

School of Accounting and Commercial Law

## **ACCY 223 - MANAGEMENT ACCOUNTING**

Trimester One 2013

### **COURSE OUTLINE**

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<b>Names and Contact Details</b>	<b>Office</b>	<b>Telephone</b>
Course Coordinator & Lecturer: Dr Rodney Dormer <a href="mailto:Rodney.Dormer@vuw.ac.nz">Rodney.Dormer@vuw.ac.nz</a>	RH 727	463-7009
Lecturer: Pala Molisa <a href="mailto:Pala.Molisa@vuw.ac.nz">Pala.Molisa@vuw.ac.nz</a>	RH 616	463-6154
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 4 March – Friday 7 June

Study Period: Monday 10 June – Thursday 13 June

Examination Period: Friday 14 June – Wednesday 3 July (inclusive)

### **Withdrawal from Course**

1. Your fees will be refunded if you withdraw from this course on or before **Friday 15 March 2013**.
2. The standard last date for withdrawal from this course is **Friday 17 May 2013**. 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:**

- Tuesday 5.40 – 6.30 p.m. RHLT1, Pipitea Campus
- Thursday 5.40 – 6.30 p.m. RHLT1, Pipitea Campus

# Planned Course Content

Wk No.	Week commencing:	Weekly Topic Timetable	Chap	Tutorial s	Assignments due by 2 pm on Tuesdays
1	4 March RD	Introduction to Management Accounting – Different costs for different purposes.	1&2		
2	11 March RD	Marginal and absorption costing approaches to profit measurement.	2&6	Cam Ltd. <b>Break-even Case.</b>	<i>Assignment 1 – Report on Cam Ltd by 2 pm Tuesday 19 March.</i>
3	18 March RD	Job and batch costing in manufacturing and services.	3	Hataitai Hinges. <b>MC v AC problem</b>	
4	25 March PM	Absorption costing: multiple bases.	Appx 4B p176	Pipitea Legal Services <b>Job Costing Case</b>	
<b>Easter: 28 March – 3 April</b>					
5	1 April PM	Absorption costing: service departments.	Appx 4B p176	Pipitea Legal Services <b>Job Costing Case</b>	
6	8 April PM	Decision making: special pricing, make or buy, limiting factor.	12		
6	<b>Test 1 - On work in lecture weeks 1 to 3</b>				
7	15 April PM	Decision making (continued). Drop a product/sector decisions. Activity-based costing (ABC)	12 7	GNK Ltd. <b>Limiting Factor and Outsourcing Case</b>	<i>Assignment 2 – Report on GNK Ltd by 2 pm Tuesday 30 April.</i>
<b>Mid Trimester Break: 20 April – 28 April</b>					
8	29 April PM	ABC cost hierarchy and drivers. ABC in services and manufacturing.	7		
9	6 May RD	Strategy and budgeting. The need for flexible budgets.	9	KitTab Ltd. <b>ABC Case.</b>	
10	13 May RD	Activity-based budgeting. Standard marginal costing.	10		
10	<b>Test 2 - On work in lectures weeks 4 to 7</b>				
11	20 May RD	Full variance analysis.	10	The Rotorua Hospital Laundry. <b>Budgeting Case</b>	<i>Assignment 3 – The Rotorua Hospital Laundry by 2 pm Tuesday 28 May.</i>
12	27 May PM	The pricing decision.	Appx A P 715	Dodo Doors. <b>Full variance analysis case</b>	
13	3 June PM / RD	Revision [Public Holiday Mon 3 June]		The Vend-a-Bar Supply Company. <b>Pricing Case.</b>	

Chap = chapter (in course text). Appx = Appendix. PM = Pala Molisa. 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 ACCY 001 Bookkeeping, 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 these courses, please see the Course Coordinator.

## 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.

After the benefit of guidance in the tutorial, 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 a review of learning in the light of feedback received is essential preparation for the Tests and Final Exam.

## Expected Workload

It is expected that an average of 10 hours per week will be spent on this course during the 12 teaching weeks, and the total expected workload for this course is 150 hours.

This should roughly consist of the following:

31 hours	Lectures and tutorial attendance
40 hours	Pre- and post-lecture reading and question practice.
40 hours	Tutorial question and mini case study preparation (including assignments)
39 hours	Revision of material for the two tests and the examination

## Group Work

There is no assessed group work in this course. However you may be expected to work in groups during tutorials and you are encouraged to work in groups outside tutorials from time to time to discuss topics and issues raised in lectures. This may include initial preparation of draft answers to tutorial questions and mini cases, but please note that the submitted final answers to the three assignments *should be your own individual effort*.

## Readings

The set text- is Garrison, R.H., Noreen, E.W. & Brewer, P.C. (2011), *Managerial Accounting*, (14th Ed). McGraw Hill/Irwin, New York.

Much of the course content follows closely the coverage in the textbook and hence you will benefit greatly if you read and understand the chapters of the textbook that are listed in the Lecture Outline. Completing problems in the textbook is an essential element of your study, as the application of management accounting is only learned through such question practice. Such question practice will enhance your learning and prepare you for answering the related tutorial question or mini case, and subsequently test and exam questions *that will be similar in nature to the tutorial questions or mini cases*.

Additional useful readings may be recommended in lectures and/or indicated via Blackboard.

As well as the set text, students are required to purchase a copy of the *Course Materials Book* from the VUW bookshop (Pipitea Campus). The Course Materials Book contains full details of the format of tutorials and explains how tutorial work supports and reinforces the material delivered in lectures. All tutorial questions and mini cases, including the three mandatory assignments, are included in the course materials book. There is also guidance on answering case studies and there are extra exam/test style questions to help you practice the application of management accounting, and prepare thoroughly for the tests and exam. Answers to these extra questions will be provided via blackboard.

## Materials and Equipment

The two course tests and the examination are **closed book**. The materials permitted in the two tests and the examination are as follows:

- Non-programmable silent electronic calculators.
- Non-electronic foreign language/English translation dictionaries.

## Assessment Requirements

### 1. Test 1 – Week 6 - TBC

*Weighting: 20%*

This test is 45 minutes long and can include any of the material introduced during lectures in the first three weeks of the trimester, including material subsequently reinforced during tutorials, assignments, and/or by any extra work given by the lecturer(s).

### 2. Test 2 – Week 10 - TBC

*Weighting: 20%*

This test is 45 minutes long and can include any of the material introduced during lectures in weeks 4 to 7, including material subsequently reinforced during tutorials, assignments, and/or by any extra work given by the lecturer(s).

### 3. Final Examination, held during the examination period

*Weighting: 60%*

The final examination is two hours long and will assess material studied during the whole 12 week trimester. An emphasis will be placed on material not previously assessed in tests, in particular the material covered in the last five weeks. However, the integrative nature of management accounting requires that all course material should be thoroughly revised and drawn

on as appropriate in exam question answers. This is particularly important in regard to the typical mini case study questions used for assessment in tests and exams.

## 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 14 June – Wednesday 3 July (inclusive).

## 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 the **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. If it is possible, arrangements will be made for you to attend another tutorial stream. Note that changes to tutorial streams are not allowed *except* by prior arrangement and for a genuine reason. As emergencies and unexpected occurrences can occur, it is only necessary to attend **6 of the 8** tutorials to comply with the mandatory course requirement, but you are strongly recommended to attend all 8.

No medical certificate or other documentation is required if you miss only **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 or you risk failing the mandatory course requirements.* A list of those students who have not met the mandatory course requirement will be posted on Blackboard by 12 noon on **Thursday 13 June 2013**. 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 19 March 2012** = Cam Ltd. – Revision of break-even
- No 2: **Tuesday 30 April 2012** = GNK Ltd. – Decision making
- No 3: **Tuesday 28 May 2012** = The Rotorua Hospital Laundry – Flexible budgeting

The mini case studies for the assignments are in the Course Materials Book.

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. The actual marks awarded will not count towards your overall course assessment mark, but the work put into preparation of these assignments, and the review of feedback, is essential preparation for tests and exams. Historically, there has been a strong correlation between assessment marks and subsequent test and exam marks achieved.

For each assignment, complete an assignment cover sheet (available via 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, 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 mandatory 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 requirements, **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>

### **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

### **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 submitted to Turnitin. A copy of submitted materials will be retained 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.

## Tutorials

There will be **eight** tutorial sessions, **starting in week 2**, as follows:

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: Weeks 4 or 5 (depending on your tutorial group)

Case Study: Pipitea Legal Services – Job costing.

Tutorial Session 4: Week 7

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

Tutorial Session 5: Week 9

Case study: KitTab Ltd – Activity-based costing.

Tutorial Session 6: Week 11

Case study: The Rotorua Hospital Laundry – Budgetary control.

Tutorial Session 7: Week 12

Case study: Dodo Doors - Variance Analysis.

Tutorial Session 8: Week 13

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

**There are no tutorials in weeks 1, 6, 8 and 10.**

*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 three 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 5 March and midnight Wednesday 6 March 2013.**

The completed tutorial group lists will be available by **Friday 8 March 2013.**

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.

**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 academic audit. 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.