

Victoria Management School

**MMBA 509 ACCOUNTING FOR MANAGERS**

Trimester Three 2011

**COURSE OUTLINE**

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**Names and Contact Details**

*Lecturer and*

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**Trimester Dates**

**Teaching Period:** Monday 14 November 2011 to Friday 17 February 2012.

**Mid Trimester (Christmas) Break:** Wednesday 21 December 2011 to Sunday 8 January 2012.

**Examination Period**

Monday 20 February to Saturday 25 February 2012(inclusive)

**Withdrawal from Course**

Your fees will be refunded if you withdraw from this course on or before: **Friday 25 November 2011.**

The last date for withdrawal from this course is the three-quarter point of the teaching period, **13 January 2012.** 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**

*Lectures*                      Tuesdays 5.40pm – 8.10pm **GB LT1** except 15 November in **GBLT2**

*Mid-term Test*                      Friday 16 December, 5.30pm – 7.30pm **RH LT1**

*Workshop*                      Thursday 12 January 2012, 5:30 to 7:30pm **RH LT2**

*Final Exam*                      During final exam week: 20 February – 25 February 2012

### **Course Content**

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.

The course content is set out in tabular form on pages 6 and 7 of this course outline.

### **Course Learning Objectives**

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.

### **Course Delivery**

This course is delivered in one 2 ½ hour class per week. The classes will be a combination of teacher lead lectures, student analysis of case studies and class discussion.

### **Expected Workload**

Workload expectations for this course are 10 hours per week for the 10 teaching weeks (2.5 hours of lectures, and 8 hours individual study).

## Readings

*Accounting and Finance for Non-Specialists*, by Peter Atrill & Eddie McLaney, 7e, Pearson Education Limited (2011). (This can be purchased from the VUW Bookshop on the ground floor of Rutherford House.)

Plus additional hand-outs from lecturers.

## Assessment Requirements

Class Test (90 minutes)	25%	Friday 16 December, 2011 (5:30-7:30pm) in RHLT1
Individual assignment	25%	To be submitted by 5pm on Monday 13 February 2012
Final Examination (3 hours)	50%	TBA

**Class test (25%) 90 minute open book test** – In the class test, students will be expected to demonstrate their knowledge and understanding of concepts introduced in the management accounting section of the course.

**Individual Assignment (25%)** – The assignment will be designed to help develop students' knowledge and understanding of external financial reporting concepts and basic analysis of financial statements. The precise topic of the assignment will be given to students in the first week after the break in January 2012.

**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.

## Quality Assurance 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

The final examination for this course will be scheduled at some time during the period from **Monday 20 February to Saturday 25 February 2012.**

## Penalties

In fairness to other students, individual assignments 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 co-ordinator **prior** to the deadline date.

## 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 the final 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.

### **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**

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

### **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**

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/avcaacademic/default.aspx](http://www.victoria.ac.nz/home/about_victoria/avcaacademic/default.aspx)

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

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

**Faculty of Commerce and Administration Offices**

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

**Te Putahi 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)

## Schedule of Lectures

Date	Topic
Pre-course reading	Chater 1 of Atrill and McLaney (2011), <i>Introduction to accounting and finance</i> .
Lecture 1 Tue 15 Nov 2011	<b>Understanding internal financial information</b> <ul style="list-style-type: none"> <li>▪ Comparison of management and financial accounting</li> <li>▪ Cost-volume-profit analysis</li> <li>▪ The Diamond Movie Player - case study (Reading: Chapter 7)</li> </ul>
Lecture 2 Tue 22 Nov 2011	<b>Relevant costs for decision making</b> <ul style="list-style-type: none"> <li>▪ The decision making model</li> <li>▪ Examples of typical business decisions</li> <li>▪ Decision making guidelines</li> <li>▪ GNK Ltd - case study</li> </ul> <p>(Supplied reading: Chapter 2, <i>Relevant costs for decision making</i>, from Atrill and McLaney (2009), <i>Management accounting for decision makers</i>)</p>
Lecture 3 Tue 29 Nov 2011	<b>Absorption Costing</b> <ul style="list-style-type: none"> <li>▪ Traditional absorption costing</li> <li>▪ Activity-based costing</li> <li>▪ Product and customer profitability analysis</li> <li>▪ The Kenilworth ENT Clinic - case study (Reading: Chapter 8)</li> </ul>
Lecture 4 Tue 6 Dec 2011	<b>Managerial and divisional performance</b> <ul style="list-style-type: none"> <li>▪ Budgets</li> <li>▪ Variance analysis</li> <li>▪ Behavioural implications of budgets</li> </ul> <p style="text-align: center;"><b>Readings: Chapter 9 plus Jensen, Michael C., (2001) “Corporate Budgeting is Broken – let’s fix it” Harvard Business Review November 2011 pp 94-101.</b></p>
Lecture 5 Tue 13 Dec 2011	<b>Management Accounting in the Public Sector</b> <ul style="list-style-type: none"> <li>▪ Importance of Budget Process in public sector</li> <li>▪ Central government appropriation and budgeting process</li> <li>▪ behavioral implications of the appropriation and budgeting process</li> <li>▪ Setting charges in the public sector</li> </ul> <p style="text-align: center;"><b>Readings: to be distributed</b></p>
Fri 16 Dec 2011	<b>Mid term test (RH LT 1)</b>
Mon 21 Dec 2011 to Sun 8 Jan 2012	<b>Mid Term Break</b>

<p><b>Lecture 6</b> Tue 10 Jan 2012</p>	<p><b>Introduction to Accounting:</b></p> <ul style="list-style-type: none"> <li>▪ Accounting and User Needs</li> <li>▪ The roles of accounting</li> <li>▪ New Zealand Framework for the preparation and presentation of financial statements</li> <li>▪ Costs and benefits of accounting information</li> <li>▪ Contrasting financial and management accounting</li> </ul> <p><b>(Chapter 1 of Atrill and McLaney)</b></p>
<p><b>Workshop</b> Thu 12 Jan 2012</p>	<p><b>Accounting Basics</b></p> <ul style="list-style-type: none"> <li>▪ Building blocks of financial information</li> <li>▪ Preparing financial statements</li> <li>▪ Exploring the accounting equation</li> </ul>
<p><b>Lecture 7</b> Tue 17 Jan 2012</p>	<p><b>Measuring and Reporting Financial Position</b></p> <ul style="list-style-type: none"> <li>▪ Building blocks of financial information</li> <li>▪ Accounting equation and structure of external financial statements</li> <li>▪ The statement of financial position</li> <li>▪ Selected asset and liability issues</li> </ul> <p><b>(Chapter 2 of Atrill and McLaney)</b></p>
<p><b>Lecture 8</b> Tue 24 Jan 2012</p>	<p><b>Measuring and Reporting Financial Performance</b></p> <ul style="list-style-type: none"> <li>▪ The income statement</li> <li>▪ Relationship between the income statement and balance sheet</li> <li>▪ Selected revenue and expense issues, including depreciation and bad debts</li> </ul> <p><b>(Chapter 3 of Atrill and McLaney)</b></p>
<p><b>Lecture 9</b> Tue 31 Jan 2012</p>	<p><b>Measuring and Reporting Cash Flows (and other statements)</b></p> <ul style="list-style-type: none"> <li>▪ The cash flow statement</li> <li>▪ Distinguishing the messages from cash and accrual Statement of Movements in Equity</li> </ul> <p><b>(Chapter 5 of Atrill and McLaney)</b></p>
<p><b>Lecture 10</b> Tue 07 Feb 2012</p>	<p><b>Analysing and Interpreting Financial statements</b></p> <ul style="list-style-type: none"> <li>▪ Financial ratios</li> <li>▪ Profitability, efficiency, liquidity, gearing and investment ratios</li> <li>▪ Limitations of ratio analysis</li> </ul> <p><b>(Chapter 6 of Atrill and McLaney)</b></p>
<p><b>Mon 20 Feb 2012 to Sat 25 Feb 2012</b></p>	<p><b>Review of Financial Accounting Material</b></p> <p><b>Final Exam during Exam Week (TBA)</b></p>

