Managerial Accounting 311
Burbage
Exam #1 Content & Study Guidelines

Point Allocation

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As this is your first exam in this class and most of you are not familiar with my testing approach I am providing the following information. This type of handout will not be provided on any other exams to follow.

An integral part of your college studies is to determine what is and is not important about the subjects you are studying. If you critically review handouts, homework problems and class lectures it should be evident what is important. These are the things you should stress in your studies. A thorough understanding of relationships is also important.

The way to maximize your learning and therefore, your grade, is by putting in adequate concentrated effort on a consistent basis day-to-day.

Review the following for Exam #1:
- Management accounting overview
- Key terms and concept for JIT, TQM, Process Reengineering & Theory of Constraints
- Accounting concepts handout in relation to Managerial Accounting
- The following terms and relationships: DM, DL, FOH, prime cost, conversion cost, direct cost, indirect cost, period cost, product cost, fixed cost, variable cost
- Cost behavior: Know conceptually how costs behave in total and per unit; Given cost information at one level of activity (units produced) be able to calculate total cost and per unit cost at a different level of activity.
- The flow of costs through the accounts, including journal entries, especially those that are unique to this subject.
- The cost of goods manufactured statement format and be able to determine the effects (on the statement and downstream) if any item on the statement is over or understated.
- The relationship between the WIP account and the cost of goods manufactured statement.
- Given specific information be able to calculate the estimated factory overhead rate.
- Know which additional costs related to DL should be classified as DL versus IDL.
- Be able to determine when total product cost or per unit costs are over or understated.
- Know what over or under applied means and what impact it will have on total and per unit cost.
- Know what to do with over or under applied FOH.
- Be able to determine how much the FOH account is over or understated.
- Be able to determine the impact on total and per unit product cost if the estimates used in calculating the FOH rate were incorrect.
- Know the definition of equivalent units.
- Be able to calculate the equivalent units under FIFO and Weighted Average.