

School of Accounting and Commercial Law

## **ACCY 302 ADVANCED MANAGEMENT ACCOUNTING**

Trimester 2, 2016

### **COURSE OUTLINE**

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#### **Prescription**

An in-depth analysis of selected topics in cost and management accounting.

#### **Course Learning Objectives**

By the end of this course, students should be able to:

1. Evaluate an organisation's strategy and associated risks using a strategy-based value chain and examine the linkages to and between strategy, processes and activities.
2. Explain the importance of strategic decision-making and the resulting implications for an organisation at the strategic, process and activity level.
3. Evaluate divisionalisation options, alternative transfer pricing systems, and performance management systems.
4. Discuss supplier and customer value and the management accounting implications of supplier and customer linkages.
5. Examine the management accounting contribution to the management of quality and sustainability.

#### **Course Content**

Please see Planned Course Content on page 2 and tutorial details on page 3.

#### **Trimester Dates**

Teaching Period: Monday 11<sup>th</sup> July – Friday 14<sup>th</sup> October

Study Period: Monday 17<sup>th</sup> October – Thursday 20<sup>th</sup> October

Examination Period: Friday 21<sup>st</sup> October – Saturday 12<sup>th</sup> November (inclusive)

#### **Withdrawal from Course**

1. Your fees will be refunded if you withdraw from this course on or before Friday 22<sup>nd</sup> July 2016.
2. The standard last date for withdrawal from this course is Friday 23<sup>rd</sup> September 2016. 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 or [online](#).

## Planned Course Content

| Week No                                               | Week beginning Date | Weekly Topic Timetable                                                                                 | Ch       | Tutorials                                                                       | Assignments (Due Wed. By 2.00 p.m.)              |
|-------------------------------------------------------|---------------------|--------------------------------------------------------------------------------------------------------|----------|---------------------------------------------------------------------------------|--------------------------------------------------|
| 1                                                     | 11 July<br>KB       | Introduction to the course<br>Strategic Management Accounting (SMA)<br>Strategic Cost Management (SCM) | 1<br>& 2 |                                                                                 |                                                  |
| 2                                                     | 18 July<br>KB       | Target costing and life cycle reporting                                                                | 2        |                                                                                 |                                                  |
| 3                                                     | 25 July<br>KB       | Activity-based costing and management.<br>The capacity issue and Time-driven ABC.                      | 3        | SCM & Value Chain Analysis<br><i>K2 Adventure Gear</i>                          |                                                  |
| 4                                                     | 1 August<br>KB      | Divisional structure and<br>Transfer pricing systems                                                   | 6        | Lifecycle Reporting &<br>Target Costing<br><i>MowFast</i>                       | <b>1 – K2<br/>Adventure<br/>Gear</b>             |
| 5                                                     | 8 August            | <b>Test 1 (on work introduced in lectures during weeks 1 to 3)</b>                                     |          |                                                                                 |                                                  |
| 5                                                     | 8 August<br>KB      | Financial performance measurement (PM)<br>and firm value                                               | 12       |                                                                                 |                                                  |
| 6                                                     | 15 August<br>CF     | Decision making in a strategic context                                                                 | 4        | Transfer Pricing<br><i>Wellington Trailers</i>                                  |                                                  |
| <b>MID-TRIMESTER BREAK (22 August to 2 September)</b> |                     |                                                                                                        |          |                                                                                 |                                                  |
| 7                                                     | 5 September<br>CF   | Supplier performance management                                                                        | 8        | Divisional PM<br><i>MakeMore Bread Group</i>                                    | <b>2 –<br/>Wellington<br/>Trailers</b>           |
| 8                                                     | 12 September<br>CF  | Quality management and costing                                                                         | 9        | Supplier Performance<br><i>Curry Express</i>                                    |                                                  |
| 9                                                     | 19 September        | <b>Test 2 (on work introduced in lectures during weeks 4 to 7)</b>                                     |          |                                                                                 |                                                  |
| 9                                                     | 19 September<br>CF  | Management accounting<br>for the environment                                                           | 10       |                                                                                 |                                                  |
| 10                                                    | 26 September<br>KB  | Customer value and customer accounting                                                                 | 7        | Quality and<br>Environmental Costing<br><i>Blue Duck Bar and<br/>Restaurant</i> |                                                  |
| 11                                                    | 3 October<br>KB     | Balanced performance measurement<br>and management                                                     | 11       | Customer Accounting<br><i>Seatoun Sports Shirts</i>                             | <b>3 – Blue Duck<br/>Bar and<br/>Restaurant.</b> |
| 12                                                    | 10 October<br>CF    | Performance measurement and incentives<br>+ Revision                                                   | 5        | Performance Management<br><i>Case review:<br/>Black Swan Hotel</i>              |                                                  |

Please note: the weekly topic timetable of planned course content is a guide only and may change.

Lecturers: KB = Ken Bates CF = Carolyn Fowler

Ch = Chapter (reference to relevant chapter in the course text: Hunt, Fowler and Drennan, 2013)

Details of any supplementary readings will be posted on Blackboard.

## **Tutorials**

You have eight tutorial sessions that are held during the following weeks:

*Tutorial Session 1: Week beginning Monday 25 July 2016*

Strategic Cost Management and Value Chain Analysis – K2 Adventure Gear.

*Tutorial Session 2: Week beginning Monday 1 August 2016*

Life Cycle Reporting and Target Costing – MowFast.

*Tutorial Session 3: Week beginning Monday 15 August 2016*

Transfer Pricing – Wellington Trailers

*Tutorial Session 4: Week beginning Monday 5 September 2016*

Divisional Performance Measurement – The MakeMore Bread Group.

*Tutorial Session 5: Week beginning Monday 12 September 2016*

Supplier Performance and Management – Curry Express.

*Tutorial Session 6: Week beginning Monday 26 September 2016*

Quality and Environmental Costing – Blue Duck Bar and Restaurant.

*Tutorial Session 7: Week beginning Monday 3 October 2016*

Customer Profitability Analysis – Seatoun Sports Shirts.

*Tutorial Session 8: Week beginning Monday 10 October 2016*

Performance Management – Black Swan Hotel.

Please ensure you have read the case and ***worked through*** the case questions ***prior to*** your tutorial. *The cases for the tutorials are in the Assignment and Tutorial Book.* Guideline solutions will be provided on Blackboard after the last tutorial in the week or after the assignment hand-in date if the tutorial question is also an assignment.

## **Tutorial Group Sign-up**

You will be given the opportunity to sign up for one tutorial group, on a first-come-first-served basis, during week one. Detailed tutorial sign-up instructions, including sign-up times, are provided on Blackboard.

Tutorial signup will be online. Any requests after the close-off date will need to be manually handled by the course administrator. You will need to submit a written application stating the reason why you were not able to sign up on time using the online system, along with other relevant documentation, such as a medical certificate.

You ***must always attend the tutorial sessions for which you have signed up***, unless you face exceptional circumstances and obtain specific, one-off permission from the course administrator to attend an alternative tutorial session. If you are granted such permission to attend a different tutorial session, please confirm with the tutor and ensure that they record your attendance.

The completed tutorial group lists will be available during the second week of the trimester. Subsequent changes can only be made if the course administrator agrees. You are not permitted to make temporary swaps of tutorials without the prior consent of the course administrator.

***Your tutorial group number and your tutor's name should be recorded on all assignments.***

## Names and Contact Details

|                             |                                                                                                                                                                                                       |         |          |
|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|----------|
| <i>Course Coordinator</i>   | Ken Bates<br><a href="mailto:ken.bates@vuw.ac.nz">ken.bates@vuw.ac.nz</a><br>Office Hours: TBA                                                                                                        | RH 716A | 463 6474 |
| <i>Lecturer</i>             | Carolyn Fowler<br><a href="mailto:carolyn.fowler@vuw.ac.nz">carolyn.fowler@vuw.ac.nz</a><br>Office Hours: TBA                                                                                         | RH 601  | 463 6506 |
| <i>Course Administrator</i> | Lee Vassiliadis<br><a href="mailto:lee.vassiliadis@vuw.ac.nz">lee.vassiliadis@vuw.ac.nz</a><br>Office hours: Monday-Friday, 8.30am-5pm<br>(Note: Office closed 10.30 am-10.45 am and 3.30 pm-3.45 pm) | RH 708  | 463 5383 |

## Class Times and Room Numbers

|          | CRN 213     |       | CRN 15423   |       |
|----------|-------------|-------|-------------|-------|
| Day      | Time        | Room  | Time        | Room  |
| Monday   | 2.40 – 3.30 | GBLT2 | 3.40 – 4.30 | GBLT3 |
| Thursday | 2.40 – 3.30 | GBLT2 | 3.40 – 4.30 | GBLT3 |

There are eight tutorials in this course, see page 3 for details of tutorials and tutorial sign up.

## 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 and download the lecture materials from Blackboard. Before each tutorial, make sure you read *and work through* the tutorial case and questions. The tutorial cases are a good guide to the type of mini-cases that will be used in the term tests and working through these will prepare you for the final, case study based examination. The examination questions will be set assuming students have attended all lectures and all tutorials.

## Readings

### Set Text:

Hunt, C., Fowler, C. and Drennan, L. (2013), *Management Accounting: Strategic Decision-Making, Performance and Risk*, 2<sup>nd</sup> Edn., Pearson Education, New Zealand.

As well as the set text, students are required to purchase a copy of the *Assignment and Tutorial Book* from the VUW bookshop (Pipitea Campus).

### Additional books:

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

- Davis, C. E. and Davis, E. (2014), *Managerial Accounting*, (2nd Ed), Wiley.
- Garrison, R., Noreen, E., and Brewer, P. (2015), *Managerial Accounting*, 15<sup>th</sup> Edn., McGraw-Hill, New York.
- Hoque Z. (2003), *Strategic Management Accounting*, 2<sup>nd</sup> Edn., Pearson Education, Australia.
- Horngren, C.T., Datar, S.M., Foster, G., Rajan, M.V., Wynder, M. and Tan, R. (2014), *Cost Accounting: A Managerial Emphasis*, 2<sup>nd</sup> Edn., Pearson Australia.
- Langfield-Smith, K., Thorne, H. and Hilton, R.W. (2015), *Management Accounting: Information for Creating and Managing Value*, 7<sup>th</sup> Edn., McGraw Hill Education (Australia).

### *Supplementary Readings.*

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

### **Mandatory course requirements**

In addition to achieving an overall pass mark of at least 50%, students must:

- Complete and submit on time a *bona fide attempt* (see definition on blackboard) at all **THREE** assignments.
- Attend at least **6 out of 8** tutorials.

An attendance register will be kept for tutorials. If you find it necessary to miss a tutorial please notify the tutor or Course Administrator *in advance*, so arrangements can be made for you to attend an alternative tutorial stream if possible. As emergencies and unexpected occurrences can occur, you are only required to attend 6 of the 8 tutorials as a mandatory course requirement, but you are strongly recommended to attend all 8 tutorials, as the work covered is highly relevant to course assessments. You do not need to produce a medical certificate or other documentation if you only miss 1 or 2 tutorials. *However if you attend less than 6 of the tutorials, you will fail the mandatory course requirements unless you are able to produce medical certificates or equivalent documentation for all tutorials missed.*

If you believe that exceptional circumstances may prevent you from meeting the mandatory course requirements, contact the Course Coordinator for advice as soon as possible.

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)

A list of those students who have not met the mandatory course requirement will be posted on Blackboard by 12 noon on **Thursday 20 October 2016**. Students who have not met the mandatory course requirement will receive a K, D or E grade for the course.

### **Expected Workload**

It is expected that a students' workload in this course will be, on average, 10 hours a week making a total of 150 hours. These 150 hours are comprised of 32 hours of lectures and tutorials; background reading for lectures - 36 hrs; tutorial and case study preparation - 47 hrs; and review of material for the two tests and final examination - 35 hrs.

### **Assessment**

The Assessment Handbook will apply to all VUW courses: see

<http://www.victoria.ac.nz/documents/policy/staff-policy/assessment-handbook.pdf>.

#### **1. Test 1: Monday 8 August at 5.40 pm**

***Pipitea Campus.***

*Weighting: 20%*

This test is 60 minutes long and can include any of the material introduced during lectures **in weeks 1 to 3**, including material subsequently reinforced during tutorials, assignments, and/or by any extra work given by the lecturer(s).

#### **2. Test 2: Monday 19 September at 5.40 pm**

***Pipitea Campus.***

*Weighting: 20%*

This test is 60 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 predominantly consist of questions relating to a case study provided to students in week 12. The examination can cover any of the material covered during the 12-week trimester.

### **4. Assignments**

You have THREE assignments due to be handed in by **2.00 pm** on the following days:

*Assignment No 1: Wednesday 3 August 2016*

Case – **K2 Adventure Gear**

*Assignment No 2: Wednesday 7 September 2016*

Case – **Wellington Trailers**

*Assignment No 3: Wednesday 5 October 2016*

Case – **Blue Duck Bar and Restaurant**

The cases for the assignments are in the *Assignment and Tutorial Book*. The assignments are regarded as formative assessment and your answers will be marked to give you appropriate feedback on your progress, *but the actual marks awarded will not count towards your overall course assessment mark*. For each assignment, complete the assignment cover sheet (available on blackboard) and staple it to your assignment. ***Your tutorial group number and your tutor's name should be recorded on all assignments.*** Place your assignment in the **ACCY 302 Box** on the first floor of Railway West Wing no later than 2 pm on the due date. Marked assignments should be returned to you during the following tutorial session and *suggested solutions* will be posted on Blackboard. Your assignments must be recorded as submitted in order to comply with the mandatory course requirements (see above). However, the loss of assignments and recording errors do occur and you should therefore ***retain a copy of each assignment you submit and also the returned, marked assignments,*** as you may be required to produce these to prove that minimum course requirements have been met.

***These assessments meet the course objectives by:***

- Covering the majority of topics taught in the course.
- Integrating a case study, as used in the mandatory assignments, into the examination.
- Assessing the evaluation of management accounting theories and concepts, and the understanding and application of management accounting tools and techniques.

### **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 21<sup>st</sup> October – Saturday 12<sup>th</sup> November (inclusive)

### **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>

### **Group Work**

There is no assessed group work in this course.

### **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.

### **Materials and Equipment**

The two tests and the final examination exam are *closed book*. Materials permitted in the two tests, and the final examination, are as follows:

- Non-programmable electronic calculators and programmable ones with the memory cleared.
- Non-electronic foreign language/English translation dictionaries.

### **Student feedback**

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).

### **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.

### **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.