

School of Management

## MMBA 509 ACCOUNTING FOR MANAGERS

Trimester 3, 2012

### COURSE OUTLINE

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#### Names and Contact Details

##### *Lecturer and*

*Course Co-ordinator* **Kevin Simpkins**, BCom, DipAcc., FCA, CA(SA), CPFA, ACIS

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##### *Course*

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##### *Administrator*

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#### Trimester Dates

**Teaching Period:** Monday 19 November 2012 to Friday 15 February 2013.

**Mid-Trimester (Christmas) Break:** Saturday 22 December 2012 to Sunday 6 January 2013.

#### Examination Period

Monday 18 February to Saturday 23 February 2013(inclusive)

#### Withdrawal from Course

Your fees will be refunded if you withdraw from this course on or before: **Friday 30 November 2012.**

The standard last date for withdrawal from this course is **25 January 2013.** After that 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**

*Lectures*                      Tuesdays 5.40pm – 8.00pm  
(Pre-Christmas **GB LT1**; Post-Christmas - **GBLT2**)

Thursday 5.40 – 8.00pm **ON THURSDAY 29 NOVEMBER ONLY**  
**GBLT2**

*Mid-term Test*                Thursday 20 December, 5.40pm – 7.10pm **RH LT1**

*Final Exam*                    During final exam week: 18 February – 23 February 2013

## **Course Delivery**

This course is delivered in an Introductory Session and eleven 2 hour twenty minute classes over 11 weeks. The classes will be a combination of teacher-led lectures, student analysis of case studies or examples and class discussion.

## **Expected Workload**

Workload expectations for this course are 10 hours per week for the 11 teaching weeks (2.3 hours of lectures, and 8 hours individual study).

## **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 Content**

The Master of Business 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 organisations, 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 5 and 6 of this course outline.

## 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 ( <b>90 minutes</b> )	25%	Thursday 20 December, 2012 (5:40-7:10pm) in RHLT1
Individual assignment	25%	To be submitted by 5pm on Friday 15 February 2013
Final Examination ( <b>3 hours</b> )	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 second week after the break in January 2013.

**Final (open book) Examination (50%)** – In the final three hour 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.

## Examinations

The final examination for this course will be scheduled at some time during the period from **Monday 18 February to Saturday 23 February 2013**.

## 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.

## 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.

## **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 Backboard. This includes notices, lecture material, references and assignments.

## **Link to general information**

For general information about course-related matters, go to

<http://www.victoria.ac.nz/vbs/studenthelp/general-course-information>

## **Note to Students**

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 VBS programmes. All material used for such processes will be treated as confidential, and the outcome will not affect your grade for the course.

## Schedule of Lectures

Date	Topic
Pre-course reading	<b>Chapter 1 of Atrill and McLaney (2011)</b> <i>Introduction to accounting and finance.</i>
<b>Introductory Lecture</b> Tue 20 Nov 2012	<b>An Introduction to Accounting</b> <ul style="list-style-type: none"> <li>▪ The key financial statements</li> </ul>
<b>Lecture 1</b> Tue 27 Nov 2012	<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</li> </ul> <p style="text-align: right;"><b>(Reading: Chapter 7)</b></p>
<b>Lecture 2</b> Thurs 29 Nov 2012	<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 style="text-align: right;"><b>(Supplied reading: Chapter 2, <i>Relevant costs for decision making, from Atrill and McLaney (2009), Management accounting for decision makers</i>)</b></p>
<b>Lecture 3</b> Tue 4 Dec 2012	<b>Absorption Costing</b> <ul style="list-style-type: none"> <li>▪ Critique of traditional absorption costing</li> <li>▪ Activity-based costing</li> <li>▪ Product and customer profitability analysis</li> <li>▪ The Kenilworth ENT Clinic - case study</li> </ul> <p style="text-align: right;"><b>(Reading: Chapter 8)</b></p>
<b>Lecture 4</b> Tue 11 Dec 2012	<b>Budgeting and Beyond</b> <ul style="list-style-type: none"> <li>▪ Budgets</li> <li>▪ Measuring performance using budgets</li> <li>▪ Beyond budgeting</li> </ul> <p style="text-align: right;"><b>(Reading: Chapter 9 plus reading to be distributed)</b></p>
<b>Lecture 5</b> Tue 18 Dec 2012	<b>Balanced Performance Measurement</b> <ul style="list-style-type: none"> <li>▪ Performance management systems</li> <li>▪ Financial performance measures</li> <li>▪ Non-financial performance measures</li> <li>▪ A balanced approach to performance measurement – the Balanced Scorecard</li> <li>▪ West Coast Fabrics - case study</li> </ul> <p style="text-align: right;"><b>(Readings: to be distributed)</b></p>
Thurs 20 Dec 2012	<b>Mid-term test (RH LT 1)</b>
Saturday 22 December 2012 to Sunday 6 January 2013	<b>Mid Term Break</b>

<p><b>Lecture 6</b> Tue 8 Jan 2013</p>	<p><b>Concepts of Financial 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 (revisited)</li> </ul> <p><b>(Chapter 1 of Atrill and McLaney)</b></p>
<p><b>Lecture 7</b> Tue 15 Jan 2013</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 22 Jan 2013</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, bad debts and other impairment</li> </ul> <p><b>(Chapter 3 of Atrill and McLaney)</b></p>
<p><b>Lecture 9</b> Tue 29 Jan 2013</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</li> <li>▪ Statement of Movements in Equity</li> </ul> <p><b>(Chapter 5 of Atrill and McLaney)</b></p>
<p><b>Lecture 10</b> Tue 5 Feb 2013</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>Lecture 11</b> Tue 12 Feb 2013</p>	<p><b>Advanced topics in financial accounting</b> including valuation issues, comprehensive income etc</p> <p><b>Review of Financial Accounting Material</b> <b>(Readings provided)</b></p>
<p><b>Mon 18 Feb 2013</b> to <b>Sat 23 Feb 2013</b></p>	<p><b>Final Exam during Exam Week (TBA)</b></p>