

## ACC 202 Final Project Guidelines and Rubric

### Overview

Successful entrepreneurs understand all aspects of business, especially costs and costing systems. Managerial accounting provides a framework for strategic analysis and planning with regard to cost behaviors and costing systems. In this final project, you have the opportunity to act as an entrepreneur and apply managerial accounting principles to evaluate and manage costs related to your products within a costing system. Additionally, you will demonstrate your ability to communicate your findings effectively to internal stakeholders, just as an actual business owner would need to do.

Specifically, you will assume the role of the owner of a hypothetical small business. In your milestone work, you will develop financial strategies prior to opening your business. For the final submission, you will create a presentation for your investors after your business has been in operation for a certain period of time. You will use the provided scenarios to complete your project. The project is divided into **three milestones**, which will be submitted at various points throughout the course to scaffold learning and ensure quality final submissions. These milestones will be submitted in **Modules Two, Four, and Five**. The final product will be submitted in **Module Seven**.

In this assignment, you will demonstrate your mastery of the following course outcomes:

- ACC-202-01: Apply fundamental costing systems to optimize operations within a business
- ACC-202-02: Assess financial performance to communicate financial planning strategies to internal stakeholders
- ACC-202-03: Leverage fundamental managerial accounting methods to support the mission of an organization

### Prompt

In a detailed PowerPoint **presentation** (12 to 15 slides in length, plus speaker notes and an addendum), explain and defend your costing strategies (i.e., the business plan created in your first and second milestones) and share your business's performance to-date (i.e., the work from your third milestone). Be sure to effectively communicate to your stakeholders by breaking down concepts and using investor-friendly language to build their trust and confidence.

Specifically, the following **critical elements** must be addressed. Most of the critical elements align with a particular course outcome (shown in brackets).

- I. **Introduce** your presentation
  - A. Outline your **company's profile**, including its name, location, and mission and vision.
  - B. Explain for your investors the **purpose** of the presentation. What do you plan to communicate, and why should your investors pay attention? In other words, try to persuade your investors that the accounting information you are about to share is important. [ACC-202-03]
  - C. Explain and **defend your methods** for generating the information that you are about to share in terms of your adherence to industry standards and the AICPA code of ethics. In other words, why should your investors trust that you are delivering accurate financial data and that your decision-making process has been ethical? [ACC-202-03]

- D. Specifically, be sure to illustrate how your managerial accounting methods **support the mission** of your organization, using examples. [ACC-202-03]
- II. **Financial Strategy:** Review your original business plan and costing strategies using the [prior-to-opening scenario information](#).
- A. Justify your use of job order costing. Be sure to compare and contrast the various **costing systems** you learned about in this course as part of your defense. [ACC-202-01]
  - B. Explain and defend the **selling prices** that you established for grooming, day care, and boarding. Be sure to reference your cost-volume-profit analysis in your defense. [ACC-202-02]
  - C. Explain and defend your selected **target profits** for each area of your business. Be sure to reference your cost-volume-profit analysis in your defense. [ACC-202-02]
  - D. Explain and defend your **contribution margin** per unit and contribution margin ratio. Be sure to reference your cost-volume-profit analysis in your defense. [ACC-202-02]
- III. Financial Statements: Assess your financial performance to-date using the [post-opening scenario information](#).
- A. Financial Statements**
    - 1. Share the **statement of cost of services** and logically interpret the business's performance against the provided benchmarks. [ACC-202-02]
    - 2. Share the **income statement** and logically interpret the business's performance against the provided benchmarks. [ACC-202-02]
  - B. Variance Analysis**
    - 1. **Identify** all variances for the direct labor time and the materials price. [ACC-202-02]
    - 2. Evaluate the **significance of the variances** in terms of the potential to impact future budgeting decisions and planning. [ACC-202-02]
- IV. In an **addendum**, submit your completed workbook, including the following:
- A. Accurately **classify** all of your **costs** in the "Cost Classification" tab. [ACC-202-01]
  - B. Conduct a cost-volume profit analysis:
    - 1. Determine your **contribution margin** per unit and contribution margin ratio in the "Contribution Margin Analysis" tab. [ACC-202-01]
    - 2. Determine your **break-even points** for achieving your target profits in the "Break-even analysis" tab. [ACC-202-01]

## Milestones

Milestone One: *First Part of Workbook*

In **Module Two**, you will submit the "Cost Classifications" and "Variable\_Fixed" tabs in your provided final project workbook. **This milestone will be graded with the Milestone One Rubric.**

Milestone Two: Second Part of Workbook

In **Module Four**, you will submit the “Contribution Margin Analysis” and “Break-even Analysis” tabs in your provided final project workbook. **This milestone will be graded with the Milestone Two Rubric.**

Milestone Three: Final Workbook

In **Module Five**, you will submit “COS Schedule,” “Income Statement,” and “Variances” tabs in your provided final project workbook. **This milestone will be graded with the Milestone Three Rubric.**

Final Submission: Presentation to Investors

In **Module Seven**, you will submit your final project. It should be a complete, polished artifact containing **all** of the critical elements of the final prompt. It should reflect the incorporation of feedback gained throughout the course. **This submission will be graded with the Final Project Rubric.**

### Deliverables

Milestone	Deliverable	Module Due	Grading
One	Cost Classification Tabs	Two	Graded separately; Milestone One Rubric
Two	Financial Scope of the Business Plan	Four	Graded separately; Milestone Two Rubric
Three	Draft Presentation to Investors	Five	Graded separately; Milestone Three Rubric
	Final Submission: Presentation to Investors	Seven	Graded separately; Final Project Rubric

### Final Project Rubric

**Guidelines for Submission:** Your PowerPoint presentation to investors must be at least 12–15 slides plus speaker notes, and all citations should follow APA formatting. In addition, submit completed Excel workbook.

Critical Elements	Exemplary	Proficient	Needs Improvement	Not Evident	Value
<b>Introduce: Company’s Profile</b>	Meets “Proficient” criteria and judiciously includes details relevant to the target audience of the presentation <b>(100%)</b>	Outlines the company’s profile, including its name, location, and mission and vision <b>(85%)</b>	Outlines the company’s profile but fails to include its name, location, and mission and vision <b>(55%)</b>	Does not outline the company’s profile <b>(0%)</b>	3

<b>Introduce: Purpose</b> [ACC-202-03]	Meets “Proficient” criteria and demonstrates nuanced appreciation for the role of managerial accounting in ethically supporting the mission of an organization <b>(100%)</b>	Explains the purpose of the presentation, including a persuasive case for the importance of the accounting information to be shared <b>(85%)</b>	Explains the purpose of the presentation, but fails to fully or persuasively make a case for the importance of the accounting information <b>(55%)</b>	Does not explain the purpose of the presentation <b>(0%)</b>	7
<b>Introduce: Defend of Methods</b> [ACC-202-03]	Meets “Proficient” criteria and demonstrates nuanced appreciation for the role of managerial accounting in ethically supporting the mission of an organization <b>(100%)</b>	Explains and defends the methods for generating the information in the presentation in terms of their adherence to industry standards and the AICPA code of ethics <b>(85%)</b>	Explains the methods for generating the information in the presentation, but fails to fully defend the methods in terms of their adherence to industry standards and the AICPA code of ethics <b>(55%)</b>	Does not explain the methods for generating the information in the presentation <b>(0%)</b>	7
<b>Introduce: Support the Mission</b> [ACC-202-03]	Meets “Proficient” criteria and demonstrates nuanced appreciation for the role of managerial accounting in ethically supporting the mission of an organization <b>(100%)</b>	Illustrates how the managerial accounting methods support the mission of the organization using specific examples <b>(85%)</b>	Discusses how the managerial accounting methods support the mission of the organization, but fails to fully or accurately illustrate using specific examples <b>(55%)</b>	Does not discuss illustrate how the managerial accounting methods support the mission of the organization <b>(0%)</b>	7
<b>Financial Strategy: Costing Systems</b> [ACC-202-01]	Meets “Proficient” criteria and demonstrates keen insight into key cost behaviors and cost systems <b>(100%)</b>	Justifies the use of job order costing by comparing and contrasting the various costing systems covered in the course <b>(85%)</b>	Discusses the use of job order costing but fails to fully or accurately justify its use by comparing and contrasting the various costing systems covered in the course <b>(55%)</b>	Does not discuss the use of job order costing <b>(0%)</b>	6
<b>Financial Strategy: Selling Prices</b> [ACC-202-02]	Meets “Proficient” criteria and demonstrates strategic ability to propose costing solutions supported by the financial data <b>(100%)</b>	Explains and defends the selling prices for grooming, day care, and boarding by citing financial data from the cost-volume-profit analysis <b>(85%)</b>	Explains the selling prices for grooming, day care, and boarding, but fails to fully or accurately defend each price by citing financial data from the cost-volume-profit analysis <b>(55%)</b>	Does not explain the selling prices for grooming, day care, and boarding <b>(0%)</b>	8
<b>Financial Strategy: Target Profits</b> [ACC-202-02]	Meets “Proficient” criteria and demonstrates strategic ability to propose costing solutions supported by the financial data <b>(100%)</b>	Explains and defends the target profits for each area of the business by citing financial data from the cost-volume-profit analysis <b>(85%)</b>	Explains the target profits for each area of the business, but fails to fully or accurately defend each one by citing financial data from the cost-volume-profit analysis <b>(55%)</b>	Does not explain the target profits for each area of the business <b>(0%)</b>	8

<b>Financial Strategy: Contribution Margin</b> [ACC-202-02]	Meets “Proficient” criteria and demonstrates strategic ability to propose costing solutions supported by the financial data <b>(100%)</b>	Explains and defends the contribution margin per unit and contribution margin ratio by citing financial data from the cost-volume-profit analysis <b>(85%)</b>	Explains the contribution margin per unit and contribution margin ratio, but fails to fully or accurately defend each by citing financial data from the cost-volume-profit analysis <b>(55%)</b>	Does not explain the contribution margin per unit and contribution margin ratio <b>(0%)</b>	8
<b>Financial Statements: Statement of Cost of Services</b> [ACC-202-02]	Meets “Proficient” criteria and demonstrates sophisticated ability to evaluate critical performance measures for strategic planning <b>(100%)</b>	Shares the statement of cost of services and logically interprets the business’s performance against the provided benchmarks <b>(85%)</b>	Shares the statement of cost of services, but there are inaccuracies in the statement, or the interpretation has gaps in logic or fails to address the provided benchmarks <b>(55%)</b>	Does not share the statement of cost of services <b>(0%)</b>	6
<b>Financial Statements: Income Statement</b> [ACC-202-02]	Meets “Proficient” criteria and demonstrates sophisticated ability to evaluate critical performance measures for strategic planning <b>(100%)</b>	Shares the income statement and logically interprets the business’ performance against the provided benchmarks <b>(85%)</b>	Shares the income statement, but there are inaccuracies in the statement or the interpretation has gaps in logic or fails to address the provided benchmarks <b>(55%)</b>	Does not share the income statement <b>(0%)</b>	6
<b>Variance Analysis: Identify</b> [ACC-202-02]	Meets “Proficient” criteria and demonstrates sophisticated ability to evaluate critical performance measures for strategic planning <b>(100%)</b>	Accurately identifies all variances for the direct labor time and the materials price <b>(85%)</b>	Identifies variances for the direct labor time and the materials price, but fails to fully or accurately identify each <b>(55%)</b>	Does not identify variances for the direct labor time and the materials price <b>(0%)</b>	6
<b>Variance Analysis: Significance of the Variance</b> [ACC-202-02]	Meets “Proficient” criteria and demonstrates sophisticated ability to evaluate critical performance measures for strategic planning <b>(100%)</b>	Evaluates the significance of the variances in terms of their potential to impact future budgeting decisions and planning <b>(85%)</b>	Evaluates the significance of the variances, but fails to fully or accurately identify their potential to impact future budgeting decisions and planning <b>(55%)</b>	Does not evaluate the significance of the variances <b>(0%)</b>	7
<b>Addendum: Classify Costs</b> [ACC-202-01]		Accurately classifies all costs in the “Cost Classification” tab of the workbook <b>(100%)</b>	Classifies costs in the “Cost Classification” tab, but fails to fully or accurately classify each <b>(55%)</b>	Does not classify costs in the “Cost Classification” tab of the workbook <b>(0%)</b>	6

# Southern New Hampshire University

<b>Addendum: Contribution Margin</b> [ACC-202-01]		Determines the contribution margin per unit and contribution margin ratio in the “Contribution Margin Analysis” tab of the workbook <b>(100%)</b>	Determines the contribution margin per unit and contribution margin ratio in the “Contribution Margin Analysis” tab of the workbook, but fails to fully or accurately complete the analysis <b>(55%)</b>	Does not determine the contribution margin per unit and contribution margin ratio in the “Contribution Margin Analysis” tab of the workbook <b>(0%)</b>	6
<b>Addendum: Break-Even Points</b> [ACC-202-01]		Determines the break-even points for achieving the target profits in the “Break-even analysis” tab of the workbook <b>(100%)</b>	Determines the break-even points for achieving the target profits in the “Break-even analysis” tab of the workbook, but fails to fully or accurately complete the analysis <b>(55%)</b>	Does not determine the break-even points for achieving the target profits in the “Break-even analysis” tab of the workbook <b>(0%)</b>	6
<b>Effective Business Communication</b> [ACC-202-02]	Meets “Proficient” criteria and demonstrates sophisticated ability to effectively communicate to internal stakeholders <b>(100%)</b>	Main ideas are clearly communicated and references are properly cited throughout the presentation <b>(85%)</b>	There are minor issues with the communication of ideas or use of citations that negatively impact the effectiveness of the presentation <b>(55%)</b>	There are critical errors in the communication of ideas that negatively impact basic comprehension of the presentation <b>(0%)</b>	3
<b>Total</b>					<b>100%</b>

## Appendix

**Scenario: Prior to Opening, Part I:** You plan to open a pet-services business that will offer dog grooming, day care, and boarding. You can be creative in deciding the name of your business (e.g., “Inspiring Dog Care”), its geographical location (e.g., Chicago), and its mission and vision for adding value to the community. You will be asked to make choices for a few other details to customize your case; otherwise, you should use the information below.

There are 12 kennels (single dog only) and the day care area can house 10 large dogs and 12 small dogs each day. The grooming facility is 200 square feet, the boarding facility is 2,500 square feet, and the day care is 1,500 square feet. Your groomer can groom five dogs a day for five days a week; each groom consists of 1.5 labor hours. You also offer dog day care six days a week, and kenneling every day. You have taken out a loan for start-up costs and the monthly payment is \$420; it goes into effect immediately and should be accounted for in your costs. With limited cash contribution and loan funding, you located two angel investors. You will collect a modest draw for the first year of \$600 a month; remember to divide evenly among the services.

Note: For simplicity, base all calculations using 30 days in each month.

You estimate the following staffing needs:

- A groomer who will be paid \$12/hour and work 40 hours a week
- A day care attendant who will be paid \$9/hour and will work 22 eight-hour days per month
- A receptionist who will be paid \$8.50/hour and work 30 hours a week
- A kennel attendant who will be paid \$11.50/hour and will work 22 eight-hour days per month

A complete list of additional costs is provided below:

- Food and water bowls: \$3.59/unit
  - Daycare: Two bowls last for every 75 dogs that attend daycare.
  - Boarding: Two bowls last for every 100 dogs that are boarded; you need two bowls per kennel.
  - Grooming: Each bowl lasts for 20 grooms and you need four bowls at all times.
- Fencing for daycare area: \$1,249; installation of fencing: \$1,000
- Dog grooming arm: \$300
- 12 kennels: \$9,500; depreciation is \$80/month
- Rent: \$650/month; allocate based on square footage
- Utilities/insurance: \$600/month; allocate based on square footage
- Grooming table: \$900
- Grooming tub: \$2800

- Heating system: \$10,000; depreciation is \$83/month; allocate based on square footage
- Clippers: \$136.99; can be used for 100 grooms
- Shampoo: \$103.96 per five-gallon pail, which can be used for 100 grooms
- Cage bank: \$2200 per set of 5
- Salon Tuff Capri mobile carry cart: \$90
- Towels: \$34.99 per 12 pack
  - Day care: You need to have 12 towels for every 25 dogs.
  - Boarding: You need to have 12 towels for every 40 dogs.
  - Grooming: You need to have two towels for every groom per day.
- Scissors: (1) 7-inch straight is \$194.99, and (1) ear-and-nose is \$7.49; each can be used for 200 grooms.
- Toys: \$3.29 per 6-pack; one toy will last for two dogs in day care, per day.
- Cleaning products:
  - Odoban: \$14.55/gallon: Each area will dilute 1 oz to 1 gallon of water; allocate based on square footage.
  - Simple Green: \$15.66/gallon: each area will dilute 1 oz to 1 gallon of water; allocate based on square footage.
- Dryer: \$1250
- Rubberized flooring for day care: \$3800

**Scenario: Prior to Opening, Part II:** Your market research indicated the following price ranges as optimal for your area:

- Dog Day Care
  - With pricing at \$18 per dog per day, you can expect to have 22 dogs per day.
  - With pricing at \$20 per dog per day, you can expect to have 15 dogs per day.
  - With pricing at \$25 per dog per day, you can expect to have 10 dogs per day.
- Overnight Boarding
  - With pricing at \$25 per dog per day, you can expect to have 12 dogs per day.
  - With pricing at \$28 per dog per day, you can expect to have 10 dogs per day.
  - With pricing at \$30 per dog per day, you can expect to have 7 dogs per day.
- Basic Groom
  - With pricing at \$25 per groom, you can expect to do 5 grooms per day.
  - With pricing at \$30 per groom, you can expect to do 4 grooms per day.
  - With pricing at \$35 per groom, you can expect to do 3 grooms per day.

Additionally, you need to compare your break-even points for the following target profits for each area of your business:

- Day Care
  - Break-even
  - \$417 target profit each month
  - \$667 target profit each month
  
- Boarding
  - Break-even
  - \$583 target profit each month
  - \$909 target profit each month
  
- Grooming
  - Break-even
  - \$1,000 target profit each month
  - \$1,500 target profit each month

**Post-opening Scenario:** Your angel investors are silent in relation to the business; however, they require board meetings for status updates on the company’s financial health. Therefore, you need to analyze your company’s performance over the last month using the data provided below.

Note: Your instructor will create an announcement sharing the income statement data by the end of Module Four. All of the data you need for the cost-of-goods-manufactured statement can be found in the “COS Schedule” tab of your workbook.

For your variance analysis, use the following financial data:

Direct Materials/Labor	Original Projection	Actual
Shampoo	1000 ounces (\$2/groom)	1200 ounces (\$3/groom)
Grooming Labor	1.5 hrs/groom @ \$12	2.25 hrs/groom @ \$11.50