

Victoria School of Management

MMBA 509: Accounting for Managers

Trimester Three 2008

COURSE OUTLINE

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Class Times and Room Numbers: Lecture venue: GB LT4

Lecture day and time: Thursday evening commencing 20 November 2008, 17.40-19.30

Trimester Dates: Monday 17 November 2008 to Saturday February 21 2009

Withdrawal dates:

Information is available on <http://www.victoria.ac.nz/home/admisenrol/payments/withdrawalsrefulds.aspx>

Textbook: Atrill, P., and McLaney, E. (2006). Accounting and Finance for Non-Specialists (5th or 6th Edition). Prentice Hall. (The 5th and 6th editions of the text are very similar – the primary difference is in the presentation of external financial statements. Either edition is suitable for use for this course).

In addition to the textbook, supplementary notes will be provided and the 2008 Annual Report of Telecom will be used.

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 users' 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 internal financial reporting concepts and the internal financial information that is provided to managers.

Individual Assignment (25%) – The assignment will be designed to develop students' knowledge and understanding of external financial statement concepts and the audited financial statements of companies. The precise topic of the assignment will be given to students on 8 January 2009 (the first week of the external financial reporting portion of the course).

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. Students who enrol in courses with examinations are obliged to attend an examination at the University at any time during the formal examination period. Examination dates for trimester three: Monday February 16 to Saturday 21 February 2009 (inclusive).

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 order to pass this course, students are required to participate in the lecture sessions, submit the written assignment, gain a mark of at least 40% in both the class test and examination, and obtain at least fifty percent of the overall course marks available.

Victoria MBA Grading Standards

Victoria MBA - **Excellent** Category

A (80 – 84%) to A+ (85% & above): 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 on the ground floor (EA005). This counter is the first point of contact for :

- 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.

Use of Turnitin

The following words (modified as necessary for particular circumstances) should appear in course outlines, when work submitted by students is likely to be checked by *Turnitin*.

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 misreferencing, 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.

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.victoria.ac.nz/home/about/policy/students.aspx

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

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

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 students or staff.

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

Note: including the work of others will not be considered plagiarism as long as the work 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:

www.victoria.ac.nz/home/studying/plagiarism.html

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 6015. To contact the Pacific Support Coordinator, email pacific-support-coord@vuw.ac.nz or phone (04) 463 5842.

Session Schedule - MMBA 509 – 2008 (Trimester Three)

Date	Topic	Required Reading <i>Atrill & McLaney</i> <i>(A&M)</i>	Problems/Cases with solutions provided
TOPIC 1: Internal Financial Reporting			
20 November 2008 5.40-7.30pm	Theme: <i>Understanding internal financial information</i> <i>Exercise MA1: Cost classification</i> Cost-volume-profit analysis	A&M Ch 7 Supplementary notes Part 1a	Problem 7.2 (5 th and 6 th editions) The Hotel Group
27 November 2008 5.40-7.30pm	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 1b Sheridan Carpets Case Study	
4 December 2008 5.40-7.30pm	<i>Special Orders</i> Pricing strategies and special orders <i>Baldwin Bicycle Company case study</i>	Baldwin Bicycle Case Study	Problem 8.2: (5 th and 6 th editions) Pieman Products Ltd
TOPIC 2 Performance and Project Evaluation			
11 December 2008 5.40-7.30pm	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 2 Arnhem Group Case Study	Mowbray Ltd (Question provided)
18 December 2008 5.40-7.30pm	<i>Project appraisal</i> <i>Rob Optics Case Study</i>	A&M Ch 10 Supplementary notes Part 3 (Rob Optics Case Study)	Problem 10.2: (5 th and 6 th editions) C George (Controls) Ltd

Date	Topic	Required Reading <i>Atrill & McLaney</i> <i>(A&M)</i>	Problems/Cases with solutions provided
TOPIC 1: External Financial Reporting			
8 January 2009 5.40-7.30pm	Theme: Measuring and reporting financial position Building blocks of financial information Accounting equation and structure of external financial statements Transactions and double entry recording <i>Exercise FA1: I Tooth</i>	A&M Chs 1 and 2 Supplementary notes Part 4a	Problem 2.5 (5 th and 6 th editions) Exercise 2: Telecom Corporation of New Zealand ¹
15 January 2009 5.40-7.30pm	Theme: Measuring and reporting financial performance <i>Problem 2.5</i> Balance Day adjustments <i>Exercise FA2: Telecom Corporation of New Zealand's</i>	A&M Ch 3 Supplementary notes Part 4b	Problem 3.5(5 th edition) 3.4 (6 th edition): TT and Co.
22 January 2009 5.40-7.30pm	Fixed assets and depreciation <i>Problem 3.5 (TT and Co)</i>	A&M Ch 3	
29 January 2009 5.40-7.30pm	Theme: Accounting for inventories and measuring and reporting cash flows <i>Problem 5.4 (Chen plc)</i> Theme: Interpreting financial statements Fundamentals of financial statement analysis	A&M Ch 3 and 5 A&M Ch 6 Supplementary notes Part 5	Problem 5.4: (5 th and 6 th edition) Chen plc
TOPIC 4: Interpreting Externally Reported Financial Information			
5 February 2009 5.40-7.30pm	Profitability, coverage and activity ratios Liquidity, and financial structure ratios <i>Exercise FA3: Southern Toy Company Limited</i>		Problem 6.4 (5 th and 6 th edition) Threads Limited
12 February 2009 5.40-7.30pm	<i>Problem 6.4 (Threads Ltd)</i> <i>Discussion of Southern Toy Company</i>		Southern Toy Company Limited

¹ 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.