

## **MPRIM420: Financial and Managerial Accounting**

### **Textbook**

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### **Course Objectives**

- Identify basic concepts, terminology, and tools of financial and management accounting.
- Appropriately apply accounting information to for-profit firms.
- Analyze and interpret accounting information to make decisions about organizations, from both an external (i.e., investor) and an internal perspective (i.e., a manager of the firm).
- Measure and analyze the efficiency and effectiveness with which a company executes its mission and goals.
- Use the language of business (i.e., accounting) to effectively communicate accounting viewpoints to management and subordinates.

### **Lesson Objectives**

#### **Lesson 1:**

- Describe the role of accounting in business.
- Describe the types and forms of business.
- Describe the three business activities of financing, investing, and operating.
- Describe the accounting concepts underlying financial reporting.

#### **Lesson 2:**

- Use accrual concepts of accounting to analyze, record, and summarize transactions.
- Describe and illustrate the end-of-period adjustment process.
- Prepare financial statements using accrual accounting concepts, and prepare a classified balance sheet.
- Describe how the accrual basis of accounting enhances the interpretation of financial statements.

#### **Lesson 3:**

- Describe and illustrate the financial statements of a merchandising business versus that of a service business.
- Describe the accounting for the purchase of and accounting for merchandise.
- Describe the nature of and the accounting for uncollectible receivables.
- Describe the common classifications of inventories.

- Compare and contrast the use of the three inventory costing methods in terms of their impact on accrual profit.
- Describe how receivables and inventory are reported on the financial statements

**Lesson 4:**

- Compute depreciation for fixed assets and depletion for natural assets.
- Describe how depreciation is reported on an income statement and shown on the balance sheet.
- Describe and illustrate current liabilities, notes payable, taxes, contingencies, and payroll payable.
- Describe and illustrate the financing operations through issuance of bonds.
- Describe and illustrate the financing of operations through the issuance of stock.
- Describe the financial statement reporting of liabilities and stockholders' equity.
- Analyze the impact of debt or equity financing on profitability measured using earnings per share.

**Lesson 5:**

- Describe the financial statement analytical methods.
- Use financial statement analysis to assess the liquidity and solvency of a business.
- Use financial statement analysis to assess the profitability of a business.
- Define and illustrate materials, labor, and factory overhead costs.
- Describe and illustrate a job order cost accounting system

**Lesson 6:**

- Classify costs as variable costs, fixed costs, or mixed costs.
- Determine the break-even profit and sales necessary to achieve a target profit.
- Using the cost-volume-profit chart and profit-volume chart, determine the break-even point and sales necessary to achieve a target profit.
- Compute the break-even point for a company selling more than one product, the operating leverage, and the margin of safety.