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School of Accounting and Commercial Law

## **ACCY 223 - MANAGEMENT ACCOUNTING**

Trimester Two 2011

### **COURSE OUTLINE**

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<b>Names and Contact Details</b>	<b>Office</b>	<b>Telephone</b>
Course Coordinator & Lecturer: Mr Ken Bates <a href="mailto:Ken.Bates@vuw.ac.nz">Ken.Bates@vuw.ac.nz</a> Weeks 1, 4-6 and 11-12	RH 716a	463-6474
Lecturer: Dr Carolyn Fowler <a href="mailto:Carolyn.Fowler@vuw.ac.nz">Carolyn.Fowler@vuw.ac.nz</a> Weeks 2, 3 and 7	RH 601	463-6506
Lecturer: Dr Rodney Dormer <a href="mailto:Rodney.Dormer@vuw.ac.nz">Rodney.Dormer@vuw.ac.nz</a> Weeks 8-10	RH 727	463-7009
Administrator: Ms Lucy May <a href="mailto:Lucy.May@vuw.ac.nz">Lucy.May@vuw.ac.nz</a> Office hours: Monday-Friday, 8.30am-5pm (Note: Office closed 10.30am-10.45am and 3.30pm-3.45pm)	RH 708	463-5775

#### **Trimester Dates**

Teaching Period: Monday 11 July – Friday 14 October

Study Period: Monday 17 October – Thursday 20 October

Examination Period: Friday 21 October – Saturday 12 November (inclusive)

#### **Withdrawal from Course**

1. Your fees will be refunded if you withdraw from this course on or before 22 July 2011.
2. The standard last date for withdrawal from this course is Friday 23 September. After this date, students forced to withdraw by circumstances beyond their control must apply for permission on an 'Application for Associate Dean's Permission to Withdraw Late' including supporting documentation.

The application form is available from either of the Faculty's Student Customer Service Desks.

**Class Times and Room Numbers (CRN 204).**

<b>Monday</b>	<b>16.40 - 17.30</b>	<b>RHLT1</b>
<b>Wednesday</b>	<b>16.40 - 17.30</b>	<b>RHLT1</b>

**Planned Course Content**

<b>Wk No.</b>	<b>Week Commencing/ Lecturer</b>	<b>Weekly Topic Timetable</b>	<b>Chap</b>	<b>Tutorials</b>	<b>Assignments due by 2 pm on Tuesday</b>
1	11 July KB	Introduction to Management Accounting – Different costs for different purposes.	1&2		
2	18 July CF	Marginal and absorption costing approaches to profit measurement.	2&7	Cam Ltd. <b>Break-even Case.</b>	<i>Assignment 1 – Report on Cam Ltd by 2 pm on Tuesday 26 July.</i>
3	25 July CF	Job and batch costing in manufacturing and services.	3	Hataitai Hinges. <b>MC v AC problem</b>	
4	1 August KB	Decision making: special pricing, make or buy, limiting factor.	13	Pipitea Legal Services <b>Job Costing Case</b>	
5	8 August KB	Decision making (continued). Drop a product/sector decisions. Activity-based costing (ABC)	13 8		
5	<b>12 August</b>	<b>Test 1 - On work introduced in lectures in weeks 1 to 3</b>			
6	15 August KB	ABC cost hierarchy and drivers. ABC in services and manuf.	8	GNK Ltd. <b>Outsourcing Case</b>	<i>Assignment 2 – Report on GNK Ltd by 2 pm on Tue 6 September</i>
<b>Mid Trimester Break</b>					
7	5 September CF	Absorption costing: multiple bases and service departments.	Appx 4B p180		
8	12 September RD	Strategy and budgeting. The need for flexible budgets.	10	KitTab Ltd. <b>ABC Case.</b>	
9	19 September RD	Activity-based budgeting. Standard marginal costing.	11		
9	<b>23 September</b>	<b>Test 2 - On work introduced in lectures in weeks 4 to 7</b>			
10	26 September RD	Full variance analysis.	11	The Rotorua Hospital Laundry. <b>Budgeting Case</b>	<i>Assignment 3 – The Rotorua Hospital Laundry by 2 pm on Tue 4 October</i>
11	3 October KB	The pricing decision.	Appx A P 762	Dodo Doors. <b>Full variance analysis case</b>	
12	10 October KB	Segmental reporting and balanced performance measurement.	12	The Vend-a-Bar Supply Company. <b>Pricing Case.</b>	

Chap = chapter (in course text). Appx = Appendix. KB = Ken Bates, CF = Carolyn Fowler, RD = Rodney Dormer.

Please note: this outline of course content is a guideline only and variations may occur.

## 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 and use of standard costing and variance analysis and their behavioural implications; and
4. Use management accounting techniques for short term decision making.

## Course Pre-requisites

The prerequisites for this course are ACCY111 Accounting and ECON130 Economics. You will therefore be expected to be conversant with the following topics: CVP analysis; Budgeting (master budget including the cash forecast; fixed budget and overall variances; behavioural aspects of budgeting); Investment appraisal; Theory of the firm; Alternative market structures (Monopoly, etc.) and competitive behaviour.

If you have not passed **both** of these courses, please see the Course Coordinator.

## Course Co-requisite

ACCY001 Book-keeping. You are expected to have mastered book-keeping procedures.

## Course Delivery

The formal instruction in this course consists of 24 lectures of 50 minutes each, plus eight tutorials of 50 minutes each. Before attending the lectures, you should read the assigned chapter from the text, and any other required readings, and print off any lecture notes from Blackboard. Before each tutorial, you should read **and work through** the prescribed tutorial question or mini case. Three of the tutorial mini cases will be set as assignments. You are required to prepare comprehensive answers to these assignments and hand them in by the set deadline. Tutors will mark them and provide appropriate feedback. Completion of course assignments and review of learning in the light of feedback is essential preparation for the Tests and Final Exam. Note that the Tests and Final Exam will be set assuming students have attended all lectures and tutorials and that it is also that it is a **mandatory course requirement** to attend at least 6 of the 8 tutorials.

## Expected Workload

It is expected that a students' workload in this course will be, on average, 10 hours a week making a total of 150 hours. These 150 hours is comprised of 32 hours of lectures and tutorials; background reading for lectures, and post lecture question practice - 40 hrs; tutorial question and mini case study preparation (including assignments) - 40 hrs; and review of material for the two tests and the examination - 38 hrs.



These assessments meet the course objectives by:

- Covering the majority of topics taught in the course relating to the four course objectives.
- Integrating mini case studies, as completed in the mandatory assignments, into the exam, and hence testing problem analysis and decision making skills.
- Assessing the understanding and application of management accounting tools and techniques and the evaluation of management accounting theories and concepts.

*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 **Friday 21 October – Saturday 12 November (inclusive)**.

## **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 or posted on Blackboard

## **Mandatory Course Requirements**

In addition to obtaining an overall course mark of 50% or more, students must:

- Complete and submit, on time, a bona fide attempt (see definition on blackboard) at **THREE** assignments.
- Attend at least **6 out of 8** tutorials.

An attendance register will be kept for tutorials. If you may miss a tutorial due to unavoidable circumstances please notify the tutor and Course Administrator in advance so that arrangements can be made for you to attend another tutorial stream. Note that changes to tutorial streams are only allowed by prior arrangement and for a genuine reason. As emergencies and unexpected occurrences can occur, it is only mandatory to attend 6 of the 8 tutorials as a course requirement, but you are strongly recommended to attend all 8.

You do not need to produce a medical certificate or other documentation if you do not attend 1 or 2 of the 8 tutorials. *However if you attend less than 6 of the tutorials, you will need to produce medical certificate or equivalent documentation for all tutorials missed.*

A list of those students who have not met the mandatory course requirement will be posted on Blackboard by 12 noon on **Thursday 20 October 2011**. Students who have not met the mandatory course requirement will receive a K, D or E grade for the course.

## Assignments

You have THREE assignments due to be handed in **by 2.00 pm** on the following days:

- No 1: Tuesday 26 July 2011 = Cam Ltd. – Revision of break-even
- No 2: Tuesday 6 September 2011 = GNK Ltd. – Decision making
- No 3: Tuesday 4 October 2011 = The Rotorua Hospital Laundry – Flexible budgeting

The mini case studies for the assignments are in the Course Materials Book which should be purchased from the University Bookshop. An electronic cover sheet will be available on Blackboard. Please complete as appropriate and attach to each assignment.

The assignments are regarded as formative assessment and so your answers will be marked to give you appropriate feedback on your progress throughout the course, *but the actual marks awarded will not count towards your overall course assessment mark.*

For each assignment, complete an assignment cover sheet (available on blackboard) and staple to your assignment. Place your assignment in the **ACCY 223 Box** on the mezzanine floor of Rutherford House no later than 2.00 p.m. on the due date. Assignments should be returned to you during the following tutorial session. The *suggested solutions* will be posted on Blackboard. Your assignments must be recorded as submitted in order to comply with the mandatory course requirements. However, unexplainable recording errors and the loss of assignments do occur. For this reason, you may be required to re-submit some of your completed assignments. **You should therefore retain a copy of each assignment you submit and keep returned, marked assignments in a safe place** so that they can be provided as proof of submission.

Note: Lecturers may assign other examples as extra “homework”. Solutions to these examples, where available in electronic form, will be provided on Blackboard.

## Late Assignment Penalties

Answers to assignments must be handed in by the due date unless a prior extension has been granted by the Course Coordinator or unless proof of exceptional circumstances (e.g. a medical certificate) can be produced subsequently. Unless there are exceptional circumstances, late submission of any assignment, or submission of an inadequate attempt at an assignment (see blackboard), will be treated as non-submission and will lead to failure of the minimum course requirements (and hence the overall course) **unless the course coordinator agrees that the circumstances warrant the substitution of an alternative assignment.** If you have not handed in a course assignment, or have handed one in late, and hence are in breach of mandatory course requirement **please contact the Course Coordinator at the earliest opportunity.** Please note that any copying of assignments answers will be considered plagiarism and dealt with according to the policy outlined at <http://www.victoria.ac.nz/home/study/plagiarism.aspx>

## Tutorials

You have **eight** tutorial sessions that are held during the following weeks:

Tutorial Session 1: Week 2

Case Study: Cam Ltd - Revision of break-even and practice case analysis.

Tutorial Session 2: Week 3

Problem: Hataitai Hinges Ltd - Comparison of marginal costing and absorption costing.

Tutorial Session 3: Week 4

Case Study: Pipitea Legal Services – Job costing.

Tutorial Session 4: Week 6

Case Study: GNK Ltd. – Decision Making, the outsourcing (make or buy) decision.

Tutorial Session 5: Week 8

Case study: KitTab Ltd – Activity-based costing.

Tutorial Session 6: Week 10

Case study: The Rotorua Hospital Laundry – Budgetary control.

Tutorial Session 7: Week 11

Case study: Dodo Doors - Variance Analysis.

Tutorial Session 8: Week 12

Case Study: The Vend-a-Bar Supply Company – Pricing.

There are no tutorials in weeks 1, 5, 7 and 9.

***The questions for the tutorials are in the Course Materials Book.*** Please ensure you have worked through the assigned tutorial question or mini case study **prior to** your tutorial. Valuable tutorial time is wasted if students do not come to tutorials having read and attempted the question or mini case. Tutors are instructed to respond to queries from students who have already worked on the problems set and not ‘waste time’ on students who are ill prepared for the tutorial. Solutions will be provided on Blackboard after the tutorials, or after the hand in date where they relate to the assignments.

## Tutorial Group Sign-up

**Please note that tutorials start in week 2, hence it is essential that you sign up for a tutorial group promptly in week 1.**

You may sign up for tutorials between 9am on Tuesday 12 July and 10am on Thursday 14 July. The completed tutorial group lists will be available by **Friday 15 July 2011.**

Subsequent changes can only be made if the course administrator agrees.

Your tutorial group number should be noted on all assignments.

## Detailed Tutorial 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 signup. You will NOT be able to sign up or change your choice after the tutorial signups have 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.

Finally, unless there are special circumstances and you have made alternative arrangement through the course coordinator, **you must always attend the tutorial sessions that you have signed up for.** If you attend a different session, your attendance may not be recorded and you may therefore fail the mandatory course requirements.



**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**

Find key dates, explanations of grades and other useful information at

[www.victoria.ac.nz/home/study](http://www.victoria.ac.nz/home/study)

Find out about academic progress and restricted enrolment at

<http://www.victoria.ac.nz/home/study/academic-progress.aspx>

The University's statutes and policies are available at [www.victoria.ac.nz/home/about/policy](http://www.victoria.ac.nz/home/about/policy),

except qualification statutes, which are available via the Calendar webpage at

<http://www.victoria.ac.nz/home/study/calendar.aspx> (See Section C).

Further information about the University's academic processes can be found on the website of the Assistant Vice-Chancellor (Academic) at

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

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

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

**Faculty of Commerce and Administration Offices**

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

**Te Pūtahi Atawhai**

**Maori and Pacific Mentoring Programme**

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