

# Unit 04: Management Accounting

Content Area: **21st Century Life & Careers**  
Course(s): **Business and Consumer Math**  
Time Period: **Semester 2**  
Length: **8 Weeks**  
Status: **Published**

## Unit Introduction

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Unit 4: Management Accounting. The business described in Unit 4 will be used to illustrate management accounting. The business purchases material and sells it to commercial businesses and individual consumers. Chapter organization and content provide students with an expanded view of concepts and topics related to management accounting including describing budgetary planning and control, management decision making using cost-volume profit analysis, job ordering costing, management decision making using differential analysis, process costing, activity-based costing, and product pricing.

## Standards

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9.3.12.FN-ACT

Accounting

## Essential Questions

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- How does an income statement budget differ from the cash budget?
- What effect does changes in sales volume, unit costs, and unit sales prices have on net income?
- What are the differences between an income statement and balance sheet for a manufacturing business?
- How does differential analysis help in making business decisions?
- What are the differences between job order costing and process costing?

## Content / Skills

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- Prepare sales budget, purchases budget, selling expenses budget, administrative expenses budget, other revenue budget, expenses budget, cash receipts budget, cash payments budget.
- Prepare a budgeted income statement.
- Prepare cash budget.
- Prepare a performance report.
- Differentiate fixed and variable costs.
- Prepare an income statement reporting contribution margin.
- Calculate the contribution margin per unit and the contribution margin rate.
- Calculate the break-even point.

- Prepare a break-even income statement.
- Calculate a sales mix.
- Prepare ledgers and cost sheets for a manufacturing business.
- Journalize the transfer of work in process to finished goods.
- Journalize a sale and the related cost of goods sold.
- Use differential analysis for making or buying decisions.
- Calculate the future value and the present value of an amount.
- Calculate the future value and present value of an annuity.
- Compare job ordering costing and process costing.
- Calculate equivalent units of production.
- Develop a cost of production report.
- Journalize the transfer of costs in a process costing system.