

Victoria School of Management

MMBA 509: Accounting for Managers

Trimester Two 2007

COURSE OUTLINE

Teaching staff: Professor Brenda Porter, BSc(Hons), BBS, PhD, PGCE, FCA (NZ), CA (Scot), FCIS.

Office: RH 610. Telephone: (04) 463 5724
Email: Brenda.Porter@vuw.ac.nz

Dr Bhagwan Khanna, BCom(Hons), MCom (India), MBA,CMA (USA), PhD, CA (NZ).

Office: RH 602 Telephone: (04) 463 5843
Email: Bhagwan.Kanna@vuw.ac.nz

Class Times and Room Numbers: Lecture venue: RH LT2

Lecture day and time: Wednesday evening commencing 11 July 2007, 19.40-21.30

Textbook: Atrill, P., and McLaney, E. (2006). Accounting and Finance for Non-Specialists (5th Edition). Prentice Hall.

In addition to the textbook, supplementary notes will be provided and the 2006 Annual Report of Telecom will be used.

Workload

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

Introduction and Course Objectives

Welcome to this course – Accounting for Managers (an introductory accounting course for managers). We trust you will find it interesting, stimulating and valuable – if somewhat challenging and demanding!

The Master of Business and Administration Programme aims to produce professional managers capable of fulfilling strategic roles within international 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.

More specifically, **the primary objectives of the course are:**

1. to provide an understanding of key financial concepts;
2. to enhance participants' understanding of external financial reports (i.e. published financial statements);
3. to enhance participants' understanding of internal financial reports;
4. to enable participants to communicate effectively with financial – and other – colleagues in making strategic decisions.



Course Content

The course content is set out in tabular form on pages 6 and 7

Students are strongly advised to pre-read the additional reading (if any) and chapters set down for each week's lectures and also to attempt the suggested questions. After each lecture, the relevant material should be re-read carefully and further questions (with answers at the back of the text) attempted.

It is expected that students will spend at least eight hours personal time on this subject each week.

Assessment

Class Test (2 hours)	25%	Date to be advised
Individual assignment	25%	Due date to be advised
Final Examination (3 hours)	50%	Date to be advised

Class test (25%) 2 hour open book test – In the class test, students will be expected to demonstrate their knowledge and understanding of external financial statement concepts and the audited financial statements of companies.

Individual Assignment (25%) – The assignment will test students' knowledge and understanding of internal financial reporting concepts and the internal financial information that is provided to managers. The precise topic of the assignment will be given to students in week 7 of the course (the first week of internal financial reporting).

Final (open book) Examination (50%) – In the final examination, students will be expected to demonstrate their knowledge of the fundamental concepts of external and internal financial reporting and an ability to apply these concepts to problem situations. Students may take into the examination any written material they please.

Course Terms of Reference

Late Assignments

Given the relatively short time for marking and returning assignments, it is imperative that assignments are handed in on time. Late assignments will incur a 50% penalty on the assigned mark. Assignments more than two weeks late will not be accepted. In addition, late assignments will not be available by the agreed return date.

Mandatory Course Requirements

In to meet the mandatory course requirements for this course, students are required to participate fully in both weekend modules, submit the written assignment report, actively contribute to, and participate in, their group presentation and obtain at least fifty percent of the overall course marks available.

Notice of Turnitin Use

Student work provided for assessment in this course may be checked for academic integrity by the electronic search engine <<http://www.turnitin.com>>. Turnitin is an on-line plagiarism prevention tool which identifies material that may have been copied from other sources including the Internet, books, journals, periodicals or the work of other students. Turnitin is used to assist academic staff in detecting mis-referencing, misquotation, and the inclusion of unattributed material, which may be forms of cheating or plagiarism. At the discretion of the Head of School, handwritten work may be copy typed by the School and subject to checking by Turnitin. You are strongly advised to check with your tutor or the course coordinator if you are uncertain about how to use and cite material from other sources. Turnitin will retain a copy of submitted materials on behalf of the University for detection of future plagiarism, but access to the full text of submissions will not be made available to any other party.

Victoria MBA Grading Standards

Victoria MBA - Excellent Category

A (80 – 85%) to A+ (above 85%): 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.

Victoria MBA - Very Good Category

B+ (70 – 74%) to A- (75 – 79%): The quality is performed at a high standard. Students have reached a level which clearly exceeds “competency”.

Victoria MBA - Good Category

B- (60 – 64%) to 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.

Victoria MBA - Satisfactory 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.

Victoria MBA - Unsatisfactory 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.

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 or go to www.vuw.ac.nz/policy.

For information on the following topics, go to the Faculty's website www.vuw.ac.nz/fca under Important Information for Students:

- Academic Grievances
- Academic Integrity and Plagiarism
- Student and Staff Conduct
- Meeting the Needs of Students with Impairments
- Student Support

Manaaki Pihipihinga Programme

Manaaki Pihipihinga is an academic mentoring programme for undergraduate Māori and Pacific students in the Faculties of Commerce and Administration, and Humanities and Social Sciences. Sessions are held at the Kelburn and Pipitea Campuses in the Mentoring Rooms, 14 Kelburn Parade (back courtyard), Room 109D, and Room 210, Level 2, Railway West Wing. There is also a Pacific Support Coordinator who assists Pacific students by linking them to the services and support they need while studying at Victoria. Another feature of the programme is a support network for Postgraduate students with links to Postgraduate workshops and activities around Campus.

For further information, or to register with the programme, email manaaki-pihipihinga-programme@vuw.ac.nz or phone (04) 463 5233 ext. 8977. To contact the Pacific Support Coordinator, email pacific-support-coord@vuw.ac.nz or phone (04) 463 5842.

Session Schedule - MMBA 509 - 2007

Date	Topic	<i>Required Reading</i> <i>Atrill & McLaney</i> <i>(A&M)</i>	<i>Problems/Cases</i> <i>with solutions</i> <i>provided</i>
Externally Reported Financial Information			
11 July 2007 7.40-9.30pm	Theme: <i>Measuring and reporting financial position</i> Building blocks of financial information Accounting equation and structure of external financial statements Transactions and double entry recording <i>Exercise 1: I Tooth</i>	A&M Chs 1 and 2 Supplementary notes Part 1a	Problem 2.5
18 July 2007 7.40-9.30pm	Theme: <i>Measuring and reporting financial performance</i> <i>Problem 2.5</i> Balance Day adjustments <i>Exercise 2: Cathay Pacific Airways Limited's financial statements</i>	A&M Ch 3 Supplementary notes Part 1b	Problem 3.5: TT and Co.
25 July 2007 7.40-9.30pm	Fixed assets and depreciation <i>Problem 3.5 (TT and Co)</i>	A&M Ch 3	
1 August 2007 7.40-9.30pm	Theme: <i>Measuring and reporting cash flows</i> <i>Problem 5.4 (Chen plc)</i> Theme: <i>Interpreting financial statements</i> Fundamentals of financial statement analysis	A&M Ch 5 A&M Ch 6 Supplementary notes Part 2	Problem 5.4
TOPIC 2: Interpreting Externally Reported Financial Information			
8 August 2007 7.40-9.30pm	Profitability, coverage and activity ratios Liquidity, and financial structure ratios <i>Exercise 3: Southern Toy Company Limited</i>		Problem 6.4 Threads Limited
15 August 2007 7.40-9.30pm	<i>Problem 6.4</i> <i>Discussion of Southern Toy Company</i>		Southern Toy Company Limited

To help you with your analysis of Telecom's financial statements, I suggest that, in addition to the readings and problems set out above, you read Chapter 4 of the text book.

Date	Topic	Required Reading <i>Atrill & McLaney</i> <i>(A&M)</i>	Problems/Cases <i>with solutions</i> <i>provided</i>
TOPIC 3: Internal Financial Reporting			
5 Sept 2007 7.40-9.30pm	Theme: <i>Understanding internal financial information</i> <i>Exercise 4: Cost classification</i> Cost-volume-profit analysis <i>Bill French case study</i>	A&M Ch 7 Supplementary notes Part 3a Bill French Case Study	Problem 7.2 The Hotel Group
12 Sept 2007 7.40-9.30pm	Theme: <i>Costing problems</i> Costing components Overhead allocation Marginal vs absorption costing <i>Sheridan Carpets case study</i>	A&M Ch 8 Supplementary notes Part 3b Sheridan Carpets Case Study	
19 Sept 2007 7.40-9.30pm	<i>Special Orders</i> Pricing strategies and special orders <i>Baldwin Bicycle Company case study</i>	Baldwin Bicycle Case Study	Problem 8.2: Pieman Products Ltd
TOPIC 4: Performance and Project Evaluation			
26 Sept 2007 7.40-9.30pm	Theme: <i>Managerial and Divisional Performance Evaluation</i> Evaluating managerial performance - Budgets - Variance analysis Evaluating divisional performance <i>Arnhem Group case study</i>	A&M Ch 9 Supplementary notes Part 4 Arnhem Group Case Study	Problem 9.5: Mowbray Ltd (Question provided)
3 Oct 2007 7.40-9.30pm	Project appraisal <i>Rob Optics Case Study</i>	A&M Ch 10 Supplementary notes Part 5 (Rob Optics Case Study)	Problem 10.2: C George (Controls) Ltd
10 Oct 2007 7.40-9.30pm	<i>Discussion of a Sample examination paper</i>		

