

VICTORIA MANAGEMENT SCHOOL

MMBA 509
Financial and Management Accounting

Trimester 2, 2006

COURSE OUTLINE

Contact Details

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Class Times and Room Numbers

Start Date: 10 July 2006

Format: One two-hour session each week.

Lecture Times: Mondays, 5:40 – 7:30 pm

Location: RH LT-2

Examination: During examination period 16th October to 11th November, 2006

Course Objectives

The Master of Business Administration Programme aims to produce professional managers capable of fulfilling strategic roles within corporate and government enterprises. Managers make extensive use of accounting information in their day-to-day work and accounting information is fundamental to corporate governance in that it provides the means of making the organisation's management accountable to outsiders such as owners.

An understanding of basic financial concepts is considered by most, if not all, senior managers to be of critical importance to their – and their organisation's – success. Yet, for many, those concepts seem illusive and confused by jargon. This course is designed to overcome these

difficulties and to enable students to understand the contribution to decision making of externally and internally reported financial information. These uses of accounting information are as applicable to government and non-profit organisations as they are to businesses.

More specifically, **the primary objectives of the course** are to enable participants to communicate effectively with financial – and other – colleagues in making strategic decisions by:

1. providing an understanding of key financial concepts;
2. enhancing participants' understanding and interpretation of external financial reports (i.e. published financial statements); and
3. enhancing participants' understanding of internal financial reports.

By the end of this course, you should:

1. be able to read and interpret published financial statements with an understanding of the key assumptions and conventions behind them;
2. understand how cost and revenue information can be used (and misused) in operational decisions; and
3. have a strategic perspective of the role of accounting in managing organisations.

Course Content

Teaching Method

The course will be a mixture of case studies, lectures and workshop sessions during which students may be required to undertake problems and calculations. Bring your calculators. All students are expected to have fully researched any case study and be prepared to ask and answer questions and provide feedback and constructive critique

Tutorials will provide for syndicate work and individual assistance to provide immediate reinforcement of techniques covered in the last lecture.

Workload

Workload expectations for this course are 10 hours per week for the 12 teaching weeks and 30hrs during the mid-trimester break.

Readings

Textbook: Atrill, P., and McLaney, E. (2004). **Accounting and Finance for Non-Specialists** (4th Edition). Prentice Hall.

Additional material may be posted on Blackboard or handed out.

Materials and Equipment

You are expected to obtain a copy of a recent annual report, preferably from your own organisation. You will need a simple calculator. Students are allowed to use calculators during the test and examination.

Assessment Requirements

Assignments	20%	During course
Mid-Term Test (Open Book)	30%	Date TBA
Final Examination (Open Book)	50%	During examination period Oct.-Nov. 06 (TBA)

Assignments (20%) – There will be two equally weighted assignments, one on the financial accounting material in the course and one on the management accounting material.

Mid-Term Test (30%) – The mid-term test will be similar to the final examination in form and approach. This test will be 2 hours long. It will take place on a date to be notified, before the mid-term break.

Final Examination (50%) – This 2-hour examination will be scheduled during the final examination period.

Questions for the test and examination may involve multi-choice questions, short essay topics, problems or short cases. The test and final examination will be open book: any written materials may be used. Calculators may be used.

Penalties

In fairness to other students, work submitted after the deadline will not be accepted. A “zero” mark will be applied. In the event of unusual, unforeseen circumstances (e.g., serious illness, family bereavement), students should discuss waiver of the penalty with the course controller prior to the deadline date.

Mandatory Course Requirements

Passing the Course

In order to pass this course, students are required to obtain at least forty percent of the final examination marks available, and obtain at least fifty percent of the overall course marks available.

Victoria MBA Grading Standards are as follows:

Excellent Category

A- (75 – 79%) to A (80 – 84%) to A+ (85% and over): The quality is performed to a very high level of proficiency, i.e. it is at a standard that makes it exceptional at Master’s level.

Very Good Category

B+ (70 – 74%): The quality is performed at a high standard. Students have reached a level that clearly exceeds “competency”.

Good Category

B (65 – 69%): The quality is clearly demonstrated without being exceptional in any way. Students can be thought of as competent in respect of this quality.

Satisfactory Category

B- (60 – 64%): The quality is clearly demonstrated without being exceptional in any way. Students can be thought of as competent in respect of this quality.

Marginal Category

C (50 – 54%) to C+ (55 – 59%): The quality is demonstrated to a minimally acceptable level. There may be flaws but these are not serious enough to “fail” the student on this quality.

Unsatisfactory / Failure Category

E (0 – 39%) to D (40 – 49%): The quality is absent or performed to a very low level, or the performance is seriously flawed in this respect.

Individual Work

While the Victoria MBA programme has a tradition of study group collaboration, there are important elements in the assessment process that are strictly individual. Collaboration on individual assignments is not allowed beyond general discussion as to how one might interpret the nature of the assignment question. Please do not work together to formulate a response and do not loan out your assignments.

Referencing

There are many different styles of referencing and the Faculty of Commerce & Administration at VUW has decided to make APA (American Psychological Association) referencing style the common standard across the Faculty. The Commerce and Central Libraries hold the APA Style Guide. You can also access the information from the online VUW library site (<http://www.vuw.ac.nz/library/resources/virtualref.shtml#style>).

Communication of Additional Information

Blackboard will be used to confirm arrangements given in class and to provide additional material. It is important that students ensure they have current access before the course starts or as soon as possible thereafter.

Lecture Schedule – MMBA – 509

*Note: The indicated chapters should be read **before** the relevant class.*

<u>Week</u>	<u>Lecturer</u>	<u>Date</u>	<u>Topic</u>	<u>Text chapters</u>
1	BsK	10 July	Introductions and arrangements Understanding cost behaviour	7 to p. 201
			Cost, Profit and Break-even Analysis	
2	BsK	17 July	Product Costing: Issues & Problems:	8 to p. 216
			Cost classification. Absorption costing	
3	BsK	24 July	Marginal costing:	7 p. 201 to end
			Relevant Costs and Decision Making	
4	BsK	31 July	Alternative Costing Techniques:	8 p. 216 to end
			Activity Based costing and Customer Profitability analysis	
5	BsK	07 August	Budgetary control.	9 to p. 262 &
			Divisional Performance Measurement	p. 274 to end
6	BsK	14 August	Balanced Performance Measurement:	Readings
			Performance measurement models.	
7	RAM	04 Sept.	Accounting Basics – the building blocks	1
8	RAM	11 Sept.	Measuring and reporting financial position (Income statement)	2
			Measuring and reporting financial position (Balance Sheet)	3
			Accounting for limited companies	4
9	RAM	18 Sept.	Accounting for long-lived assets	12
			Sources of capital: Debt and Equity	
10	RAM	25 Sept.	Measuring and reporting cash flows (Cash Flow Statement)	5
			Working capital	11
11	RAM	02 October	Financial Statement Analysis	6
12	RAM	09 October	Interpreting and comparing corporate external financial reports	Readings

Note: Mid trimester break: 21st August till 1st Sept., 06. Teaching ends on 13th October, 06

Faculty of Commerce and Administration Offices

Railway West Wing (RWW) - FCA Student and Academic Services Office

The Faculty's Student and Academic Services Office is located on the ground and first floors of the Railway West Wing. The ground floor counter is the first point of contact for general enquiries and FCA forms. Student Administration Advisers are available to discuss course status and give further advice about FCA qualifications. To check for opening hours call the Student and Academic Services Office on (04) 463 5376.

Easterfield (EA) - FCA/Education/Law Kelburn Office

The Kelburn Campus Office for the Faculties of Commerce and Administration, Education and Law is situated in the Easterfield Building - it includes the ground floor reception desk (EA005) and offices 125a to 131 (Level 1). The office is available for the following:

- Duty tutors for student contact and advice.
- Information concerning administrative and academic matters.
- Forms for FCA Student and Academic Services (e.g. application for academic transcripts, requests for degree audit, COP requests).
- Examinations-related information during the examination period.

To check for opening hours call the Student and Academic Services Office on (04) 463 5376.

General University Policies and Statutes

Students should familiarise themselves with the University's policies and statutes, particularly the Assessment Statute, the Personal Courses of Study Statute, the Statute on Student Conduct and any statutes relating to the particular qualifications being studied; see the Victoria University Calendar available in hard copy or under 'About Victoria' on the VUW home page at www.vuw.ac.nz.

Student and Staff Conduct

The Statute on Student Conduct together with the Policy on Staff Conduct ensure that members of the University community are able to work, learn, study and participate in the academic and social aspects of the University's life in an atmosphere of safety and respect. The Statute on Student Conduct contains information on what conduct is prohibited and what steps are to be taken if there is a complaint. For information about complaint procedures under the Statute on Student Conduct, contact the Facilitator and Disputes Advisor or refer to the statute on the VUW policy website at www.vuw.ac.nz/policy/studentconduct. The Policy on Staff Conduct can be found on the VUW website at www.vuw.ac.nz/policy/staffconduct.

Academic Grievances

If you have any academic problems with your course you should talk to the tutor or lecturer concerned; class representatives may be able to help you in this. If you are not satisfied with the result of that meeting, see the Head of School or the relevant Associate Dean; VUWSA Education Coordinators are available to assist in this process. If, after trying the above channels, you are still unsatisfied, formal grievance procedures can be invoked. These are set out in the Academic Grievances Policy which is published on the VUW website at www.vuw.ac.nz/policy/academicgrievances.

Academic Integrity and Plagiarism

Academic integrity is about honesty – put simply it means **no cheating**. All members of the University community are responsible for upholding academic integrity, which means staff and students are expected to behave honestly, fairly and with respect for others at all times.

Plagiarism is a form of cheating which undermines academic integrity. The University defines plagiarism as follows:

The presentation of the work of another person or other persons as if it were one's own, whether intended or not. This includes published or unpublished work, material on the Internet and the work of other student or staff.

It is still plagiarism even if you re-structure the material or present it in your own style or words.

Note: It is however, perfectly acceptable to include the work of others as long as that is acknowledged by appropriate referencing.

Plagiarism is prohibited at Victoria and is not worth the risk. Any enrolled student found guilty of plagiarism will be subject to disciplinary procedures under the Statute on Student Conduct and may be penalised severely. Consequences of being found guilty of plagiarism can include:

- an oral or written warning
- cancellation of your mark for an assessment or a fail grade for the course
- suspension from the course or the University.

Find out more about plagiarism, and how to avoid it, on the University's website at www.vuw.ac.nz/home/studying/plagiarism.html.

Students with Impairments

The University has a policy of reasonable accommodation of the needs of students with disabilities. The policy aims to give students with disabilities the same opportunity as other students to demonstrate their abilities. If you have a disability, impairment or chronic medical condition (temporary, permanent or recurring) that may impact on your ability to participate, learn and/or achieve in lectures and tutorials or in meeting the course requirements, please contact the Course Coordinator as early in the course as possible. Alternatively you may wish to approach a Student Adviser from Disability Support Services (DSS) to discuss your individual needs and the available options and support on a confidential basis. DSS are located on Level 1, Robert Stout Building, telephone (04) 463 6070, email disability@vuw.ac.nz. The name of your School's Disability Liaison Person is in the relevant prospectus or can be obtained from the School Office or DSS.

Student Support

Staff at Victoria want students to have positive learning experiences at the University. Each Faculty has a designated staff member who can either help you directly if your academic progress is causing you concern, or quickly put you in contact with someone who can. Assistance for specific groups is also available from the Kaiwawao Māori, Manaaki Pihipihinga or Victoria International.

In addition, the Student Services Group (email student-services@vuw.ac.nz) is available to provide a variety of support and services. Find out more at www.vuw.ac.nz/st_services/.

VUWSA employs Education Coordinators who deal with academic problems and provide support, advice and advocacy services, as well as organising class representatives and Faculty delegates. The Education Office (tel. 04 463 6983 or 04 463 6984, email education@vuwsa.org.nz) is located on the ground floor, Student Union Building.

Manaaki Pihipihinga - Maori and Pacific Mentoring Programme (Faculty of Commerce and Administration)

This is a mentoring service for Maori and Pacific students studying at all levels. Weekly one hour sessions are held at the Kelburn and Pipitea Campuses in the Mentoring Rooms, 14 Kelburn Parade, and Room 210 and 211, Level 2, Railway West Wing. Sessions cover drafting and discussing assignments, essay writing, and any questions that may arise from tutorials and/or lectures. A computer suite networked to Cyber Commons is available for student use.

To register with Manaaki Pihipihinga, please contact one of the following:

Puawai Wereta
Room 210, Level 2
Railway West Wing
Tel. (04) 463 8997

Fa'aoi Seiuli
Room 109 B
14 Kelburn Parade
Tel. (04) 463 5