom)

- **Office Hours: In person or ZOOM meeting**
  - **In-person, Tuesdays; 2:00-3:00 pm, Wednesdays; 1:30-2:30, Thursdays; 9:30-10:30**
  - **Other Dates & Times; By appointment (In person or Zoom)**
- How to Join Zoom Virtual Office Hours:
  - Please use course Canvas Zoom site and link

“I don’t want to be a broken record about this-it’s COST, COST, COST”...

Getting those costs down... is what allows us to lower the price and be financially sustainable”

(Mr. Elon Musk)





# Elon Musk Dance Move...?

Musk Pulls Off Dance Moves at Tesla's Shanghai Plant

<https://www.youtube.com/watch?v=n2QnBJk6ySA>



WORLD'S RICHEST MEN		
	<b>Elon Musk</b> (right) 	£210bn
	<b>Jeff Bezos</b> (left) 	£140bn
	<b>Bernard Arnault</b> 	£118bn
	<b>Bill Gates</b> 	£97bn
	<b>Larry Page</b> 	£89bn
	<b>Mark Zuckerberg</b> 	£89bn

# Debit Credit Theory

Colin Dodds - (Accounting Rap Song):

<https://www.youtube.com/watch?v=j71Kmxv7smk>





# Real-life Team Project:

Presentation (15%) & Business Report (PowerPoints, 15%)

- Team Presentation (15%): Evaluated by the Peers
- Team Business Report (15%): Evaluated by the instructor
- Step 1) Select a corporate managerial/cost accounting topic or method learned in the course.
- Step 2) Find a real-life company and explain how they use your team's selected topic/method.
- The team project should be completed by a group of no more than 3 students.
- Presentation: Expect about 20-minute presentation
  - All members should be participated in the presentation.
  - Attire: Business Casual or Formal

# Real-life Team Project Topics

-Possible Topics include but not limited

- Manufacturing company income statement
- CVP/Breakeven Analysis
- Product Costing Method; Job order Costing, Process costing, Activity Based Costing, Operation Costing
- Corporate Budgeting Practices
  - Master budget, Flexible budget
- Cost and Pricing Determination: Methods & Issues
- Capital Budgeting Methods & Issues
- Corporate Performance Evaluation Systems
  - ROA, ROE, Balance Scorecard, KPIs
- Cost Allocation Methods:
  - Service Department Cost Allocation
  - Joint Cost Allocation
- Multinational Transfer Pricing Method and Issues



# Real-life Team Project: Suggested Guidelines

- Executive Summary (1~2 pages)
- Introduction, Purposes/Objectives of the paper. (1~2 page)
- Introduce and understand your Real-life company and (3~5 pages)
  - Background information, Brief company history, Major product/customer, Major competitors
  - Major financial information and ratios (Sales, Earnings, ROA, ROE, etc.)
  - Discussions on highlight of Comparative Financial Statements (Income Statement, Balance Sheet, Statement of Cashflow, Statement of Retained Earning and Stockholder's Equity)
- Explain your selected topic or method (2~3 pages)
- How your company use your selected topic or method (3~5 pages)
- Suggestions, Recommendations and Conclusions. (2~3 pages)
- References, Tables, Figures or Appendices (As many pages as necessary)
- Appendix: Attach Recent Comparative Financial Statements (Income Statement, Balance Sheet, Statement of Cashflow, Statement of Retained Earning and Stockholder's Equity)

## Please use the following format for the citation of references.

- Article citation: 1. In the body of paper:
  - ... “A canonical correlation analysis was conducted to examine the relationship between CEO compensation and corporate performance.” (Shim, 2003) ...
- 2. At the end of paper in the reference section:
  - Shim, Eunsup, 2003, “A Canonical Correlation Analysis of CEO Compensation and Corporate Performance in the Service Industry,” *Review of Accounting and Finance*, Vol. 2, pp. 72-90
- Web Citation BOOK: Academic Senate Committee on Libraries, Columbia University, “Crisis in Scholarly Communication: Motion re Stanford’s Reaction to the Serials Crisis.” Version referred to is dated February 19, 2004, [library.cpmc.columbia.edu/hsl/scholcom/clibresolution.html](http://library.cpmc.columbia.edu/hsl/scholcom/clibresolution.html).
- ARTICLE: Donald W. King and Carol Tenopir, “Economic Cost Models of Scientific Scholarly Journals,” paper presented at the ICSU Press Workshop, Kebl College, Oxford, UK, April 1998, [www.bodley.ox.ac.uk/icsu/kingppr.htm](http://www.bodley.ox.ac.uk/icsu/kingppr.htm).



# Best Presentation Award



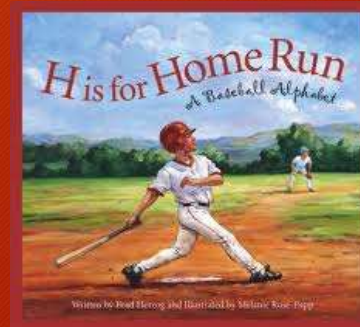
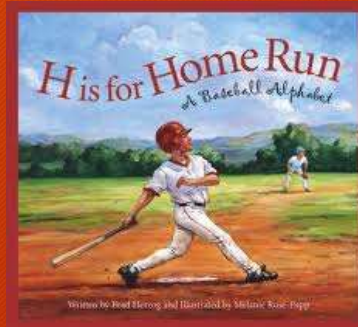
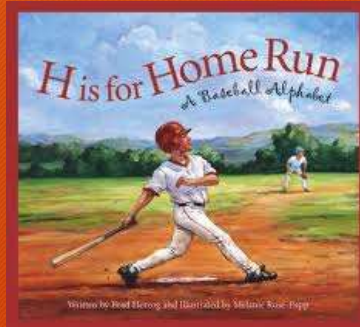
- A team that ‘earned’ the most points from peer evaluations will receive (secrete?) prizes.
- This team will also receive maximum available points (15 points) for their presentation.

# How to Survive and Succeed Dr. Shim's Class!

**Show Up On time!**

**Listen & Participate!!**

**Practice, Practice, Practice!!!**





Shim' Favorite Quote!

**Without a Big Dream,  
No Need to Do Hard-work;  
Without Hard-work,  
No Need to Dream.**

(Vision + Perseverance)



## Now Elon Musk Story! 10 Rules for Success

- <https://www.youtube.com/watch?v=N0bj4UZ3zWg>



# COURSE SCHEDULE

## Session 1: August 24

--- Thoroughly read Course Syllabus

--- Read & be prepare to discuss: PowerModule 1: Intro to Accounting and Corporate Governance

## Session 2: August 31

--- Read & be prepare to discuss PowerModule 2: Financial Accounting and Reporting

## Session 3: September 7

--- Read & be prepare to discuss PowerModule 3: Managerial Accounting and Control and Cost Classification and Analysis

# COURSE SHCHEDULE

## Session 4: September 14

--- Read & be prepare to discuss PowerModule 4: Understanding Profit and Loss Statement and Analysis

## Session 5: September 21, 28

--- Read & be prepare to discuss PowerModule 5: Breakeven Analysis and CVP Analysis

## Session 6: October 5

--- Mid-term Exam (Module 1-5)

## Session 7: October 12

--- Read & be prepare to discuss PowerModule 6: Product/Service Costing: Job order costing and Process costing



# COURSE SCHEDULE

## Session 8: October 19

--- Read & be prepare to discuss PowerModule 7: Product/Service Costing: Activity based costing (ABC)

## Session 9: October 19, 26

--- Read & be prepare to discuss PowerModule 8: Profit Planning and Budgeting

## Session 10: Nov. 2

--- Read & be prepare to discuss PowerModule 9: Standard Costing & Variance Analysis

## Session 11: November 9

--- Real-life Company Project Presentation

# COURSE SCHEDULE

Session 12: November 16,23

--- Read & be prepare to discuss PowerModule 10:  
Manufacturing Overhead Variance

Session 13: November 30

--- Practice & Preview for the Final

Final Week: December 5-10

--- Final Exam (Module 6-10)



## SPECIAL NOTICE:

- You are expected to complete the assigned readings and homework every week.
- **No late assignment will be accepted: ABSOLUTELY POSITIVELY!!!**
- **No makeup exam will be given (ABSOLUTELY POSITIVELY!)** unless the instructor approves PRIOR to the appropriate exam date. Failure to properly notify the instructor of your absence will result in a failing grade for that exam.
- CSUCI places special emphasis on academic honesty. Please read carefully the University catalog on academic standards and policies and procedures for detail.

## Policy on Syllabus Changes and Contractual Obligations:

- This syllabus and course outline is subject to change by the instructor during the course of the semester. Changes may be necessary because of student's specific interest(s), the general class progression and emerging topics of interest. If such changes are implemented, they will be announced in class. This syllabus and any addendums attached shall not be construed by the student as a contract, implied or expressed, between the student and/or the professor and the University.







# Pecking Order?



# Accounting and Professional Examinations

- CPA
- CMA
- CFA
- CIA
- CFE

**MAcc**  
Master of Accounting

**CMA vs. CPA vs. CFA**

**Which Accounting  
Credential is Right for You?**



# CPA License Requirement!

- **(1) Meet Education Requirement (CT)**
  - 150 total semester hours from accredited school
  - 36 semester hours in accounting
  - 30 semester hours in economics and business administration
  - 60 semester hours in general education
- **(2) Pass Uniform CPA Exam**
- **(3) Complete Work Experience**
  - 2 years of public or non-public accounting experience supervised and verified by an active CPA licensee
- **(4) Pass AICPA Ethics Exam**

# CPA Exam: 4 Parts

Section	Section time	Multiple-choice questions (MCQs)	Task-based simulations (TBSs)	Written communication
AUD	4 hours	72	8	—
BEC	4 hours	62	4	3
FAR	4 hours	66	8	—
REG	4 hours	76	8	—

Section	Score weighting		
	Multiple-choice questions (MCQs)	Task-based simulations (TBSs)	Written communication
AUD	50%	50%	—
BEC	50%	35%	15%
FAR	50%	50%	—
REG	50%	50%	—



# CPA Exam Passing Rates & AGES? TAKE the Exam Early!!! (2021, AICPA)

Section	Q1	Q2	Q3	Cumulative
AUD	48.56%	50.49%	47.21%	48.93%
BEC	62.16%	63.31%	61.73%	62.49%
FAR	46.64%	42.63%	47.83%	45.92%
REG	59.29%	58.81%	63.12%	60.65%

2020 CPA Exam Pass Rates					
Section	Q1	Q2	Q3	Q4	Cumulative
AUD	47.97%	65.29%	56.89%	47.50%	52.84%
BEC	61.76%	76.92%	69.89%	60.77%	65.56%
FAR	46.37%	62.86%	55.67%	43.53%	49.98%
REG	55.42%	74.97%	66.12%	58.00%	62.29%

# CMA Certification Requirement!

- Join the IMA.
- Enroll in the **CMA** program.
- Pass the 2-Part **CMA exam**.
- Have a four-year degree from an accredited college or university.
- Have at least two years of management accounting or financial management experience.



# CMA Exam Contents

## • Part 1: Financial Planning, Performance, and Analytics

- 15% External Financial Reporting Decisions
- 20% Planning, Budgeting, & Forecasting
- 20% Performance Management
- 15% Cost Management
- 15% Internal Controls
- 15% Technology & Analytics

## • Part 2: Strategic Financial Management

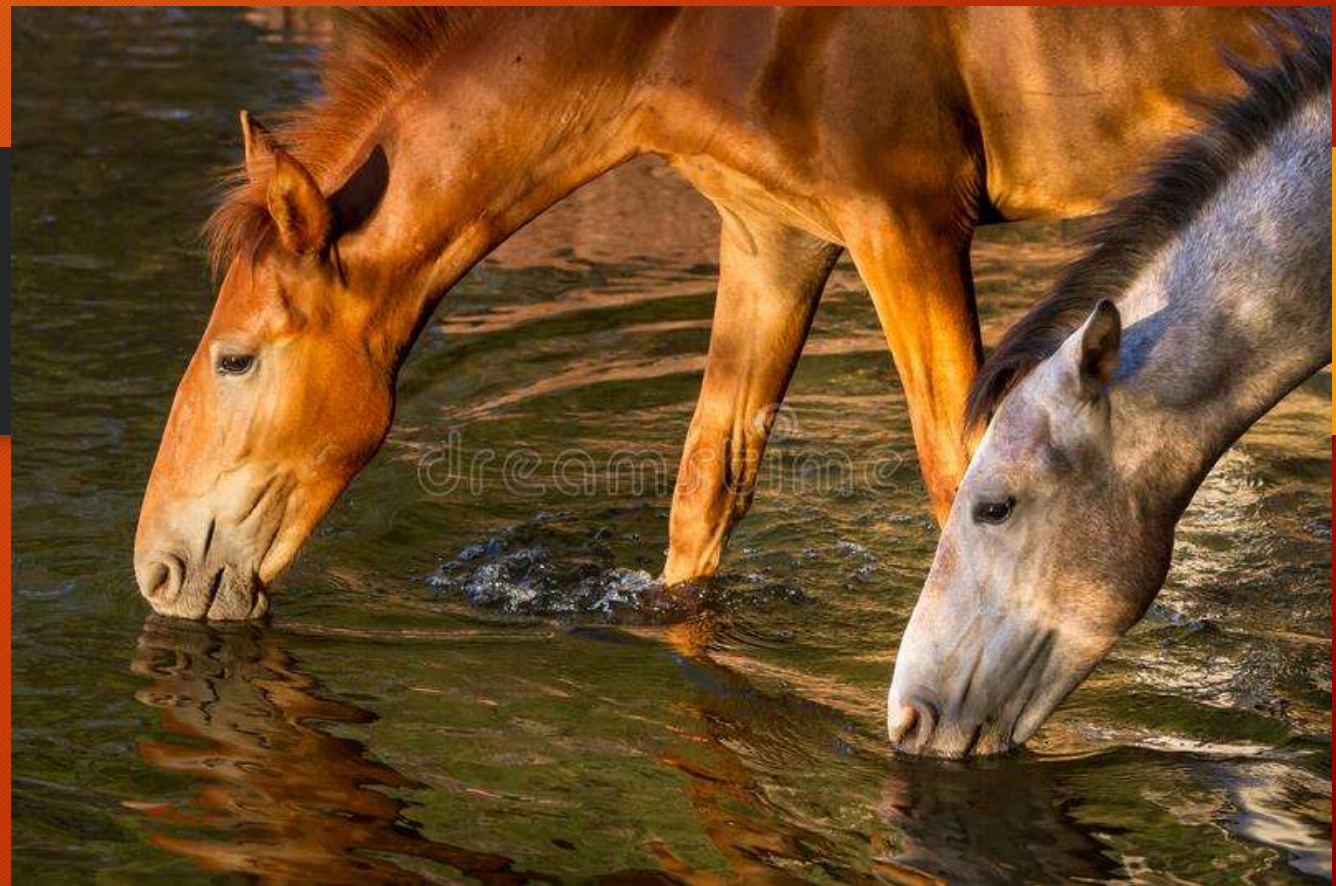
- 20% Financial Statement Analysis
- 20% Corporate Finance
- 25% Decision Analysis
- 10% Risk Management
- 10% Investment Decisions
- 15% Professional Ethics

## CMA Exam Scholarship

- 10 students per school per academic year can be nominated for a scholarship.
  - Entrance fee to the CMA program
  - Exam support package with retired exam questions and a glossary of terms
  - Registration fees covering both parts of the exam (additional fees will apply for retakes)
  - Wiley CMAexcel Online Test Bank access for both exam parts for up to two years (all regions, except China and India)
  - Up to three years of IMA membership while pursuing the certification

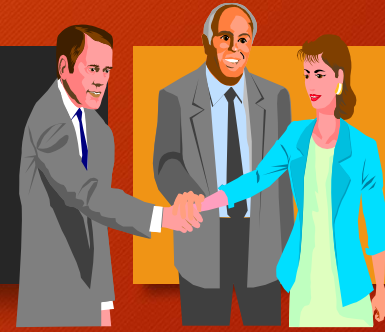


You can lead a horse to water, but  
you can't QUENCH her/his THIRST!!!





# Let's Get-to-Know, YOU! Introduce Yourself!!!

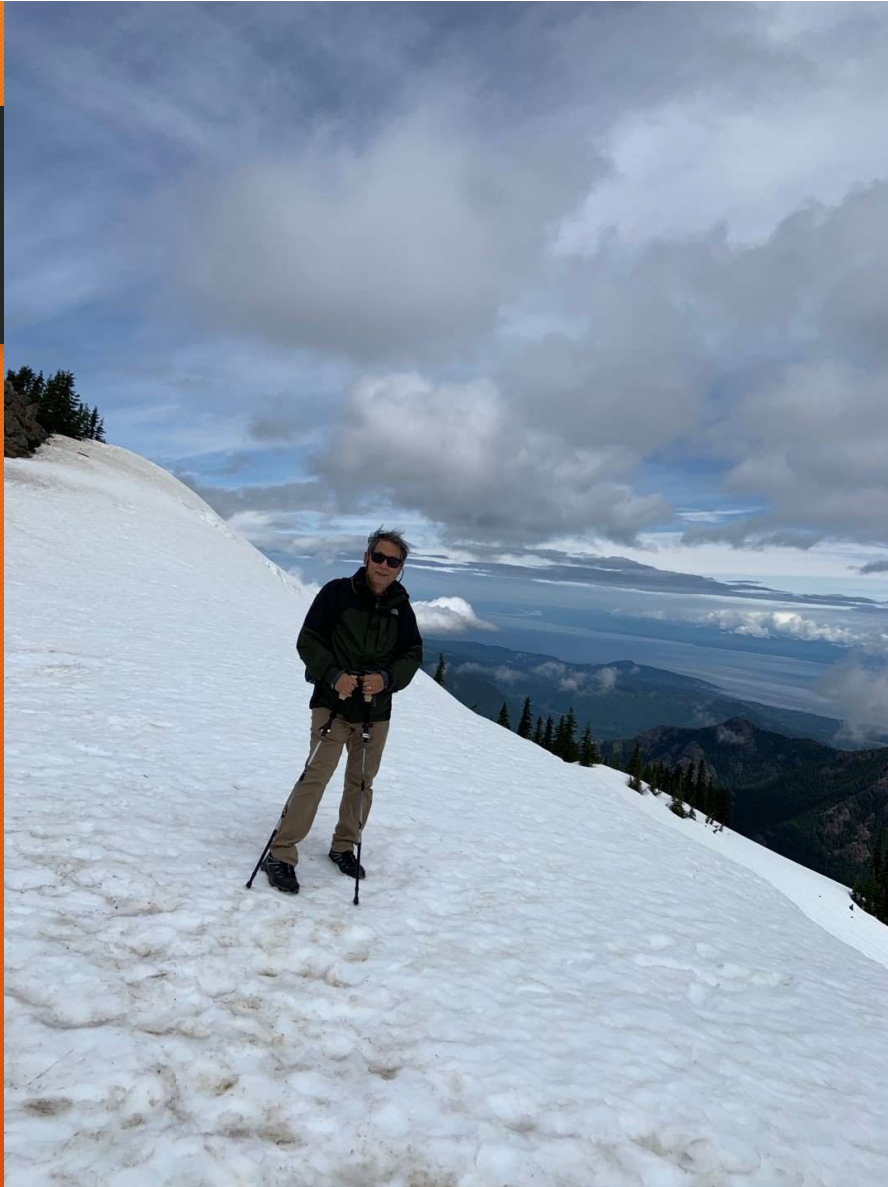


- Name: (Last, First and Nick Names)
- Number of Courses taken in MBA?
- Work Experience/History? Years?
- Information on Current Employer (Company Name, Address, Email address, Nature of Business?)
  - Current Position?
  - Major Responsibility?
- One fun-fact about you (Sport, Hobby, Award, Contributions, 'Secret (?)', etc.)
- Expectations from BUS 540 course?
- One Plan for 2022?



What's Shim  
Done during the  
COVID?  
Glacier National  
Park (June 2021)





- What's Shim Done during the COVID?

- Olympic National Park (June 2021)





- Train Back to Connecticut (Fairfield) from Seattle, WA via
- Amtrak Empire Builder,
- And then
- Lake Shore Limited