

School of Accounting and Commercial Law

MMPA 512 ADVANCED MANAGEMENT ACCOUNTING

Trimester 2, 2014

COURSE OUTLINE

| Names and Contact Details | Office | Telephone |
|---|---------------|------------------|
| <i>Course Coordinator & Lecturer</i> Binh Bui binh.bui@vuw.ac.nz Office hours: TBA | RH 619 | 463 6679 |
| <i>Lecturer</i> Carolyn Fowler carolyn.fowler@vuw.ac.nz Office hours: TBA | RH 601 | 463 6506 |
| <i>Course Administrator</i> Pinky Shah pinky.shah@vuw.ac.nz Office hours: Monday-Friday, 9am-5.30pm | RH 728 | 463 6921 |

Trimester Dates

Teaching Period: Monday 14 July – Friday 17 October

Study Period: Monday 20 October – Thursday 23 October

Examination Period: Friday 24 October – Saturday 15 November (inclusive)

Withdrawal from Course

1. Your fees will be refunded if you withdraw from this course on or before Friday 25 July 2014.
2. The standard last date for withdrawal from this course is Friday 26 September 2014. 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

Lectures

| | | |
|-------------|-----------------------|-------|
| Week 1: | Wednesday 5.40-7.30pm | GBLT4 |
| Weeks 2-12: | Wednesday 6.40-8.30pm | GBLT4 |

Seminars

- Weeks 2, 4, 5, 10, 11 and 12
All students: Wednesday 7.40-8:30pm GBLT4
- Weeks 3, 6, 7, 8 and 9:
Stream 1: Wednesday 4.40-5.30pm RWW315
Stream 2: Wednesday 5.40-6.30pm GBLT4

There are 12 two hour lectures and 11 one hour seminars. Students are expected to attend all lectures and seminar sessions.

Course Delivery

The course is delivered primarily through one three-hour session per week for twelve weeks. Each lecture session will consist of a mixture of lectures, class discussions and short problem-based tasks. The two-hour lectures will be backed up by one-hour seminars, in which student case presentations, discussion, and other activities will be used to demonstrate the practical application of management accounting tools and techniques. The assigned readings (text book chapters and additional readings) for each week are expected to be completed prior to class. Lecturers may also post extra learning materials and readings on Blackboard for review after lectures. It is suggested that students regularly check Blackboard for updates, announcements and materials.

Group Work

Students are expected to dedicate 12 hours to prepare for their group assignment, in addition to the scheduled seminar time.

Expected Workload

It is expected that students will work for 150 hours across the course. Lectures and seminars account for 36 hours of this time; background reading for lectures and case presentations: 36 hours; critique preparation: 16 hours; case presentation preparation: 12 hours; post-lecture revision: 16 hours; and review of material for the final exam: 34 hours.

Prescription

Strategic applications of cost and management accounting.

Course Learning Objectives

Students who are successful in this course will be able to:

- (a) Discuss and evaluate various Strategic Management Accounting approaches with specific reference to the application of strategic cost management, value chain analysis and lifecycle management and reporting.
- (b) Critique the use of Activity-Based Costing for management decisions and apply customer profitability analysis.
- (c) Explain, calculate and apply inventory management concepts and practices.
- (d) Discuss the utility of alternative structural choices and approaches to transfer pricing.
- (e) Explain and examine environmental cost management.
- (f) Discuss and evaluate quality management and costing.
- (g) Explain and apply activity-based management principles.
- (h) Critique performance measurement (PM) systems and explain the principles of incentives and compensation.
- (i) Consider the development of management accounting and its future.

Course Content

A lecture, reading and case presentation schedule is provided on page 8.

Readings

Course Text (essential reading).

C. Hunt, C. Fowler and L. Drennan (2013), *Management Accounting: Strategic Decision Making, Performance and Risk*, 2nd edn., Pearson Education, New Zealand.

Additional books.

The following books have been placed on closed reserve or 3-day loan in the Commerce Library.

- Chapman, C.S., Hopwood, A.G. and Shields, M.D. (Eds), (2007) *Handbook of Management Accounting Research*, 1st edn., Elsevier: Oxford & Amsterdam.
- Hopper, T., Northcott, D. and Scapens, R. (2007) *Issues in Management Accounting*, 3rd edn., Prentice Hall: Harlow, England; New York.
- Horngren, C.T., Datar, S.M., Foster, G., Rajan, M. and Ittner, C. (2009) *Cost Accounting: A Managerial Emphasis*, 13th edn., Pearson Prentice Hall: Upper Saddle River, NJ.
- Hoque, Z. (2003) *Strategic Management Accounting*, 2nd edn., Pearson Education: Australia.
- Reeve, J. (2000) *Readings and Issues in Cost Management*, South-Western College Publishing, Thomson Learning: Canada.
- Langfield-Smith, K., Thorne, H. and Hilton, R.W. (2012) *Management Accounting: Information for Creating and Managing value*. 6th edn., McGraw Hill: Australia.

Supplementary Readings.

Additional readings may be recommended in lectures and/or indicated via Blackboard during the course.

Materials and Equipment

The exam is **closed book**. Materials permitted in the exam are:

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

Assessment

From Trimester 1, 2014, a revised Assessment Handbook will apply to all Victoria courses: see <http://www.victoria.ac.nz/documents/policy/staff-policy/assessment-handbook.pdf>.

In particular, there will be a new grade scheme, in which the A+ range will be 90-100% and 50-54% will be a C-.

| Assessment Item | % | Due Dates | Course Learning Objectives Covered |
|-------------------------------------|-----|---|--|
| Group case presentations | 16% | Case presentation and consultants' report, handed to lecturer immediately before case presentations (see course schedule) | Depending on the topic of the case |
| Research paper critique | 20% | Submit critique by 2.00 pm on Friday 19 September 2014 | Depending on the article chosen by the student |
| Participation in case presentations | 4% | Submitting an executive summary of the case, and asking questions to the presenting group when not presenting (in weeks 3, 6, 7, 8 and 9) | Depending on the topic of the case |
| Exam | 60% | 2 hours; Closed book Date TBC – see 'Examinations' below | All |

Assessment Requirements

1. Group Case Presentations (16%)

To be assigned during week one

The class will be allocated into small groups (four to five members). Each group will be responsible for the presentation to the class of one case study. The presentation should be planned to be a maximum of 30 minutes per group, and be followed by 15 minutes for questions and class discussion. For each case presentation, the presenting group will be acting as a team of consultants (or an internal project work group) hired (or constituted) to address a particular problem and present their recommendations to management. An oral presentation **and** a written, executive style, report will be required, each worth 50% of the overall marks. More detail is provided on the case presentation marking scheme, which will be circulated. Students will also have the opportunity to participate in a practice case presentation during the week 2 seminar and gain feedback on their performance.

The written report should be handed to the lecturer immediately BEFORE the oral presentation. The presenting group will need to outline the case problem, explain the relevant management accounting techniques they have used to address the problem and present the analysis undertaken and appropriate recommendations and conclusions, i.e. their proposed solution to the case. They will also be expected to answer questions from other groups, and justify their recommendations as necessary.

We expect that students should spend on average 12 hours working on this project. A significant amount of this time, although not all, will be working as a group. It is expected that all members of the group make a significant contribution to the group project and it is up to the group themselves to ensure that this happens and the work is split equitably. Therefore, all group members will receive the same mark.

2. Research Paper Critique (20%)

Due on or before 2.00 pm 19 September 2014

This individual assessment is a written critique (maximum 1,200 words). Students will be given a list of papers to choose from during the first 2 weeks of the trimester.

The written critique is to be in the form of a report to the chief executive of your (imagined or real) company and should provide a critique of the article that covers the following:

Content:

- State the purpose of the article.
- Outline the author's main arguments and/or findings.
- Discuss the major areas of agreement/disagreement you have with the author's research method and/or arguments and/or conclusions.

Implications:

- Briefly outline the type of company you work for (or are assumed to work for in relation to this report).
- Identify the implications of this article for management accountants and/or management practice within this company.
- Identify any risks associated with doing nothing and/or the potential benefits from taking the recommended action.

Recommendations:

- Make proposals to the chief executive in respect of what the company should do in relation to the key issues addressed, or proposals made in the paper.
- Be as specific as possible about what changes should take place and why.

Project reports should be attached to the assignment cover sheet which can be found in the course assessments folder on Blackboard. The reports should then be placed in the MMPA 512 assignment box on the mezzanine floor in Rutherford House no later than **2.00 pm on Friday 19 September 2014**.

Please state the word count of your report and note that project reports that exceed 1,200 words will be subject to a 10% penalty per 100 words over the 1,200 word limit.

The mark allocation for the individual project will be as follows:

| | |
|-----------------|-----|
| Report: | |
| Content | 30% |
| Implications | 40% |
| Recommendations | 30% |

3. Participation in case presentations (4%)

All students are expected to attend all presentations. In weeks when not presenting *each group* is required to prepare a one-page executive summary of the case and submit it to the lecturer at the start of the presentation. Each non-presenting group also needs to contribute at least one question to the discussion on the case. Marks will be awarded as a group based on the executive summary and participation; up to one mark per presentation for each group when not presenting.

4. Exam (60%)

The exam (closed book) is two hours long and may cover material introduced during lectures throughout the whole course, and any extra work given by the lecturer(s). The exam will contain questions related to a case that will be handed out during week 12. It may also require you to critique an academic paper provided to you in week 12 of the course.

Penalties

- **Critique**

The critique must be handed in on or before the due date and time. In fairness to other students, any critique submitted after the deadline will not be marked.

An extension or waiver (with no penalty) will be considered on the grounds of exceptional personal circumstances. Students must complete the 'Assignment Extension/Waiver Application Form' available on Blackboard and submit the form (with the relevant supporting documentation) to Pinky Shah, preferably before the assignment due date.

Note: The submission of an application does not mean that the extension has been approved. Penalties, as detailed above, will apply if the extension is not granted.

Exceptional Personal Circumstances include an impairment assessed by Disability Services, illness, bereavement, circumstances involving the health or wellbeing of a relative or close friend, compulsory attendance at court, national or international representative commitments, significant cultural commitments, or activities in which the student is representing the University.

*Note: Not being organised or failing to plan ahead are **not** exceptional circumstances.*

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.

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 following period:

Friday 24 October – Saturday 15 November (inclusive)

Mandatory Course Requirements

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

- Fully participate in the Group Project, including both the preparation of the report and in the presentation.
- Obtain at least 40% in the exam.

If you cannot complete an assignment or sit a test or examination, refer to

www.victoria.ac.nz/home/study/exams-and-assessments/aegrotat

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 Blackboard: <http://blackboard.vuw.ac.nz>. Urgent notices will be circulated by email.

Student feedback

Any feedback is considered and followed up on.

Student feedback on University courses may be found at
www.cad.vuw.ac.nz/feedback/feedback_display.php

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.

Course Content

| Week | Date/Lecturer | Topic | Readings | Case Presentations |
|--|---------------|--|--|--|
| 1 | 16 Jul CF | Introduction to course SMA and value chain analysis | Chapters one and two | |
| 2 | 23 Jul CF | Target Costing and Lifecycle Reporting | Chapter two | K2 (practice case) All Groups |
| 3 | 30 Jul CF | Time Driven ABC and Activity Based Management (ABM) | Chapter three | Group 1: Target costing and lifecycle reporting |
| 4 | 6 Aug CF | Customer profitability analysis and customer value | Chapter seven | ABC/ABM exercise– all groups |
| 5 | 13 Aug CF | Supplier value and inventory management | Chapter eight | CPA exercise– all groups |
| 6 | 20 Aug CF | Quality costing and management | Chapter nine | Group 2: Supplier value and inventory management |
| MID-TRIMESTER BREAK (Monday 25 August – Sunday 7 September) | | | | |
| 7 | 10 Sep BB | Environmental cost management | Chapter ten | Group 3: Quality costing and management |
| 8 | 17 Sep BB | Divisionalisation and transfer pricing | Chapter six | Group 4: Environmental cost management |
| Friday 19 Sep | | Hand in date for individual project – paper critique. | | |
| 9 | 24 Sep BB | Financial performance measurement and firm value | Chapter twelve Supplementary reading | Group 5: Transfer Pricing |
| 10 | 1 Oct BB | Critique of balanced performance measurement models | Chapter eleven Supplementary reading | Financial performance exercise – all groups |
| 11 | 8 Oct BB | Incentives, compensation & empowerment | Chapter five | BSC exercise – all groups |
| 12 | 15 Oct BB | Strategic decision making | Chapter four | Revision |

The weekly topic timetable of this course content is a guideline only and variations may occur.

NOTE: BB = Binh Bui CF = Carolyn Fowler