

School of Accounting and Commercial Law

## **MMPA 512 ADVANCED MANAGEMENT ACCOUNTING**

Trimester 3, 2014

### **COURSE OUTLINE**

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#### **Names and Contact Details**

<i>Course Coordinator &amp; Lecturer</i>	Martien Lubberink <a href="mailto:martien.lubberink@vuw.ac.nz">martien.lubberink@vuw.ac.nz</a> Office Hours: TBA	RH 702	463 5968
<i>Lecturer</i>	Carolyn Fowler <a href="mailto:carolyn.fowler@vuw.ac.nz">carolyn.fowler@vuw.ac.nz</a> Office Hours: TBA	RH 601	463 6506
<i>Course Administrator</i>	Rebekah Sage <a href="mailto:rebekah.sage@vuw.ac.nz">rebekah.sage@vuw.ac.nz</a> Office hours: Monday-Friday, 8.30 am – 5.00 pm	RH 728	463 6921

#### **Trimester Dates**

Monday 17 November 2014 – Thursday 19 February 2015

#### **Withdrawal from Course**

1. Your fees will be refunded if you withdraw from this course on or before Friday 28 November 2014.
2. The standard last date for withdrawal from this course is 27 January 2015. 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**

Thursdays: 12.40 pm – 3.30 pm

Venue: GB LT4 (Government Buildings Lecture Theatre 4), Pipitea Campus.

## **Course Delivery**

The course is delivered primarily through one three-hour session per week for 12 weeks. Each three hour 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.

## **Group Work**

Students are expected to dedicate 12 hours to prepare for their group assignment, in addition to the scheduled seminar time. On this course a fair amount of the time will be devoted to group work. We expect all group members to make a significant contribution to the group work, and we also expect the group to discover and utilize the strengths of individual group members. Independently of individual group roles, all group members are responsible for outputs generated by the group.

## **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 the last page of this course outline.

## Readings

### *Course Text (essential reading)*

C, Hunt, C. Fowler and L. Drennan (2013), *Management Accounting: Strategic Decision Making, Performance and Risk*, 2<sup>nd</sup> ed., 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*, 1<sup>st</sup> ed., Elsevier: Oxford & Amsterdam.
- Hopper, T., Northcott, D. and Scapens, R. (2007) *Issues in Management Accounting*, 3<sup>rd</sup> ed., Prentice Hall: Harlow, England; New York.
- Horngren, C.T., Datar, S.M., Foster, G., Rajan, M. and Ittner, C. (2014) *Cost Accounting: A Managerial Emphasis*, 14<sup>th</sup> ed., Pearson Prentice Hall: Upper Saddle River, NJ.
- Hoque, Z. (2003) *Strategic Management Accounting*, 2<sup>nd</sup> ed., 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 ed., 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

Assessment Item	%	Due Dates	Course Learning Objectives Covered
Group case presentations and participation	15%	Presenting group: Case presentation and consultants' report, handed to lecturer immediately before case presentations (see course schedule). Non-presenting students: Submit a one page executive summary of the case, and ask suitable questions to the presenting group (in weeks 4, 6, 8 and 10)	Depending on the topic of the case
Research paper critique	25%	Submit critique by 2.00 pm on Friday 23 January 2015	Depending on the article critiqued by the student
Final Test	60%	2 hours; Closed book 12.40 pm on Thursday 19 February 2015	All

## 1. *Group Case Presentations and Participation (15%)*

### **Presenting Group**

Students will be assigned to groups. Each group, with size of 4 to 5 students, will be responsible for the presentation of one assigned case study to the class. Plan for a presentation of 30 minutes max, to 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 tasked to address a particular problem and present their recommendations to management.

The presenting group will outline the case problem, explain the relevant management accounting techniques they have used to address the problem and present the analysis performed with appropriate recommendations and conclusions. All group members are expected to take and answer questions from those attending the presentation.

An oral presentation **and** a written, executive style, report will be required, each worth 50% of the overall marks and all group members will receive the same mark. More detail is provided on the case presentation marking scheme, which will be circulated.

*Note:* the report written by the presenting group and the accompanying (printed) presentation slides will be handed to the lecturer immediately before the oral presentation. There will an opportunity in the week 2 and 3 seminars to practice a case presentation and to gain feedback on your performance.

### **Non-presenting Students**

In weeks when not presenting, each group is required to answer the case and prepare a one-page executive summary of the answer 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 in case discussion.

All students are expected to attend all presentations.

## 2. *Research Paper Critique (25%)*

This individual assessment is a written critique (maximum 1,500 words). Students will be assigned a research paper 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 paper. The critique should be relevant to the company.

Further instructions on the critique will be given to the class and placed on Blackboard by the end of week 2.

Particulars: your 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 23 January 2015**. Please also submit one electronic copy via Blackboard (see the Turnitin section on the MPA Student Information Site on Blackboard for electronic submission instructions).

Please state the word count of your report and note that project reports that exceed 1,500 words will be subject to a 10% penalty per 100 words over the 1,500 word limit.

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

Report:		
Content		30%
Implications		30%
Recommendations		25%
Quality of writing, presentation, and referencing		15%

### 3. *Final Test (60%)*

The Final Test is closed book and two hours long on **12.40 pm on Thursday 19 February 2015**. It may cover material introduced during lectures throughout the whole course, and any extra work given by the lecturer(s).

The Final Test will contain questions related to a case that will be handed out in class in week 10.

### **Penalties**

The research paper 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, but will receive a mark of zero.

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 the Rebekah Sage, 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.

### **Mandatory Course Requirements**

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

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

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

[www.victoria.ac.nz/home/study/exams-and-assessments/aegrotat](http://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.

Student feedback on University courses may be found at

[www.cad.vuw.ac.nz/feedback/feedback\\_display.php](http://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.

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## Course Content

Week	Date/Lecturer	Lecture topic	Readings	Seminar
1	20-Nov	Introduction to course	Chapters one and two	
	<b>ML</b>	SMA and value chain analysis		
2	27-Nov	Target Costing and Lifecycle Reporting	Chapter two	<b>Practice case 1: K2</b>
	<b>ML</b>			All groups
3	4-Dec	Customer profitability analysis and customer value	Chapter seven	<b>Practice case 2: MowFast Ltd Case - All groups</b>
	<b>KB</b>			
4	11-Dec	Time Driven ABC and Activity Based Management (ABM)	Chapter three	<b>Group 1 Case: Customer profitability analysis and Customer value</b>
	<b>CF</b>			
5	18-Dec	Supplier value and inventory management	Chapter eight	<b>Exercise: Sales Support Services Case - All groups.</b>
	<b>CF</b>			
<b>Mid-Trimester Break: Monday 22 December to Sunday 4 January</b>				
6	8-Jan	Incentives, compensation & empowerment	Chapter five	<b>Group 2: Case: Chocolat-Celeste Ltd.</b>
	<b>ML</b>			
7	15-Jan	Quality costing and management	Chapter nine	The Quality Management Game - All groups.
	<b>CF</b>			
8	22-Jan	Environmental cost management	Chapter ten	<b>Group 3 Case: Trailmaster Bicycle Co.</b>
	<b>CF</b>			
<b>Friday, 23 Jan. 2015</b>		<b>Hand in date for individual project – paper critique by 2 pm.</b>		
9	29-Jan	Critique of balanced performance measurement models	Chapter eleven	<b>Exercise: Granite Peak Winery – All groups</b>
	<b>CF</b>		Supplementary reading	
10	5-Feb	Financial performance measurement and firm value	Chapter twelve	<b>Group 4 Case: Incentives, rewards, performance measurement.</b>
	<b>ML</b>		Supplementary reading	
11	12-Feb	Divisionalisation and transfer pricing	Chapter six	<b>Exercise: Transfer Pricing – All groups</b>
	<b>ML   CF</b>			<b>COURSE REVISION</b>
12	19-Feb	<b>Final Test: Thursday 19 February 2015 at 12:40 pm.</b>		
	<b>ML   CF</b>			

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

NOTE: **CF** = Carolyn Fowler, **ML** = Martien Lubberink, **KB** = Ken Bates