

# B L U E P R I N T



## For Construction of Revised Managerial Accounting Assessment Test

---

### **BUS 182 Managerial Accounting Assessment Test**

Assessment of Fundamentals in Managerial Accounting

*Harold Washington College- Business Department*

### **Student learning outcomes:**

- Describe the role managerial accounting plays in planning, control and performance evaluation of a company.
- Describe the various ways costs behave and how to estimate what they would be under different conditions. Classify costs as to variable, fixed costs, or mixed cost.
- Utilize the cost-volume-profit analysis to provide information for a manager on how the company would be affected if various costs, revenues or volume sold was changed. Calculate breakeven point and contribution margin. Construct, analyze and interpret cost-volume-profit relationships.
- Describe the various systems for assigning costs to products or services and be able to make the cost calculations under each. Describe and illustrate a job cost system, a process cost system, and complete both job-order and process cost accounting cycles
- Utilize the various methods of handling indirect costs and be able to explain the effects of each method.
- Distinguish between direct and indirect costs and product and period costs.
- Utilize various approaches to provide a manager with information to assist in making various decisions.
- Prepare a set of budgets for a company that allows managers to plan for the period. Formulate, interpret and complete a master budget with pro-forma income statement and balance sheet
- Calculate standard costs and explain how managers use them. Construct standard costs and measure variances from standards to material, labor and manufacturing overhead.

# B L U E P R I N T

The assessment was designed to test for fundamental knowledge and skill in the overall IAI outcomes as well as the HWC Business department course syllabus and master syllabus.

Learning outcomes were identified in the textbook *Financial and Managerial Accounting* published by Cengage, and is currently in use by the accounting department. The textbook student learning outcomes map to the course and master syllabus with no substantial differences. Textbook identifies exercises, problems, reading, and discussion question by learning outcome.

As part of the review of the assessment test, first all multiple-choice test questions were read for clarity and ability to relate to the intended learning outcomes. No questions were eliminated. This became the pool of questions from which a random selection of questions using the test generator software from the publisher.

Bias can occur in the selection process if the creator picks questions that favor learning outcomes in a particular teaching method or coverage. To eliminate test question selection bias, the questions were generated by the test software from the pool of reviewed questions.

## **Choose one question per learning outcome:**

1. Describe managerial accounting and the role of managerial accounting in a business.
2. Define and illustrate the following costs: 1. direct and indirect costs, 2. direct materials, direct labor, and factory overhead costs, 3. product and period costs.
3. Describe and illustrate the following statements for a manufacturing business: 1. balance sheet, 2. statement of cost of goods manufactured, 3. income statement.
4. Describe the uses of managerial accounting information.
5. Describe cost accounting systems used by manufacturing businesses.
6. Describe and illustrate a job order cost accounting system.
7. Describe the use of job order cost information for decision making.
8. Describe the flow of costs for a service business that uses a job order cost accounting system.
9. Describe process cost systems.
10. Prepare a cost of production report.
11. Journalize entries for transactions using a process cost system.
12. Describe and illustrate the use of cost of production reports for decision making.
13. Compare just-in-time processing with traditional manufacturing processing.
14. Classify costs as variable costs, fixed costs, or mixed costs.
15. Compute the contribution margin, the contribution margin ratio, and the unit contribution margin.
16. Determine the break-even point and sales necessary to achieve a target profit.
17. Using a cost-volume-profit chart and a profit-volume chart, determine the break-even point and sales necessary to achieve a target profit.
18. Compute the break-even point for a company selling more than one product, the operating leverage, and the margin of safety.

Campbell, T.

Sources: Suskie, L. (2004) *Assessing Student Learning: a common sense guide*. Anker Publishing: Bolton MA. Create a Test Blueprint, page 203.

# B L U E P R I N T

19. Describe budgeting, its outcomes, and its impact on human behavior.
20. Describe the basic elements of the budget process, the two major types of budgeting, and the use of computers in budgeting.
21. Describe the master budget for a manufacturing company.
22. Prepare the basic income statement budgets for a manufacturing company.
23. Prepare balance sheet budgets for a manufacturing company.
24. Describe the types of standards and how they are established.
25. Describe and illustrate how standards are used in budgeting.
26. Compute and interpret direct materials and direct labor variances.
27. Compute and interpret factory overhead controllable and volume variances.
28. Journalize the entries for recording standards in the accounts and prepare an income statement that includes variances from standard.
29. Describe and provide examples of nonfinancial performance measures.

**The next level** of test questions selected covered the ACBSP criteria. The course, BUS182, Managerial Accounting is a required course in business programs that are accredited by the ACBSP. A total of 11 questions were chosen distributed approximately 10% of the questions remaining in each standard.

The summary of standards is as follows:

Question type:

Multiple Choice

Standard type:

State Standard

State Standard	Already Selected	Number Remaining	Additional Selections	Total
ACBSP: APC-25-Manual Characteristics/Terminology	0	17	0	0
ACBSP: APC-27-Manual Accounting Features/Costs	0	107	0	0
ACBSP: APC-28-Variable and Fixed Costs	0	11	0	0
ACBSP: APC-30-Contribution Margin	0	24	0	0
ACBSP: APC-34-Job Order Costing	0	92	0	0
ACBSP: APC-35-Process Costing	0	80	0	0
ACBSP: APC-36-Budgeting and Responsibility	0	174	0	0
IMA: Budget Preparation	0	99	0	0
IMA: Cost Management	0	331	0	0
IMA: Performance Measurement	0	75	0	0
Total	0	0	1010	0

Figure 1. Cengage

A total of 29 questions were selected randomly from learning outcome and 11 questions were selected randomly from ACBSP standards.

The test has a total of 40 questions. The weight given to each question is the individual preference and freedom of each faculty member to use in grading. The assessment of results will be based on 40 questions worth 100 points to allow for conversion to percentages in final assessment analysis.

Campbell, T.

Sources: Suskie, L. (2004) *Assessing Student Learning: a common sense guide*. Anker Publishing: Bolton MA. Create a Test Blueprint, page 203.