

ACC 381, PART 1 MANAGERIAL ACCOUNTING

SPRING 2013

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Please feel free to email questions or call if you have any questions about the course material!

Course Objectives

Managerial accounting equips managers with accounting information and tools they need to plan and control (evaluate) personnel and operations of the firm. This course provides a framework that facilitates a better understanding of when and why managers need specific types of accounting information to both facilitate their decisions and influence the decisions of their employees. Utilizing business cases, we then apply this framework in addressing important operational and strategic decisions faced by managers and their employees. The course is loosely divided into two topics: (1) performance management information systems, and (2) management control systems. Each topic is briefly described below.

Performance Management Information Systems:

Performance management information systems provide information about the benefits and costs of the goods and services sold by the firm to help facilitate the short-term operational and long-term strategic decisions of managers. We will start by discussing and applying principles which will guide our evaluation and design of performance management information systems. We will then apply these techniques to facilitate short-term operational and long-term strategic decisions.

Managerial Control Systems:

The second half of the course covers the use of accounting information in the control and coordination of individuals and organizational units. During this half of the course, we will explicitly recognize that individuals respond to methods used to evaluate and reward their performance. The purpose of the second half of the course is to identify systems that have widespread use, examine the motivation and theoretical underpinnings for that use, and identify how and when the misuse of these systems leads to dysfunctional outcomes for the firm. In doing so, we will consider both financial and non-financial measures of performance.

Required Materials

Textbook: Managerial Accounting, 2nd Edition, by Balakrishnan, Sivaramakrishnan, and Sprinkle, (John Wiley & Sons, Inc., 2012).

Course pack: Contains all case and supplemental materials required for the course.

Course Requirements and Grading

This course is administratively one-half of a full course of record. Your grade in the course will be a combination of your grades in the two halves. Your grade in the Managerial Accounting portion of the course will be determined as follows:

	Points
Homework	12
In-Class Contribution	8
Exam (February 25 th)	30
•	<u>50</u>

The MBA Program Office advises that an appropriate grade point average for this course is approximately 3.42. The recommended distribution of grades is as follows: 25% receive an A, 20% receive an A-, 15% receive a B+, 35% receive a B, and 5% receive a B- or below.

Description of Requirements

In-Class Contribution

Class discussions will primarily focus on business cases describing an important decision you have faced or likely will face in your career. To enhance the learning environment, everyone should actively participate in the class discussions, providing summaries of issues, analyses, recommendations, and sharing personal experiences related to the course topics. My role is primarily to facilitate your analyses and discussion. I will cold call as a standard practice. After each class, I will make class participation notes, with particular attention to the quality of comments, not the quantity.

Homework

To ensure that you are at least familiar with each case, you will submit by the beginning of class answers to one or more questions for each case. Often, a case will represent your first exposure to a particular issue or problem. Moreover, you will find that many of the managerial problems we will address through cases are both difficult and lacking clear-cut or "correct" solutions. Do not let this discourage you! Past experiences and feedback from previous students have clearly shown that the requirement to attempt solutions to these often new, ambiguous business problems (and hand-in these prepared solutions) greatly enhances the learning process.

Homework will be assigned for all class sessions with the exception of our first class (January 5th) and our final class (February 23rd). Thus, there will be a total of three homework assignments.

I describe the homework assignment for each class session under the "Assignments" tab. Before the start of class, an electronic copy of your assignment is due in the digital drop box located in the relevant "Assignments" tab class folder. I will accept no late assignments.

Homework will be graded on a good-faith effort basis. Submissions judged to be completed with care, using some reasonable approach, will receive a 4. Submissions that are incomplete or do not represent a reasonable approach will receive lesser grades.

Verbal collaboration (i.e., talking about the assignment) on homework is allowed. However, the prepared assignment should be your own work (do not borrow, copy, or transfer answers or files from anyone else).

Exam

The exam will be held in class on February 23rd. The exam will be individually-completed. You may bring one index card up to 4" × 6" of your own notes (both sides) and a non-programmable calculator to the exam. The exam will embrace all course content as covered in the assigned chapters from the textbook, suggested problems from the text, the cases, and class sessions. The exam will likely consist of problems, essay questions, and short answer questions.

Academic Dishonesty

I have no tolerance for acts of academic dishonesty. Such acts damage the reputation of the school and the degree and demean the honest efforts of the majority of students. The minimum penalty for an act of academic dishonesty will be a zero for that assignment or exam.

The responsibilities for both students and faculty with regard to the Honor System are described on http://mba.mccombs.utexas.edu/students/academics/honor/index.asp and on the final pages of this syllabus. As the instructor for this course, I agree to observe all the faculty responsibilities described therein. During Orientation, you signed the Honor Code Pledge. In doing so, you agreed to observe all of the student responsibilities of the Honor Code. If the application of the Honor System to this class and its assignments is unclear in any way, it is your responsibility to ask me for clarification.

Students with Disabilities

Upon request, the University of Texas at Austin provides appropriate academic accommodations for qualified students with disabilities. Services for Students with Disabilities (SSD) is housed in the Office of the Dean of Students, located on the fourth floor of the Student Services Building. Information on how to register, downloadable forms, including guidelines for documentation, accommodation request letters, and releases of information are available online at http://deanofstudents.utexas.edu/ssd/index.php. Please do not hesitate to contact SSD at (512) 471-6259, VP: (512) 232-2937 or via e-mail if you have any questions.

Course Outline

Date	Topics	Text Reading	Suggested Problems	Case	Homework Assignment
Perform	ance Management Information Systems				
1/5	Accounting Information for Decision Making Identifying Costs and Benefits Cost Allocations	Chapter 1 (4-15) Chapter 2 (44-54) Chapter 9 (362-370)	N/A 2-47 part b; 2-51 9.60; 9.69	Precision Worldwide, Inc. Bridgeton Industries	N/A
1/12	Activity-Based Costing and Management	Chapter 10	10:34; 10.68; 10.72	John Deere Component Works (A) & (B) Owens and Minor	See Blackboard
Manage	rial Control Systems				
1/25 or 1/26	Operating Budgets Budgetary Control and Variance Analysis Performance Evaluation in Decentralized Organizations	Chapter 7 ^a Chapter 8 Chapter 12	7.57; 7.68 8.38; 8.53 12.60	Codman and Shurtleff Compaigne du Froid	See Blackboard
2/9	Strategic Planning and Control	Chapter 13	13.61; 13.49	Amanco China Resources Corporation	See Blackboard
2/23	Exam				

^a We will focus our attention on the budgeting process rather than the actual construction of budgets. Thus, if short on time, then please read pages 262-265& 284-288.