

School of Accounting and Commercial Law

ACCY 223 MANAGEMENT ACCOUNTING

Trimester Three 2010

COURSE OUTLINE

Names and Contact Details

Course Coordinator & Lecturer: Dr Bhagwan Khanna RH 602 463 5843
Bhagwan.Khanna@vuw.ac.nz

Duty Tutor: Mr Wai Loong Tham
Duty Tutor Hours: Please refer to Blackboard for more information.

Administrator: Ms Pinky Shah RH 708 463 5775
Pinky.Shah@vuw.ac.nz
Office hours: Monday-Friday 8.30am-5pm
Office is closed: 10.30-10.45am and 3.30-3.45pm

Trimester Dates

Teaching Period: Monday 15 November 2010 to Friday 20 February 2011
(Wednesday 17 November 2010 to Thursday 16 December 2010 incl., and
Wednesday 5 January 2011 to Friday 10 February 2011 incl.)

Mid-Trimester Study Break: Monday 20 December 2010 to Wednesday 5 January 2011

Examination Period

Monday 14 February to Saturday 19 February 2011(incl.)

Withdrawal from Course:

Your fees will be refunded if you withdraw from this course on or before 19 November 2010.

The last date for withdrawal from this course is the three-quarter point of the teaching period, i.e. 28 January 2011.

After that date, students wishing to withdraw late must apply on an '*Application for Associate Dean's Permission to Withdraw Late*' including supporting documentation

The application form is available from either of our Student Customer Service Desks.

Class Times and Room Numbers

Days	Timings	Room
Wednesday	9.30am – 10.20am	GB LT1
Thursdays	9.30am – 11.20am	GB LT1

Attendance at Lectures

A significant part of this course is lecture based. Therefore, you are strongly recommended to attend *all* lectures and tutorial group sessions. Much information, which is examinable, is conveyed by the *spoken word only* and is not posted on *Blackboard* or otherwise distributed!

Detailed Programme for Teaching Period

The Weekly Topic Timetable of this detailed programme is a guideline only and variations may occur.

Week & Lecturer	Dates	Topic Areas	Readings	Tutorials
1 BK	17 Nov 18 Nov	The nature of Management Accounting and the need for different costs for different purposes. (i.e. stock valuation, decision making (incl. pricing) and control. Cost classification and cost behaviour (assume CVP analysis is already known).	Hornrgren, Ch 1 The Accountant's Role in the Organization & Ch 2 An Introduction to Cost Terms and Purposes Learning Objectives 1.1 – 1.3, 1.5; and 2.1 – 2.9	NO Tutorial Group Session
2 BK	24 Nov 25 Nov	Monthly management accounts for manufacturing and service businesses. The effect of alternatives (e.g. Marginal Costing versus Absorption Costing) on reported profit.	Hornrgren, Ch 10 Determining How Costs Behave & Ch 9 Inventory Costing and Capacity Analysis Learning Objectives 10.1 – 10.5; and 9.1, 9.3	ATTEND Tutorial Group Session No 1
3 BK	1 Dec 2 Dec	Absorption costing: allocation, apportionment and absorption; re-apportionment of service department costs; under/over absorption; Use of full cost info. Incl. cost plus pricing.	Hornrgren, Ch 15 Allocation of Support-Department Costs, Common Costs, and Revenues Learning Objectives 15.1, 15.3	ATTEND Tutorial Group Session No 2
4 BK	8 Dec 9 Dec	Costing in manufacturing and services. Job/special order costing, overview of other costing approaches.	Hornrgren, Ch 4 Job Costing Learning Objectives 4.1 – 4.4, 4.6, 4.7	ATTEND Tutorial Group Session No 3
5 BK	15 Dec 16 Dec	Relevant costs for decision making. The decision making model. Typical decisions: special pricing, outsourcing....	Hornrgren, Ch 11 Decision Making and Relevant Information & Ch 14 Cost Allocation, Customer-Profitability Analysis, and sales-Variance Analysis Learning Objectives 11.2, 11.3, 11.5; and 14.1 – 14.3	ATTEND Tutorial Group Session No 4
Mid-Trimester Study Break: Monday 20 December 2010 to Tuesday 4 January 2011				

Detailed Programme for Teaching Period (Cont.)

The Weekly Topic Timetable of this detailed programme is a guideline only and variations may occur.

Week & Lecturer	Dates	Topic Areas	Readings	Tutorials
6	6 Jan	No Lectures MID-TRIMESTER TEST 90 minutes duration (actual venue to be confirmed)	<i>Covers all topic areas so far, including work covered during week 5.</i>	NO Tutorial Group Session
7 BK	12 Jan 13 Jan	Critique of conventional absorption costing. Activity Based Costing (ABC) methodology. Hierarchy of costs and cost drivers. Use of ABC costing information on products or services.	Horngren, Ch 5 Activity-Based Costing and Activity-Based Management Learning Objectives 5.1 – 5.5, 5.7, 5.8	ATTEND Tutorial Group Session No 5
8 BK	19 Jan 20 Jan	The planning and control process and the link (or lack of?) between budgeting and strategy. Budgetary style and the behavioural implications of budgetary control and standard costing systems.	Horngren, Ch 6 Master Budget and Responsibility Accounting Learning Objectives 6.1 – 6.3, 6.5 – 6.8	ATTEND Tutorial Group Session No 6
9 BK	26 Jan 27 Jan	Critique of fixed budgets, use of flexible budgets. Alternative budgeting techniques. Standard marginal costing and variance analysis. Setting standards, sales variances and overall cost variances.	Horngren, Ch 7 Flexible Budgets, Direct-Cost Variances, and Management Control Learning Objectives; 7.1 – 7.5	NO Tutorial Group Session
10 BK	2 Feb 3 Feb	Standard marginal costing: The detailed cost variances: calculation, interpretation and action. (Awareness only of standard absorption costing).	Horngren, Ch 8 Flexible Budgets, Overhead Cost Variances, and Management Control; Learning Objectives 8.1 – 8.6	ATTEND Tutorial Group Session No 7
11 BK	9 Feb 10 Feb	The pricing decision. Cost plus vs market pricing, Price makers vs price takers etc. Overview of target costing. The need for non-financial performance targets and measures	Horngren, Ch12 Pricing Decisions and Cost Management Learning Objectives 12.1 – 12.3, 12.5 and Ch 19 Balanced Scorecard: Quality, Time, and Theory of Constraints Learning Objectives 19.1 – 19.5	ATTEND Tutorial Group Session No 8
FINAL EXAMINATION				
<p>The final examination for this course will be scheduled at some time during the period from Monday 14 February 2011 to Saturday 19 February 2011 inclusive (actual date to be advised).</p> <p><i>This is a general lecture outline only. Some topics may be addressed in a different week from that shown here.</i></p>				

Course Content

This course builds on some concepts and techniques of cost and management accounting that may have been introduced in ACCY 111 “Accounting”. It covers the theory and practice of cost and management accounting, and includes detailed discussion of cost accounting systems, the philosophy and use of budgets and variance analysis for performance reporting and quantitative methods pertinent to modern management.

Course Learning Objectives

Upon successful completion of this course, you should be able to:

1. explain the role of management accounting in organisations;
2. demonstrate the use of alternative costing techniques;
3. understand the principles of planning and budgetary control techniques and their behavioural implications; and
4. use management accounting techniques for short term decision making.

The above comprehensive course learning objectives are given in more detail during the various topic/subject sections of the course's lecture programme. This more detailed form of course learning objectives should be an invaluable guide to you when studying the topic/subject material. The detailed course learning objectives are interwoven with references to appropriate assignment exercises/questions/problems, review test questions and problems, and readings to help you in your understanding and application of the course material.

In addition, the detailed course learning objectives assist in ensuring that you meet the compulsory management accounting coverage expectations of the New Zealand Institute of Chartered Accountants (NZICA) and CPA Australia.

Please note that your lecturers may use examples for explanation purposes in class, which are different to those in your textbook thereby further enhancing your understanding of the course material.

Course Delivery

There are 8 or 9 tutorial sessions for each tutorial group of students, held during the following eight weeks:

- Week 2: Tutorial Group Session No. 1
- Week 3: Tutorial Group Session No. 2
- Week 4: Tutorial Group Session No. 3
- Week 5: Tutorial Group Session No. 4
- Week 7: Tutorial Group Session No. 5
- Week 8: Tutorial Group Session No. 6
- Week 10: Tutorial Group Session No. 7
- Week 11: Tutorial Group Session No. 8

You will be given the opportunity to electronically sign up to be a member of one tutorial group on a first-come-first-served basis. The instructions for signing up are attached (see page 9 of this Course Outline). The completed tutorial group lists with their *group identification number* will be posted on the web-based Blackboard as soon as practically possible after the closing date of the tutorial group sessions' signup. Subsequent changes to those tutorial group lists can only be made by the Course Administrator, Ms Pinky Shah.

Purpose of Tutorial Group Sessions

The purpose of tutorial group sessions is to prepare you for:

- the mid-trimester test and the final examination, and
- your future career,

by giving you the opportunity to develop your knowledge, skill, and application ability levels by ‘applying what you have learnt’. Consequently:

- attendance and participation at all your tutorial group sessions is a mandatory course requirement: you must attend **at least 6** out of the 8 tutorial sessions.

MyAccountingLab (MAL) Online Tests are not a requirement for this course on account of fewer weeks and that students may get wrong ideas about the mid-trimester test and final examination.

Lecturer Consultation

Students are welcome to come for consultation especially during the lecturer’s contact hours, which will be announced in class and posted on Blackboard. However, due to the relatively large class size, it is advisable to seek your tutorial group session tutor’s, or the duty tutor’s, help prior to approaching your lecturer.

Duty Tutoring

Mr Wai Loong Tham is the Duty Tutor available for additional assistance outside of your assigned tutorial group sessions. Please seek your tutor’s help first (during tutorial group sessions) before approaching the Duty Tutor or your lecturer (during their contact hours). The Duty Tutor’s contact times will be announced in class and posted on the web-based **Blackboard**, at <http://blackboard.vuw.ac.nz>.

Expected Workload

This is a 15 point course. As such, it equates to 150 hours of work spread over its duration of: (i) 10 lecture weeks, and (ii) 1 mid-trimester Christmas break. That is a total of **15 hours of work per week** (150 hours of work ÷ 10 weeks). These 15 hours are sufficient time to cover your course material reading, studying, and reviewing course work, completing your preparation for your tutorial group sessions, and finally attending your lectures and tutorial group sessions.

Group Work

Group work is limited to your participation in your Tutorial Group Sessions.

Pre-requisites

ACCY 111 Accounting and ECON 130 Economic Principles and Issues

Co-requisite

ACCY 001 Book-keeping

Readings

Prescribed Textbook and Additional Readings

- Horngren et al, *Cost Accounting: A Managerial Emphasis* 13th Ed, which includes the *MyAccountingLab* access package. [Note that when purchasing a new textbook, it comes with a free ‘access code key’ which enables you to register online to use *MyAccountingLab*]. In this trimester, the use of *MyAccountingLab* is absolutely optional.
- All learning objectives (LOs) referred to in the detailed programme on pages 2 and 3 of this Course Outline are from the prescribed text book. Learning objectives are identified by chapter: so learning objective 1.3 is chapter 1, learning objective 3; learning objectives 2.1 – 2.9 are from chapter 2, learning objectives 1 through 9.
- Please read the appropriate sections of the prescribed textbook, as indicated in the detailed programme on pages 2 and 3 of this Course Outline.
- Additional material where required will be provided in lectures and on *Blackboard*.

Much of the course content follows the textbook. The majority of tutorial questions are taken from the textbook. You *must* read and understand the chapters of the textbook that are listed in the Lecture Outline. Therefore, *it is strongly recommended that you purchase a copy of the prescribed textbook. Please remember that it is ‘not’ a mandatory course requirement that you register on MyAccountingLab* with Pearson.

Recommended and Additional Textbooks that you may wish to Consult

- Garrison, RH, Noreen, EW, and Brewer, PC., *Managerial Accounting*, 11th ed. McGraw Hill, 2006
- The VUW Commerce library has many other managerial- / management- / cost- / accounting textbooks available.

Assessment Requirements

These assessments requirements meet the course learning objectives by:

- covering all material/topics taught in the course, and
- assessing the understanding and application of management accounting techniques and the evaluation of management accounting concepts.

These assessment requirements cover the following three points below, namely:

- 1. Tutorial Assignments (20%);**
- 2. Mid-Trimester Test (30%), and;**
- 3. Final Examination (50%).**

1. Tutorial Assignments (20% of overall grade)

Any changes to this schedule will be announced in lectures and posted on *Blackboard*. Students should actively participate in their tutorial sessions. In all, 8 tutorial assignments each worth 2.5 marks (in total) should be submitted.

2. Mid-Trimester Test (30% of overall grade, duration 90 minutes)

This mid-trimester test is scheduled to take **place in the evening on the Thursday 6th January 2011**; its duration will be 90 minutes. The test will cover, as indicated on the **Detailed Programme for Teaching Period** (see pages 2 and 3 of this Course Outline), all the material/topics covered during the first 5 weeks of lectures and includes lectures, as well

as any tutorial group discussion material covered for tutorial group sessions no.1, no.2, no. 3 and no.4, plus any extra work given by the lecturer(s).

We expect all students who enrol in this course to plan around the mid-trimester test and final examination dates. The only exceptional circumstances that are taken into account are where, at the time of the mid-trimester test or the final examination, a student suffers the death of a close relative or is ill (as evidenced by a proper medical certificate).

3. Final Examination (50% of overall grade, total duration is 120 minutes, i.e. 2 hours)

The final examination for this course will be scheduled at some time during the period from Monday 14 February 2011 to Saturday 19 February 2011.

The final examination will cover all work as indicated on the **Detailed Programme for Teaching Period** (see pages 2 and 3).

Materials permitted in mid-trimester test and final examination

- Non-programmable silent calculators.
- Non-electronic foreign language dictionaries.

Note: Your assessed work may also be used for quality assurance purposes, such as to assess the level of achievement of learning objectives as required for accreditation and audit purposes. The findings may be used to inform changes aimed at improving the quality of FCA programmes. All material used for such processes will be treated as confidential, and the outcome will not affect your grade for the course.

Examinations

Students who enrol in courses with examinations are obliged to attend an examination at the University at any time during the formal examination period.

The final examination for this course will be scheduled at some time during the period from **Monday 14 February to Saturday 19 February 2011.**

Mandatory Course Requirements

A student must meet the *mandatory course requirements* which are to:

- Attend **at least** 6 out of the 8 tutorial sessions.
- Sit the Mid-Trimester Test; and
- Attend the Final Examination and submit their examination script.

Course Pass Requirements

In order to pass this course, a student must: (a) meet the *mandatory course requirements*, and (b) (i) at least 50% marks in their tutorials (ii) Mid-Trimester Test (weighting 30%), plus (iii) Final Examination (weighting 50%).

Class Representative

A class representative will be elected in the first class, and that person's name and contact details made available to VUWSA, the Course Coordinator and the class. The class representative provides a communication channel to liaise with the Course Coordinator on behalf of students.

Communication of Additional Information

Additional information concerning this course will be provided in lectures and posted on the web-based **Blackboard** system at <http://blackboard.vuw.ac.nz>.

Use of 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/policy>

AVC (Academic) Website: information including: Conduct, Academic Grievances, Students with Impairments, Student Support

http://www.victoria.ac.nz/home/about_victoria/avcacademic/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/

Detailed Tutorial Group Sessions' Signup Instructions

1. Go to the signup website at: <https://signups.victoria.ac.nz>
2. Enter your SCS username and password to login the system.
3. The "Signup Home" page opens. It displays all courses you are enrolled for and that use the S-Cubed Tutorial & Workshop Signup system. Click on the course you wish to sign up for.
4. The selected course page opens. It will show the course contact and brief details of the signup instructions. A "key" is provided at the bottom that explains all buttons and what they do.
5. The schedule of tutorials includes the day/time, location, maximum group size, and spaces left in the tutorial sessions.
6. If there are spaces left in a particular session, you will see the "ENROL" button next to it. You can click this button to enrol yourself into that tutorial session.
7. If there are NO more spaces left in a particular session, you will see the "JOIN WAITLIST" button, if available. You can click this button to join the waitlist for that tutorial session. Please note that you will be removed from any other waitlist you may have joined earlier. If somebody withdraws from this session, you will automatically be moved up the waitlist or enrolled into the session. In this case you are enrolled in the session; an email will be sent to you if you are enrolled into the session from a waitlist.
8. You can only "JOIN WAITLIST" if you have already enrolled in one of the other available sessions. In other words, "ENROL" in one session and then you can choose to join the waitlist for another preferred session.
9. You can choose to "WITHDRAW" from a session you have already enrolled for. You can also choose to "CANCEL WAITLIST" to remove yourself from a particular waitlist.
10. A "FULL" button indicates all seats and waitlist are full for that tutorial session. You must choose another session.
11. More details on the various buttons are available in the "Key" section at the bottom of the signup page.
12. You should "ENROL" in only ONE tutorial session and may "JOIN WAITLIST" for only ONE other tutorial session.
13. You can login and signup (or change your signup) anytime before the **closing date of the tutorial group sessions' signup. You will NOT be able to sign up or change your choice after the tutorial group sessions' signup has closed.**
14. You can view/confirm details of the sessions you are enrolled and waitlisted for, such as day/time and location by clicking on "My Signups" on the left hand menu.
15. Click on "Support" on the left hand menu if you are having problems.

This online signup system is available around the clock over the internet. Any requests after this date will need to be manually handled by the course administrator. You will need to submit a written application stating the reason why you were not able to sign up on time using the online system, along with other relevant documentation such as medical certificate etc.

Finally, **you must always attend the tutorial group sessions that you have signed up for.** If you attend a different session, your attendance may not be recorded.