

Course	BUSN 6070 / NL / Management Accounting	
Term	Spring 1, 2010– Saturday #2 – 8:00 am – 5:00 pm 1/9, 1/23, 2/6, 2/20, & 2/27 (1pm - 5pm)	
Instructor	Name: Kendra Loria Cell Phone: (904) 610-2767 Email: kpioria@aol.com or loria@webster.edu	
Catalog Description	The student examines advanced topics in management accounting as these relate to management information needs for planning, control, and decision making. Topics include interpretation of standard cost variances; application of quantitative techniques; evaluation of divisional performance; activity-based costing; and the behavioral impact of accounting systems.	
Prerequisites	BUSN 5600 Accounting Theory and Practice and BUSN 5760 Applied Business Statistics	
Course Level Learning Outcomes	Outcome	Expectation
	1. Students have basic knowledge of important facts, terminology, concepts, principles, and theories in the area of Accounting.	Students understand accounting core concepts, tools, and terminology that encompasses management accounting information as it is used for planning, control, and decision-making purposes.
	2. Students can address unstructured business problems that span multiple functional areas.	The MBA student will understand how to use the primary financial statements for decision making, including evaluating earnings trends and quality. The student will understand how to use accounting information, both financial and other qualitative information, for planning, implementing, controlling, and decision making related to enterprise activities. Managerial decision making includes costing and pricing decisions, profit planning, operational and capital budgeting, and responsibility accounting and performance evaluation.

	3. Students can evaluate and analyze profitability.	Students can solve problems and interpret the results of break-even analysis and cost-volume-profit analysis. Students can analyze profitability trends and quality. Students can prepare full absorption and variable costing income statements.
	4. Students can calculate costs of providing a good or service.	Students calculate the cost of goods and services using job order costing, process costing, activity-based costing, standard costing and target costing.
	5. Students can distinguish relevant versus irrelevant costs for decision making.	Students can distinguish costs relevant to a decision versus costs that are not relevant, including an understanding of sunk costs, opportunity costs, and differential costs.
	6. Students can make short-term or tactical decisions.	Students can analyze short-term decisions, such as make-or-buy, keep or drop a segment, and special orders.
	7. Students can evaluate capital investment projects using NPV and IRR.	Students can estimate cash flows and risk and use these values to compute NPV and IRR. Students can analyze the results and make a recommendation.
	8. Students can prepare operational budgets.	Students can prepare operational budgets, consisting of sales budget, production budget, material budget, cash budget, and pro forma financial statements to use in planning and control.
	9. Students understand how to use financial information to evaluate performance.	Students use Return on Investment (ROI), Residual Income (RI), Economic Value Added (EVA) and the balanced scorecard for performance evaluation and responsibility accounting.
	10. Students can determine the transfer price that would maximize profits.	Students can calculate transfer prices and determine the transfer price that would maximize profits.

Materials

Atkinson, A., Kaplan, R., and Young, M. (2007). **Management Accounting**. (5th Edition). Pearson-Prentice Hall. New Jersey. **ISBN# 0-136-00531-4.**

To Order Textbooks go to the local North FL website www.webster.edu/jack and click on Order Textbooks to select a vendor
(Note: Textbooks must be ordered 2 weeks prior to class to ensure delivery)

Supplemental Reading:
 Wall Street Journal and other business journals. Students will have the opportunity to subscribe to the Wall Street Journal at heavily discounted student rates. It is highly recommended that students have daily access to the Wall Street Journal.

Research Paper Guidelines and Sample Paper – See website @ www.webster.edu/jack and click on the Student Resources category.

Grading

• Pre-Assignment and subsequent tasks, including “Passports” Internet reference Citations and Bibliography (at least 3) (use APA format)	10 Points
• Homework Problems	25 Points
• Mid-Term Exam	25 Points
• Final Exam Including Presentation	30 Points
• Class Participation and Attendance	<u>10 Points</u>
TOTAL	100 Points

Letter grades will be assigned pursuant to the following scores based on the percent of the total possible points (weighted according to the scale above) that you earned in the course.

Percentage of Total Points	Grade
95%-100%	A
90%-94%	A-
88%-89%	B+
84%-87%	B
80%-83%	B-
70%-79%	C
Below 70%	F

<p>Activities</p>	<p>Underlying Concepts, Tools, and Terminology (12%):</p> <ul style="list-style-type: none"> • The student should understand the core concepts, tools, and terminology that encompass management accounting information as it is used for planning, control, and decision-making purposes. At the root of this conceptual framework are three guiding learning objectives: <ul style="list-style-type: none"> ➤ The activities of an organization are viewed as a value chain consisting of value-added and nonvalue-added activities. The identification of each is fundamental to cost management, ➤ Information about an organization’s costs, how they are classified, and how or where they may be used are quite different within an organization based on different management accounting purposes, and ➤ Cost behavior, as a supporting framework, must be thoroughly understood to appreciate how management accounting information is effectively designed and used. <p>Management Accounting Concepts and Tools to Support the Analysis of Profits (18%):</p> <ul style="list-style-type: none"> • The student should understand the factors that contribute to an organization’s profitability as well as the relationships between those factors. These factors include alternative pricing approaches, an organization’s cost structure, understanding and using contribution margin, the volume of activity and how sensitive profits are to changes in volume, the break-even point, and the concept of operating leverage. To understand how these factors interact with one another it is fundamental that cost behavior patterns, such as fixed, variable, and mixed costs, are identified and used in profitability analysis. <p>How Organizations Determine the Cost of Providing a Product or Service (16%):</p> <ul style="list-style-type: none"> • An organization’s accounting information system is used to provide information about the cost of providing its products or services as required for financial reporting purposes. But in order to effectively use this information for internal purposes of planning, control, and decision-making, the student will learn different cost classifications. Product and service costing systems are explored, such as job-cost and process cost systems. The methods by which costs are accumulated and assigned to product or service activities are critical to having valid cost information and the distinction between direct costs, which are traceable to a product or service activity, and indirect costs, which must be allocated to a product or service activity, are critical for the student to understand. Cost allocation and assignment techniques are to be explored with a special emphasis on activity-based costing. <p>Management Accounting Information for Decision-Making (18%):</p> <ul style="list-style-type: none"> • An organization’s management accounting information system supports its decision makers and students learn to understand how costs are organized and viewed differently for managerial decision-making purposes. Of critical importance to this objective is the ability for students to distinguish costs that are relevant to the decision at hand from those costs that are irrelevant and
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therefore should not be considered. Distinct cost terms are used to classify these costs as relevant or not and many decision-making examples should be used to illustrate this concept.

Management Accounting Information for Planning (18%):

- An organization's management accounting information system supports its planning process and students must understand how costs are organized and viewed differently for planning purposes. This course should explore the organizational process and dynamics for planning and students should be able to complete the sequence of individual budgets and understand the cost standards that comprise an organization's operating budget and define expected performance, which is sometimes referred to as its master budget. In addition to this process of planning for profits and costs on the annual operational level, long-term planning for capital investments are also explored. To facilitate long-term planning and to support accurate capital investment decisions, the time value of money concept is introduced and techniques for analyzing capital investment proposals are presented.

Management Accounting Information for Control (18%):

- An organization's management accounting information system supports its control function and students learn how costs are organized and viewed differently for control purposes. Once budgets and other plans and decisions are implemented, the appropriate question is "how well are we doing?" An organization's control function provides the answer. Students learn important control techniques and principles in order to properly compare the actual operating results to those costs that were expected for the level of activity achieved (flexible budgets). Variances are explored in terms of significance and meaning relative to corrective action. The behavioral implications of a performance reporting system is important for all students to appreciate and the concept of responsibility accounting is developed to guide the performance measurement system. The Balanced Scorecard is developed in order to emphasize the importance of using a mix of performance measures that focus on financial as well as non-financial organizational perspectives.

Pre-Assignment and subsequent tasks, including "Passports" Internet reference Citations and Bibliography (at least 3) (use APA format):

- The Pre-Assignment project is worth 10% of the final grade.
- Please ensure that all requirements are sufficiently satisfied.
- Late submissions of Pre-Assignment projects will be subject to a reduction in awarded credit of at least one grade.
- The Pre-Assignment project must be typed. There is no minimum or maximum length for the project. Be cautious to ensure satisfactory analysis and support for your position while not approaching a level of excessive verbal effusion.
- At least THREE (3) references from Passports are required to satisfy the minimum research requirements for the project. Other sources may also be used. Projects shall be supported by an appropriate degree of documentation

in good form, including but not limited to graphs, charts, quoted verbiage, attachments, etc.

- Projects will be graded equally on (a) EFFICIENCY AND EFFECTIVENESS OF CONTENT and (b) GRAMMAR.
 - Efficiency is judged by the conciseness of the student's approach towards resolution and the associated narrative supporting the student's analysis and position. In some instances, less is more.
 - Effectiveness is judged by the ability of the student to present their material. Unique and interesting insights offered by the student will be rewarded with additional points. In addition, the effectiveness of the final work-product will be considered in terms of keeping the interest of the consumer of the analysis (the instructor). A high level of production quality and entertainment value will maximize points awarded by the instructor.

In addition, projects will be graded for punctuation, sentence structure, spelling, citations, and bibliography. For maximum point accumulation, students should use proper business vernacular.

- **WARNING:** Pre-Assignment projects will be penalized for verbosity. Remember that verbosity is not a virtue in the business world.

Homework Problems:

- Weekly homework will be assigned for the first eight weeks of the course and will be submitted and discussed in class.
- Each week's assignment will add up to a max of 25% of the final grade.
- The homework will be discussed in class and assignments will be reviewed for effort and completeness.

Mid-Term Exam and Final Exam Including Presentation:

- The Mid-term will be on a take-home basis and the specifics will be discussed and reviewed in class. It will be worth 25% of the final grade.
- The Final exam will be a small group problem/case study and will be presented, formally, in class, at the final scheduled class. Including the presentation, the final will be worth 30% of the final grade.
- These will both be discussed further in class.

Class Participation and Attendance:

- Students are expected to attend all class sessions of every course for the full 36 contact hours. In the case of unavoidable absence, the student must contact the instructor. The student is subject to appropriate academic penalty for incomplete or unacceptable makeup work, or for excessive or unexcused absences. Generally, a student who misses more than one four-hour course period (per course) without a documented military or medical excuse and advanced permission of the instructor should withdraw from the class. The University reserves the right to involuntarily drop enrolled students from classes, which they do not attend. **PLEASE BE ADVISED:** Students who do

not attend the first class session, who have not made prior arrangements with the instructor for being absent, will be dropped from their courses.

- Attendance the last day of class is mandatory to ensure that all work is completed and to be awarded a passing grade. An Incomplete will not be acceptable without documental proof (Death Notice, Doctor's Letter, etc.) as to absence relating to non-completion of class work. These must be faxed 904-262-1459 or dropped off to Webster University by the Monday after the term ends.
- Participants are expected to arrive on time and be actively involved in the learning experience. Each student should desire to learn, participate, and proactively contribute to the learning of others during each discussion and exercise.
- Students are to participate in classroom discussions. The discussions are an opportunity for students to reveal their understanding of the assignments made for the current and previous classes.
- Assignments are given to prepare the student to participate in class discussions; therefore, it is imperative that reading assignments and associated questions for discussion be completed prior to class.
- A maximum of 10 points will be awarded based on the level and quality of participation and preparation.
- Failure to turn in an assignment within one week will result in a grade of "0" for that assignment. In addition, failure to submit an assignment will lower the final grade by an additional two points.
- All assignments are due as detailed in the Course Schedule.
- Late assignments will be accepted, if they are turned in *no later* than one week later, but will be penalized one letter grade. Furthermore, late assignments will lower the student's final grade by an additional one point.
- Late assignments will not be accepted for the final assignments the last session of the course to allow timely completion and grades to be submitted.
- An in-class discussion forum will be established in which students are required to make comments and contributions of relevant current events. Contributions will be verbal and are usually presented at the beginning of each class session.
- As prescribed by Webster University, the instructor will assign students a one-page written assignment for each hour of class missed. Inadequate completion of these projects will result in zero points for the entire "Class Participation and Homework" component of the final grade.

<p>Policy Statements:</p> <p>University Policies</p>	<p>University policies are provided in the current course catalog and course schedules. They are also available on the university website. This class is governed by the university's published policies. The following policies are of particular interest:</p> <p>Academic Honesty</p> <p>The university is committed to high standards of academic honesty. Students will be held responsible for violations of these standards. Please refer to the university's academic honesty policies for a definition of academic dishonesty and potential disciplinary actions associated with it.</p> <p>Drops and Withdrawals</p> <p>Please be aware that, should you choose to drop or withdraw from this course, the date on which you notify the university of your decision will determine the amount of tuition refund you receive. Please refer to the university policies on drops and withdrawals (published elsewhere) to find out what the deadlines are for dropping a course with a full refund and for withdrawing from a course with a partial refund.</p> <p>Special Services</p> <p>If you have registered as a student with a documented disability and are entitled to classroom or testing accommodations, please inform the instructor at the beginning of the course of the accommodations you will require in this class so that these can be provided.</p> <p>Disturbances</p> <p>Since every student is entitled to full participation in class without interruption, disruption of class by inconsiderate behavior is not acceptable. Students are expected to treat the instructor and other students with dignity and respect, especially in cases where a diversity of opinion arises. Students who engage in disruptive behavior are subject to disciplinary action, including removal from the course.</p> <p>Student Assignments Retained</p> <p>From time to time, student assignments or projects will be retained by The Department for the purpose of academic assessment. In every case, should the assignment or project be shared outside the academic Department, the student's name and all identifying information about that student will be redacted from the assignment or project.</p> <p>Contact Hours for this Course</p> <p>It is essential that all classes meet for the full instructional time as scheduled. A class cannot be shortened in length. If a class session is cancelled for any reason, it must be rescheduled.</p>
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<p>Course Policies</p>	<p>This syllabus may be revised at the discretion of the instructor without the prior notification or consent of the student. The schedule below presents an approximate expectation of course progress. The instructor reserves the right to add, delete, or modify any weeks of this schedule. The instructor also reserves the right to change the overall course grade weighting. Any changes will be announced in class.</p> <p>If you miss class you are responsible for getting notes and assignments. <i>No late homework will be accepted and missed quizzes will receive scores of zero unless prior approval to miss class is obtained from the instructor.</i> Makeup exams will be scheduled only if arranged in advance of the scheduled exam date.</p> <p>Make-Up Requirements</p> <ul style="list-style-type: none"> • For each class hour missed, a one (1) page, double-spaced, typed paper, with one (1) reference will be submitted by the end of the term. The instructor will assign the topic. A four (4) hour class will require four (4) pages supported with (4) references from popular or academic press. • This paper will be graded and incorporated in the class participation grade. If the make-up work is not submitted, the student's final grade will be reduced one (1) letter grade. • Students are responsible for any class material presented during their absence, and any assignments due should be submitted prior to the absence, if possible. 	
<p>Weekly Schedule</p>		<p>Pre-Assignments for Sessions 1 & 2:</p> <ul style="list-style-type: none"> • Read Chapters 1, 2, and 3 • Prepare a well-written document in response to the following: <ul style="list-style-type: none"> ➤ Describe what you consider to be three of the most significant issues facing today's business managers. ➤ Please cite at least three research sources from Passports to provide support on your opinion. See grading requirements (below) for additional requirements and guidelines. <ul style="list-style-type: none"> • 1-16 • 1-22 • 2-23 • 2-38
	<p>Session 1</p>	<p>A.M. Session (8-NOON) THEME: Introduction to Management Accounting Concepts and Tools to Support the Analysis of Profits Topics:</p> <ul style="list-style-type: none"> • An overview of the course, the syllabus, homework, assignments, project, cases and the overall class structure.

	<ul style="list-style-type: none"> • Chapter 1 - Management Accounting-Information that creates value • Chapter 2 – Cost Management concepts and cost behavior • Discuss pre-assignment question – 3 major issues facing managers
Session 2	<p>P.M. Session (1-5PM) THEME: Organizational Costs and Structure – Behavior and Motivational Factors Topics:</p> <ul style="list-style-type: none"> • Chapters 3 and 4 • How organizations’ costs are classified • Cost Behavior Patterns <p>Assignments for Sessions 3 & 4:</p> <ul style="list-style-type: none"> • 3-23 • 3-33 • 4-22 • 4-31 • 5-29 • 5-33
Session 3	<p>A.M. Session (8-NOON) THEME: Management Accounting Information for Decision Making Topics:</p> <ul style="list-style-type: none"> • Chapter 5
Session 4	<p>P.M. Session (1-5PM) THEME: Decentralized Operations Topics:</p> <ul style="list-style-type: none"> • Chapter 6 – Pricing and Product planning • Review for Mid-Term Exam <p>Assignments for Session 5 & 6:</p> <ul style="list-style-type: none"> • 6-17 • 6-45 • Mid-Term Exam (take home – Chapters 1-6) • 7-57 • 7-60 • 8-56 • 8-74
Session 5	<p>A.M. Session (8-NOON) THEME: Management Accounting Information for Planning and Budgeting</p>

	<p>Topics:</p> <ul style="list-style-type: none"> • Review Mid-Term Exam • Chapter 7 – Assessing performance over the value chain • Chapter 8 – Motivating Behavior
Session 6	<p>P.M. Session (1-5PM) THEME: Management Accounting Information for Planning for Control and Cost Accounting Methodologies. Topics:</p> <ul style="list-style-type: none"> • Chapter 9 – Balanced scorecard • Chapter 10 – Using Budgets to achieve objectives <p>Assignments for Sessions 7 & 8:</p> <ul style="list-style-type: none"> • 9-35 • 10-36 • 10-42 • Read Chapters 11 and 12 • 11-35 • 11-39 • 12-34 • 12-35
Session 7	<p>A.M. Session (8-NOON) THEME: Cost Accounting Methodologies (cont.) Topics:</p> <ul style="list-style-type: none"> • Chapter 11- Capital budgeting • Chapter 12- Standard Costs and Variance Analysis • Midterm (take home – Chapters 7 – 12)
Session 8	<p>P.M. Session (1-5PM) THEME: Review for Final Exam – Group Presentation of Cases Topics:</p> <ul style="list-style-type: none"> • Midterm (in class and take home – Chapters 7 – 12) • Group Case Preparation <p>Assignment for Session 9:</p> <ul style="list-style-type: none"> • Prepare for group presentation
Session 9	<p>A.M. Session (8-NOON) THEME: Wrap-up: Review of Underlying Concepts, Tools and Terminology of Course Core Concepts Topics:</p> <ul style="list-style-type: none"> • Hot Topics • Group Presentations

Additional Information	None		

Revised 8/6/07