ACCT 514 – ADVANCED MANAGERIAL ACCOUNTING

FALL SEMESTER 2013

Instructor: Michael Lee  
Office: Room 2106  
Micron Business and Economics Building  
Email: michaellee2@boisestate.edu  
Telephone: 208 426 3410

Class: Tue, Thu, 1030 - 1145  
Classroom: MBEB Rm 4003  
Hours: Tue, Thu, by appointment

Required Texts and Materials:


Course Objective:

Advanced Managerial Accounting focuses on the complex issues relating to cost control, profit analysis, performance measurement, compensation systems and strategic performance management. This course extends and applies the knowledge base students gained in Cost Accounting to further develop their understanding of the issues in the planning, control and evaluation of organisational activities. It focuses on the role accounting information takes in the development of performance measurement and control systems, as well as the behavioural implications of using these systems. Advanced Managerial Accounting takes students beyond the technical issues associated with the design of performance measurement and control systems to an analysis of the potential organisational behaviours that different systems could encourage. This course has been designed, particularly through the use of case-based learning techniques, to: enhance students’ critical analysis, interpretation and problem solving skills; and contextualise student learning in real world practice, such as analysing the issues organisations face when developing and using performance-based compensation.

Desired Educational Outcomes:

On successful completion of this course, students should be able to:

- Explain the role performance measurement and control systems play in planning and controlling organisational activities;
- Identify the elements that constitute effective performance measurement and control systems;
- Describe the behavioural implications of different types of performance measurement and control systems in different organisational contexts;
- Analyse the various planning and control systems that may be used to supplement performance measurement and control systems;
- Analyse the links between organisational structure, strategy and planning and control systems;
- Evaluate the use of accounting in the development of financial budgets for planning and controlling activities in manufacturing and non-manufacturing settings;
- Identify potential problems with the use of traditional performance measurement systems;
- Describe the current performance measurement trends in organisations;
- Explain how rewards are used to influence behaviour.

Instructors reserves the right to make changes during the session.
On successful completion of this course students should have improved the following generic skills:

- Critical thinking, specifically in relation to the appropriateness of different performance measurement and control systems for the effective planning and control of organisational activities;
- Evaluation, analysis and interpretation of case-based information;
- Problem solving skills, specifically in relation to solving performance measurement and behavioural problems in different organisational contexts;
- Application of techniques to particular performance measurement and behavioural problems;
- Application of theory and analysis to real-world contexts;
- Oral and written communication, particularly in relation to the articulation of responses;
- Collaborative learning and team work.

On successful completion of this course students should be aware of the following issues:

- The real life changes faced by organisations in planning and controlling for organisational activities;
- The important role management accountants play in supporting the development and use of performance measurement and control systems;
- The importance of using accounting information effectively to guide organisational behaviour.

Assessment:

The course aims to meet these objectives and outcomes through the following learning methods:

1. Class Materials, Readings & Case Studies
2. Homework & Case Study Assignments
3. Class Presentations, Contributions & Discussions
4. Group Assignments
5. Individual Examinations

Teaching and Group Learning Approach

The approach taken to teaching and learning in this course is a little different from that used in other accounting courses. In order to capture the complex roles and practice of management accounting in real organisations, we rely extensively on learning through case studies. Each week, we have lively group presentations and interactive discussions of case studies. The aim is to explore issues and alternative perspectives and solutions rather than to present a “right answer”. This type of learning is best achieved collaboratively.

In order to maximise opportunities for learning by exploring and discussing issues, all students will be required to work in a group for the semester. More importantly, the role of practicing management accountants in real organisations is one of planning, controlling and decision making, and these activities are nearly always conducted collectively. Budgets, profit plans, goal setting, performance measurement, performance management, asset investments and other organisational decisions are almost never made by an individual, rather by a group that includes a management accountant.

Each week groups are required to prepare homework and written analyses of the assigned case study assignments (and, on occasions, other material relating to supplementary readings) addressing a range of specific questions. Hence, you will need to meet with you group on a weekly basis. The group assignments in this course are also completed by the same group.

As with reality, it is expected that groups will develop their own approaches to the amount of time spend individually and together as a group, and this will vary to some extent depending on the topic material and the complexity of the case study. However, the following guidelines may help initially:

- Each student should individually reviewing class material, reading relevant topic content from the textbook or other set readings, reading the case study and preparing for the group meeting.

Instructors reserves the right to make changes during the session.
• The group should meet for productive discussion. The allocation of write-up and presentation effort among members of the group should be determined.

It is critical that students read all set references and case studies and engage fully with their group prior to each week’s classes in order to be able to satisfactorily present, contribute in class.

**Attendance:**

Class attendance, participation and group work are key ingredients to success in this course. It is the most effective and efficient way to learn because you get the most out of the course in the least amount of time. Individuals who miss classes and group meetings do not often keep up with course materials, and spend significantly more time learning the same materials when trying to catch up. They also let down the rest of the class and team members. These individuals should expect to receive a failing grade.

**Assessment:**

- Group Assignment 1 .......................... 20 points
- Group Assignment 2 .......................... 45 points
- Group Assignment 3 .......................... 25 points
- Class Contributions ................................ 10 points
- Individual Examination 1 .................. 35 points
- Individual Examination 2 .................. 35 points

**Total** .................................................. **170 points**

There are no adjustments, normalisation or curving. Peer reviews and self-assessment may be required for group assessments.

A – 85% to 100%, B – 70% to 84%, C – 55% to 69%, D – 45% to 54%, F - < 45%

**Group Assignments & Presentations:**

Details of the group assignments will be distributed during the course.

**Class Contributions:**

Each group will have at least one (1) opportunity to contribute to the class by presenting their some of their homework in class. Students will be chosen at random at the start of the each session before working through the case study assignment in class. This activity will help develop a student’s presentation and communications skills. It will also assist the class in identifying areas of difficulty for a course topic. The emphasis of this activity is on developing presentation and communications skills, rather than whether the answer is correct.

**Individual Examinations:**

There will be two (2) examinations. No advance or makeup examinations will be given under any circumstances.

Instructors reserves the right to make changes during the session.
Electronic Devices:

Electronic devices include mobile phones, smart phones, laptops, netbooks, tablets and calculators. Students will ensure that all electronic devices are turned off or closed during class time unless otherwise instructed by the instructor.

Plagiarism & Cheating

Unethical behaviour by corporations has been linked with negative performance outcomes; the same is true of unethical student behaviour. It is expected that students will neither participate in nor condone activities such as cheating or plagiarism. I encourage you to speak to other groups or individual students about the issues, but do not share work or answers between groups for group work or individuals for individual work. Failure to follow this policy will result in an “F” for the final grade for both the receiver(s) and provider(s) (if involved).

Also, the instructor may take any other action described in the current academic dishonesty policy. By placing their names on assignments, groups or individual students are affirming that the contents are their original work. Consulting work done by students in this course, in other similar platforms or in previous years is a violation of academic integrity. This policy will be vigorously enforced. Sharing work you do in this course with other groups or other students, whether in the course with you or not, can tempt other groups or other students to violate this academic integrity policy will result in an “F” for the final grade, and can result in that group’s or student’s failure in the course and dismissal from his/her program.

Acts violating academic integrity include, but are not limited to, plagiarism, cheating on examinations, altering college records, submitting work done by another person, or conduct detrimental to the student or other members of the class.

All submitted assignments may be checked electronically using a plagiarism detection tool.

Instructors reserves the right to make changes during the session.
## PART 1: Organisational Strategy & Profit Planning

<table>
<thead>
<tr>
<th>Week: Date</th>
<th>Class</th>
<th>Reading*</th>
<th>Homework &amp; Case Study Assignments+</th>
</tr>
</thead>
</table>
| 1: 27 Aug  | • Introductions  
• Organisational Strategy and Management Control Systems | Chapters 1, 2 | |
| 29 Aug     | • Organising for Performance Structures  
• Learning from Case Studies | Chapter 3 | MCI Communications |
| 2: 3 Sep   | Case Discussion: MCI Communications | | |
| 5 Sep      | Review of Costing Accounting Tools | | Homework Problems |
| 3: 10 Sep  | Discussion: Homework Problems | | |
| 12 Sep     | • Evaluating Strategic Profit Performance | Chapter 6 | Globe |
| 4: 17 Sep  | Case Discussion: Globe | | |
| 19 Sep     | • Information for Performance Measurement and Control - Building a Profit Plan | Chapters 4, 5 | Globe |
| 5: 24 Sep  | Case Discussion: Globe | | |
| 26 Sep     | • Control in Cost Centres - Discretionary vs. Engineering Costs | | Westport Electric Corporation  
Grand Jean Company |
| 6: 1 Oct   | Case Discussion: Westport Electric Corporation  
Case Discussion: Grand Jean Company  
**Group Assignment 1 Due** | | |
| 3 Oct      | • Linking Performance to Markets - Transfer Pricing | Chapter 8 pp. 159-170 | Birch Paper Company  
Goliath Corporation^ |
| 7: 8 Oct   | Case Discussion: Birch Paper Company  
Case Discussion: Goliath Corporation^ | | |
| 10 Oct     | Review Session | | |
| 8: 15 Oct  | No Class | | |
| 17 Oct     | **Examination 1** | | |

*Instructors reserves the right to make changes during the session.*
## PART 2: Strategy Risks & Performance Management

<table>
<thead>
<tr>
<th>Week: Date</th>
<th>Class</th>
<th>Reading*</th>
<th>Homework &amp; Case Study Assignments+</th>
</tr>
</thead>
<tbody>
<tr>
<td>9: 22 Oct</td>
<td>• Examination 1 Review</td>
<td></td>
<td></td>
</tr>
<tr>
<td>24 Oct</td>
<td>• Strategic Risks</td>
<td>Chapter 12</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Managing Asset Investments and Evaluations</td>
<td>Chapter 7</td>
<td>Tennessee Controls</td>
</tr>
<tr>
<td>10: 29 Oct</td>
<td>Case Discussion: Tennessee Controls</td>
<td></td>
<td></td>
</tr>
<tr>
<td>31 Oct</td>
<td>• Managing Financial Performance</td>
<td>Chapter 8 pp. 170-185</td>
<td>Vyaderm Pharmaceuticals</td>
</tr>
<tr>
<td>11: 5 Nov</td>
<td>Case Discussion: Vyaderm Pharmaceuticals</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7 Nov</td>
<td>• Managing Performance with the Balanced Scorecard</td>
<td>Chapter 9</td>
<td>Integrity Ballistics^</td>
</tr>
<tr>
<td></td>
<td><strong>Group Assignment 2 Due</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12: 12 Nov</td>
<td>Group Assignment 3: Integrity Ballistics^</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14 Nov</td>
<td>• Aligning Performance Goals and Incentives</td>
<td>Chapter 11</td>
<td>Purity Steel Corporation</td>
</tr>
<tr>
<td>13: 19 Nov</td>
<td>Case Discussion: Purity Steel Corporation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>21 Nov</td>
<td>• Levers of Control for Implementing Strategy</td>
<td>Chapters 10, 13, 14</td>
<td>Automation Consulting Services</td>
</tr>
<tr>
<td></td>
<td>Case Discussion: Automation Consulting Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>26, 28 Nov</td>
<td>No Classes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14: 3 Dec</td>
<td>Group Assignment 2 Presentations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 Dec</td>
<td>Review Session</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Group Assignment 3 Due</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15: 10 Dec</td>
<td>No Class</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12 Dec</td>
<td><strong>Examination 2</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Required reading. Additional reading may be provided with each topic.  
^Case studies are in the textbook. Otherwise, they will be provided to students. 
^No formal preparation required this week. However, our class learning may be assessed.

Instructors reserves the right to make changes during the session.