

## **MMBA 509**

### **ACCOUNTING FOR MANAGERS**

Trimester Three 2009

### **COURSE OUTLINE**

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#### **Names and Contact Details**

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#### **Trimester Dates**

Monday 16 November 2009 to Saturday February 20, 2010

**Mid Trimester (Christmas) Break: Saturday 19 December 2009 to Monday 4 January 2010**

#### **Withdrawal dates**

Information is available on

<http://www.victoria.ac.nz/home/admisenrol/payments/withdrawalsrefulds.aspx>

#### **Class Times and Room Numbers**

*Workshop*                    Saturday 14 November, 10.00am – 12.00pm RH LT 2

*Lectures*                    Tuesdays 5.40pm – 7.30pm GB LT 1

*Mid-term Test*             Friday 18 December, 5.00pm – 7.00pm. RH LT 2

#### **Textbook:**

A course materials book will be produced by the lecturers. This can be purchased from the VUW Bookshop on the ground floor of Rutherford House.

## Course Content and Learning Objectives

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.

The course is taught at a level that assumes no prior knowledge of accounting, but participants whose first degree is in accounting will naturally have some advantage in dealing with the course material. Participants who do not have any accounting in their first university degree will benefit from careful study of the assigned readings.

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.

By the end of this course, students should be able to:

1. demonstrate an understanding of key financial concepts;
2. demonstrate understanding of external and internal financial reports;
3. communicate effectively with financial, and other, colleagues in making strategic decisions.

The mid-term test and final examination will assess the extent to which these skills have been mastered.

The course content is set out in tabular form on pages 4 and 5 of this course outline.

## Expected Workload

Workload expectations for this course are 10 hours per week for the 11 teaching weeks (2 hours of lectures, and 8 hours individual study).

## Assessment

Class Test (2 hours)	25%	Fri 18 December, 5pm-7pm
Individual assignment	25%	Fri 12 February, 5pm
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 reporting concepts and analysis of financial statements.

**Individual Assignment (25%)** – The assignment will be designed to help develop students' knowledge and understanding of concepts introduced in the management accounting section of the course. The precise topic of the assignment will be given to students in the first week after the break in January 2010.

**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.

## Penalties

In fairness to other students, work submitted after the deadline will be subject to a penalty of 5% of the total marks available per day of lateness. Assignments more than one week late 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.

## **Examinations**

The final examination for this course will be scheduled at some time during the period from **Monday 15 February to Saturday 20 February 2010**.

## **Mandatory Course Requirements**

In order to pass this course, students are required to 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% and 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.

## **Communication of Additional Information**

Communication will generally be by means of Blackboard. This includes notices, lecture material, references and assignments.

## **Use of Turnitin (if applicable)**

The following words below (modified as necessary for particular circumstances) should be added to the section on plagiarism 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 compares submitted work with a very large database of existing material. At the discretion of the Head of School, handwritten work may be copy-typed by the School and subject to checking by Turnitin. 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.

**For the following important information follow the links provided:**

### **Academic Integrity and Plagiarism**

<http://www.victoria.ac.nz/home/study/plagiarism.aspx>

### **General University Policies and Statutes**

[http://www.victoria.ac.nz/home/about\\_victoria/avcademic/Publications.aspx](http://www.victoria.ac.nz/home/about_victoria/avcademic/Publications.aspx)

### **Faculty of Commerce and Administration Offices**

<http://www.victoria.ac.nz/fca/studenthelp/>

### **Manaaki Pihipihinga Programme**

[http://www.victoria.ac.nz/st\\_services/mentoring/](http://www.victoria.ac.nz/st_services/mentoring/)

## Schedule of Lectures

Date	Topic
<b>Workshop</b> Sat 14 Nov 2009	<ul style="list-style-type: none"> <li>• Purpose of financial statements</li> <li>• Starting a company</li> <li>• Assets and liabilities</li> <li>• The accounting equation</li> <li>• Constructing a balance sheet</li> <li>• Constructing a statement of comprehensive income</li> </ul>
<b>Lecture 1</b> Tue 17 Nov 2009	Introduction to Accounting <ul style="list-style-type: none"> <li>▪ Financial statement user groups</li> <li>▪ Introduction to financial statements</li> <li>▪ New Zealand Framework for the preparation and presentation of financial statements</li> <li>▪ Elements of financial statements</li> <li>▪ New Zealand's regulatory environment for accounting</li> </ul>
<b>Lecture 2</b> Tue 24 Nov 2009	Financial Statements <ul style="list-style-type: none"> <li>▪ Development of financial statements</li> <li>▪ Accounting policy choice               <ul style="list-style-type: none"> <li>○ Depreciation and capitalisation</li> </ul> </li> <li>▪ Working capital and cash flows</li> </ul>
<b>Lecture 3</b> Tue 1 Dec 2009	Continuation of Accounting Policy Choice <ul style="list-style-type: none"> <li>▪ Inventory valuation</li> <li>▪ Intangibles</li> </ul> Financial Statement Analysis <ul style="list-style-type: none"> <li>▪ Understanding company accounts</li> <li>▪ Ratio analysis</li> </ul>
<b>Lecture 4</b> Tue 8 Dec 2009	Continuation of Financial Statement Analysis  Other Financial Statements <ul style="list-style-type: none"> <li>▪ Cash Flow Statements</li> <li>▪ Statement of Movement of Equity</li> </ul>
<b>Lecture 5</b> Tue 15 Dec 2009	Taxation <ul style="list-style-type: none"> <li>▪ Features of the NZ tax system</li> <li>▪ Income tax</li> <li>▪ Assessable income:               <ul style="list-style-type: none"> <li>○ Business income</li> <li>○ Fringe benefit tax</li> <li>○ Income 'under ordinary concepts'</li> <li>○ Employment income</li> </ul> </li> <li>▪ Deductions</li> </ul>

- Lecture 6**  
Tue 5 Jan 2010
- Understanding internal financial information
- Cost classification
  - Cost-volume-profit analysis
- Lecture 7**  
Tue 12 Jan 2010
- Costing problems
- Costing components
  - Overhead allocation
  - Marginal vs absorption costing
  - Sheridan Carpets case study (suggested)
- Lecture 8**  
Tue 19 Jan 2010
- Special Orders
- Pricing strategies and special orders  
Baldwin Bicycle Company case study (suggested)
- Lecture 9**  
Tue 26 Jan 2010
- Managerial and Divisional Performance Evaluation
- Evaluating managerial performance
    - Budgets
    - Variance analysis
  - Evaluating divisional performance
  - Arnhem Group case study (suggested)
- Lecture 10**  
Tue 2 Feb 2010
- Project appraisal and Behavioural underpinnings
- Rob Optics Case Study (suggested)
- Lecture 11**  
Tue 9 Feb 2010
- Catch up and Review