



**Department of Finance and Banking**

**College of Administration and Economics**

**Salahaddin University -Erbil**

**Subject: Managerial Accounting**

**Course Book – (Year 3) Second Trimester**

**Academic Year: 2023/2024**

**Lecturer's name Dr. KAWA W. Muhamad Ali**

**Master Science in Accounting and Finance/Erasmus  
University-Rotterdam -The Netherlands**

**PhD. in Accounting/Financial Accounting -  
Salahaddin University-Erbil in corporation with  
Erasmus University -Rotterdam**

## Course Book

<b>1. Course name</b>	Managerial Accounting
<b>2. Lecturer in charge</b>	Kawa Wali
<b>3. Department/ College</b>	Finance and Banking/ Administration and Economics
<b>4. Contact</b>	e-mail: kawa.wali@su.edu.krd
<b>5. Time (in hours) per week</b>	Theory: 3
<b>6. Office hours</b>	Monday 10:00-10:30, Tuesday 11:30-12:30
<b>7. Course code</b>	FB12
<b>8. Teacher's academic profile</b>	Kawa Wali, is the lecturer of managerial and financial accounting, he has been achieved master degree in Accounting and Finance in 2007 at the Erasmus University-Rotterdam in Holland. Ph.D. degree in Accounting/Financial Accounting at the Salahaddin University - Erbil – College Administration & Economics -Kurdistan Region - Iraq, in cooperation with the Erasmus University- Rotterdam in the Netherlands. He started working at Salahaddin University in 2010. He published several articles in accounting and finance in International Journals with impact factors. He lives in Erbil, DC.
<b>9. Keywords</b>	<b>Managerial Accounting, Decision making, analytical approach</b>
<p><b>10. Course overview:</b>                  The process of identifying, measuring, analyzing, interpreting, and communicating information for the pursuit of an organization's goals. The key difference between <b>managerial</b> and <b>financial accounting</b> is that managerial accounting information is aimed at helping managers within the organization make decisions. In contrast, financial accounting is aimed at providing information to parties outside the organization.</p> <p>The Sixth-unit Managerial Accounting course is one of nine common-core lower-division preparatory classes for the business major. This course is designed to expose students to the theory and practice of selecting and analyzing managerial and financial accounting information for internal use by managers for decision-making, planning, directing and controlling purposes.</p>	
<p><b>11. Course objective:</b>                  The student knows what is to familiarize of business with the fundamental tools of management /managerial accounting and promote their understanding of dramatic ways in which the field is changing. The students should not only be able to produce accounting information, but also understand how managers are likely to use and react to the information. Understand key figures and ratios of the critical success factors for an organization to appoint. The student understands how the staff can contribute to the operating performance using.</p>	

### **12. Student's obligation**

Class attendance is expected, however, there are no specific attendance requirements. Attendance will be taken for the lecturer's records. Students are expected to come to class prepared. Thus, students will be called on throughout the course to answer questions from the homework assignments. Frequently unprepared students may be penalized.

### **13. Forms of teaching**

The literature is in the first lectures explained. The sheets are available

- The assignments are explained in the 4th lecture
- Attendance is compulsory
- The assignment is independently or in pairs made up.
- The other lectures, the students work on the assignment. Instructor is

available to answer questions.

- Guidance by the teacher by e-mail.
- The study load is 45 hours.
- College's 25 hours
- Literature 10 hours
- Assignment 10 hours

For course related information including announcements and PowerPoint slides of the lectures. Students are also encouraged to actively participate and to discuss course related and general investments related issues.

Prior to class you should read the relevant material in the textbook, the PowerPoint slides, and any additional assigned readings. You are expected to attend class regularly and to come to class on time. You are encouraged to ask questions and to be an active participant in class.

After the lecture, you should review your lecture notes and work on the assignments.

### **14. Assessment scheme**

The grading will be dividing by following forms:

1. 30% for first semi-course exam.
2. 10% Activities include ( Quizzes + Homework + other activities)
3. 60% for final exam.
4. The student will be required to write a report about relevant topics which meet the current needs of market and the market requirements!

<p><b>15. Student learning outcome:</b></p> <p>After the student complete the course of managerial accounting, the student it will be enable to:</p> <ul style="list-style-type: none"> <li>. Not only be able to produce accounting information, but also understand how managers are likely to use and react to the information.</li> <li>. Understand key figures and ratios of the critical success factors for an organization to appoint.</li> <li>. Understands how the staff can contribute to the operating performance using</li> </ul>	
<p><b>16. Course Reading List and References:</b></p> <ul style="list-style-type: none"> <li>➤ Robert N. Anthony, David F. Hawkins, Kenneth A. Merchant; Accounting 11<sup>th</sup> ed 2019</li> <li>➤ Charles T. Horngren, Srikant M. Datar, George Foster, Cost Accounting, A Managerial Emphasis Eleven edition, 2017</li> <li>➤ M. van Wallenburg, <i>Management Accounting</i>, Methods of revenues and cost calculation, 4<sup>th</sup> ed 2016</li> <li>➤ Ronald W. Hilton, <i>Study Guide for Managerial Accounting 4th</i> (3<sup>rd</sup> Printing 2015)</li> <li>➤ Ronald W. Hilton, <i>Managerial Accounting</i> (7<sup>th</sup> ed. 2016)</li> <li>➤ John J. Wild, <i>Managerial Accounting</i>, 2017 3d Edition</li> </ul>	
<p><b>17. The Topics:</b></p>	<p><b>Lecturer's name:</b> Dr.KAWA WALI</p>
<ul style="list-style-type: none"> <li>• Introduction</li> <li>• The nature and concept of Managerial Accounting</li> <li>• Definition and objectives of Managerial Accounting</li> <li>• Managerial Versus Financial Accounting</li> <li>• Role of the Managerial Accountant</li> <li>• Major Themes of Managerial Accounting</li> <li>• Managerial Accounting as a Career</li> </ul>	<p>Week 1, 2, 3,</p>
<ul style="list-style-type: none"> <li>• Cost-Volume-Profit Analysis</li> <li>• <i>CVP analysis</i> –Break- Even -Point</li> <li>• The contribution-margin approach</li> <li>• The equation approach</li> <li>• Graph approach</li> <li>• CVP analysis with multiple products BEP</li> <li>• Examples</li> <li>• Underlying CVP assumptions</li> <li>• CVP relationships and the income statement</li> <li>• Income tax and CVP analysis Examples and Exercises</li> </ul>	<p>Week 4, 5, 6,7,</p>
<p>Midterm examinations</p>	<p>Week 8</p>

Ministry of Higher Education and Scientific research

<ul style="list-style-type: none"> <li>• Master budgets and performance planning</li> <li>• Importance and benefits of budgeting</li> <li>• Sales budget</li> <li>• Unit of Production budget</li> <li>• Cost of goods manufacturing budget</li> <li>• Selling and administrative expense budget</li> <li>• Cash budget</li> <li>• Budgeted income statement</li> <li>• Budgeted Balance sheet</li> </ul>	<p>Week 9, 10,11,</p>
<ul style="list-style-type: none"> <li>• Cost Analysis and Pricing Decisions</li> <li>• Determining of Selling price</li> <li>• Determining of Markup by dollar</li> <li>• Determining of Markup percentage</li> <li>• Examples and Exercise</li> </ul>	<p>Week 12, 13, 14,15</p>
<p>Final First trial examination</p>	<p>Week 16</p>
<p><b>Lecturer Remarks:</b> At the conclusion of every chapter a brief examination of approximately 5 multiple-choice, fill-in-the -blank and short essay questions will be given. Other notice is that the lectures it can be changed during the study year, depend on the circumstances</p>	

**18. Examinations:**

Salahaddin University  
 College of Admin. and Economics  
 Department of Finance and Banking  
 Level: Fourth Year



Subject: Managerial Accounting  
 Date: 9 / 6 / 2022  
 Time: 2hrs  
 Lecturer: Dr. Kawa Wali

Final Examination-First Trial  
 2021-2022

**Q1:** Kareem is a management accountant in an organization. He has been assigned the task of budgeting payroll costs for the next quarter.

Payroll information of the last 4 quarters is as follows:

Quarter	Work Hours	Costs \$
1	18000	400000
2	20000	480000
3	15000	440000
4	21000	500000

23,000 hours are expected to be worked in the first quarter of the next year.

**Required//** Calculate the budgeted payroll costs for the next quarter. Taking the following in account:

- 1) Identify the highest and lowest activities
- 2) Calculate variable cost per hour
- 3) Calculate fixed cost
- 4) Calculate total variable cost for new activity
- 5) Calculate total cost

**(10 Marks)**

**Q2: (A)** Royal's Company produces and sales a product in which the following data are available;

(Selling price \$250), (F.C \$300,000), (V.C per unit \$ 220), (the operating income after tax will be \$ 480,000), and (the income tax rate equal to 20%)

If you know that the operating income before tax = target net income/1-tax rate

**Required//** 1) Find the unit sales to achieve the target profit

**(9 Marks)**

2) Find the Dollar sales to achieve the target profit

3) Find the Break. Even. Point (BEP) by quantity and dollar

**Q2: (B)** For LBC's Company the following information available about its product;

(Production & Sales level 4000 unit), (Selling price \$100), (Variable Cost \$100,000), and (Fixed Cost \$60,000)

**Required//** Find the Margin of Safety (MOS) by (Dollar, and Percentage)

**(6Marks)**

**Q3: (A)** The following data is about the manufacture's firm for the year 2018:

DM=\$35, DL=\$20, Design expenses for the product =\$16

V. Manufacture (O.H) \$25, Selling commission=\$8

Freight –out =\$9

**(10 Marks)**

Depreciation of equipment = \$250000

Salaries general manager \$150000

Advertising \$60000

The number of product sold 15000 unit

The income tax rate = 40 %

**Required//** (1) determine the selling price for the product. If you know that the mark up percentage is equal to 120%. (2) prepare the income statement using the variable cost approach.

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**Q3: (B) Multiple-choice questions: Choose one suitable answer for each sub-question under below: (10 marks)**

1. Using the variable costing method, contribution is equal to total sales revenue less: a) fixed costs b) variable costs c) total costs d) direct labour costs
2. The definition 'Managerial Accounting is the presentation of accounting information in such a way as to assist management in the creation of policy and the day-to-day operation of an undertaking.'  
a) True b) False c) None of the above
3. Managerial accounting highlights staff relationship with top management as well as other personnel.  
a) True b) False c) None of the above
4. Which costs are charged to a product using the method of absorption costing  
a) production overheads plus direct labour costs b) materials costs plus direct labour costs  
c) direct labour costs d) total production costs
5. Managerial accounting deals with  
a) Quantitative information b) Qualitative information c) Both (a) and (b)  
d) None of the above

**Q4: Cash Budget preparation**

Bank of Zanko will prepare a cash budget at the end of April, May, and June 2018 as follows:

Months Items	February	March	April	May	June
Total Sales	100,000	110,000	60000	120000	80000
Purchase	90,000	100,000	110,000	115,000	90,000
Wages	10,500	11,000	7,000	10,500	8,500
Sales expenses	2,500	2,600	2,000	3000	2,200

**(15 Mark)**

Other information:

- Sales at 10% realized in the month of sales, 50% realized in the following month and the other 50% realized in the second month
- Purchases: creditors are paid in the month following the month supply.
- Wages 20% paid in the overdue payments in the following month
- Sales expenses paid in the month itself
- Income tax \$30,000 payable in June
- Dividend \$12,000 payable in June
- Income from investments \$5000 received half yearly in March
- Cash opening balance on 1-4-2018 is \$50,000

- Required//** 1) Prepare the expected Cash Collection for the Bank of Zanko.  
 2) Prepare the Cash Budget at April, May, and June for the same Bank.

GOOD LUCK