

Miller-Nobles/Mattison/Matsumura, *Horngrén's Financial and Managerial Accounting, 5/e*

Chapter 14: The Statement of Cash Flows

- LO 1. Identify the purposes of the statement of cash flows and distinguish among operating, investing, and financing cash flows
- LO 2. Prepare the statement of cash flows by the indirect method
- LO 3. **(Omit)** Use free cash flow to evaluate business performance
- LO 4. **(Omit)** Prepare the statement of cash flows by the direct method (Appendix 14A)
- LO 5. **(Omit)** Prepare the statement of cash flows by the indirect method using a spreadsheet (Appendix 14B)

Chapter 15: Financial Statement Analysis

- LO 1. Explain how financial statements are used to analyze a business
- LO 2. Perform a horizontal analysis of financial statements
- LO 3. Perform a vertical analysis of financial statements
- LO 4. Compute and evaluate the standard financial ratios
- LO 5. **(Omit)** Complete a corporate income statement including earnings per share (Appendix 15A)

Chapter 16: Introduction to Managerial Accounting

- LO 1. Define managerial accounting and understand how it is used
- LO 2. Describe the differences between service, merchandising, and manufacturing companies
- LO 3. Classify costs for service, merchandising, and manufacturing companies
- LO 4. Prepare an income statement and schedule of costs of goods manufactured for a manufacturing company and calculate cost per item
- LO 5. Calculate cost per service for a service company and cost per item for a merchandising company

Chapter 17: Job Order Costing

- LO1. Distinguish between job order costing and process costing
- LO2. Record materials and labor costs in a job order costing system
- LO3. Calculate the predetermined overhead allocation rate and allocate overhead costs
- LO4. Record the completion and sales of finished goods
- LO5. Adjust for overallocated and underallocated overhead
- LO6. Calculate job costs for a service company

Chapter 18: Process Costing

- LO 1. Describe the flow of costs through a process costing system
- LO 2. **(Omit)** Calculate equivalent units of production for direct materials and conversion costs
- LO 3. **(Omit)** Prepare a production cost report using the weighted-average method
- LO 4. **(Omit)** Prepare journal entries for a process costing system
- LO 5. **(Omit)** Use a production cost report to make decisions
- LO 6. **(Omit)** Prepare a production cost report using the first-in, first-out method (Appendix 18A)

Chapter 19: Cost Management Systems: Activity-Based, Just-In-Time, and Quality Management Systems

- LO 1. Assign direct costs and allocate indirect costs using predetermined overhead allocation rates with single and multiple allocation bases
- LO 2. Use activity-based costing (ABC) to compute predetermined overhead allocation rates and allocate indirect costs
- LO 3. Use activity-based management (ABM) to make decisions
- LO 4. Use activity-based management (ABM) in a service company
- LO 5.** Describe a just-in-time (JIT) management system **but OMIT (record its transactions)**
- LO 6. Describe quality management systems (QMS) and use the four types of quality costs to make decisions

Chapter 20: Cost-Volume-Profit Analysis

- LO1. Determine how changes in volume affect costs
- LO2. Calculate operating income using contribution margin and contribution margin ratio
- LO3. Use cost-volume-profit (CVP) analysis for profit planning **but OMIT (Equation Approach)**
- LO4. Use CVP analysis to perform sensitivity analysis
- LO5. Use CVP analysis to calculate margin of safety, **Optional** (operating leverage, and multiproduct breakeven points)

Chapter 21: Variable Costing

- LO1. Distinguish between variable costing and absorption costing
- LO2. Compute operating income using variable costing and absorption costing
- LO3. Use variable costing to make management decisions for a manufacturing business
- LO4. Use variable costing to make management decisions for a service business

Chapter 22: Master Budgets

- LO1. Describe budgeting objectives, benefits, and procedures and how human behavior influences budgeting

- LO2. Define budget types and the components of the master budget
- LO3. Prepare an operating budget for a manufacturing company
- LO4. Prepare a financial budget for a manufacturing company
- LO5. **(Optional)** Describe how information technology can be used in the budgeting process
- LO6. **(Omit)** Prepare an operating budget for a merchandising company (Appendix 22A)
- LO7. **(Omit)** Prepare a financial budget for a merchandising company (Appendix 22A)

Chapter 23: Flexible Budgets and Standard Cost Systems

- LO1. Prepare flexible budgets and performance reports using static and flexible budgets
- LO2. Identify the benefits of a standard cost system and understand how standards are set
- LO3. Compute the standard cost variances for direct materials and direct labor
- LO4. **(Omit)** Compute the standard cost variances for manufacturing overhead
- LO5. **(Omit)** Describe the relationship among and responsibility for the product cost variances
- LO6. **(Omit)** Record transactions in a standard cost system and prepare a standard cost income statement

Chapter 24: Responsibility Accounting and Performance Evaluation

- LO 1. Explain why companies decentralize and use responsibility accounting
- LO 2. **(Omit)** Describe the purpose of performance evaluation systems and how the balanced scorecard helps companies evaluate performance
- LO 3. Use responsibility reports to evaluate cost, revenue, and profit centers
- LO 4. Use return on investment (ROI) and residual income (RI) to evaluate investment centers
- LO 5. **(Omit)** Determine how transfer pricing affects decentralized companies

Chapter 25: Short-Term Business Decisions

- LO 1. Identify information that is relevant for making short-term decisions
- LO 2. Make regular and special pricing decisions
- LO 3. Make decisions about dropping a product, product mix, and sales mix
- LO 4. Make outsourcing and processing further decisions

Chapter 26: Capital Investment Decisions

- LO 1. Describe the importance of capital investments and the capital budgeting process
- LO 2. Use the payback and the accounting rate of return methods to make capital investment decisions
- LO 3. Use the time value of money to compute the present values of lump sums and annuities
- LO 4. Use discounted cash flow methods to make capital investment decisions