Course Objectives:
Managerial accounting is concerned with the use of accounting information by managers to plan and control (evaluate) personnel and operations of the firm. This course is intended as an introduction for individuals who will make business decisions, evaluate business opportunities, and evaluate others (or be evaluated) through the use of accounting systems. Throughout the course, we will discuss two general topics: planning information systems and managerial control systems each described below.

Planning information systems provide information about the benefits and costs of the goods and services sold by the firm to help facilitate the decision of managers. We will discuss and apply principles which will guide our evaluation and design of planning information systems. Next, we will observe that financial accounting systems require that information be accumulated in particular ways for external reporting which are often not helpful for managerial decision making. Thus, we will learn techniques to enhance the usefulness of financial accounting and other information for managerial decision making. Moreover, we will apply these techniques to facilitate short-term operations and long-term strategic decisions.

Managerial control systems assist in the motivation and coordination of individuals and organizational units by measuring and rewarding/punishing performance. When discussing managerial control systems, we will explicitly recognize that individuals respond to methods used for performance measurement and reward. We will also discuss 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 addition to enhancing understanding of managerial accounting systems, this course will help to develop other essential skills critical to achieving success in the business environment. In particular, we will work to enhance analytical skills, written and oral communication skills, and the ability to work on a team.
Course Routine
You are expected to participate in class discussions, both for clarification of points discussed in class and to understand how a particular topic relates to your personal interest in business. To do this effectively, you will need to, and are expected to, study the chapter readings PRIOR TO each class meeting. During class, we will devote time to the discussion and illustration of some of the more important applications and trickier aspects of the assigned topics and, if you have not prepared yourself with the basics, you will not be able to ask good clarifying questions, nor will you have time to absorb everything we discuss. You are encouraged to ask questions and to request that particular points be explained in more detail if you remain confused or uncertain about items discussed or if concepts in the readings remain unclear.

Tips for Success: Copies of class notes will be posted to Canvas prior to each class meeting. Students will find it extremely helpful to bring a copy of the notes to class for note taking.

Critical Success Factors
Class attendance and completing the homework in a timely manner are the two keys to success in this class.

Class Protocol
- Please bring your name tent to class every day.
- You MUST come to the section in which you are official registered for. Class limits are set to ensure a quality experience for everyone. Also, during the semester we might do some activities in class in pre-assigned groups.
- If for some reason you are running late, do not feel you should skip class. Please come in quietly and take a seat. If you must leave class early, please tell me before class starts. I would appreciate it.
- Please be sure your cell phones are off before class begins and do not answer calls or send text messages during class.
- If you need to miss a class or other required activity, including an examination, for any reason, please inform me as far in advance of the absence as possible, so that I can approve the absence as excused, if appropriate, and arrangements can be made to complete any missed work within a reasonable time after the absence. If you miss a class or other required activity, including an examination, for reasons beyond your control, precluding prior notice, inform me of the circumstances as soon as you are able.

Required Materials
Course Packet – Contains all cases and articles required for the course
Financial Calculator – Your HP10bII+ Financial Calculator, that was issued to you last semester, is required. Note - You may NOT use calculators that have text memory (e.g. for programs) or cell-phone calculators on quizzes or examinations. The only calculator you will be allowed to use is your issued HP10bII+ Financial Calculator.
Grading and Academic Standards
The grade you earn in this course will depend on your performance throughout the semester and will be determined using the following deliverables and weights:

<table>
<thead>
<tr>
<th>Deliverable</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mid-Term Exam</td>
<td>30 %</td>
</tr>
<tr>
<td>Final Exam</td>
<td>35 %</td>
</tr>
<tr>
<td>Cases</td>
<td>17.5%</td>
</tr>
<tr>
<td>Homework assignments</td>
<td>17.5%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
</tr>
</tbody>
</table>

The grade you earn is performance based on the items listed above. No letter grades will be associated with scores on exams, the project, or homework assignments during the semester. To determine final grades I rank all of the students in the class from highest to lowest on the basis of total points. I then draw lines between A and A- and between A- and B+, etc. The class average for this course has typically been around 3.5. Grades below B have been earned.

There will be an opportunity during the semester to earn extra credit for participating in a management accounting experiment. Details will be provided later in the semester.

Incompletes will be given only in the rarest of circumstances and according to university policy.

Examinations
Exams will be individually-completed closed-book/notes exams. The exams will emphasize fundamental managerial accounting techniques and concepts as covered in assigned chapters from the text, cases, articles, and class discussions. They will potentially consist of problems, essay questions, multiple choice questions, and short answer questions.

The midterm exam will be administered in the evening for all sections of ACC 312H. The date for our midterm exam is Wednesday, March 11th from 7:00-10:00 PM.

If you miss an exam due to an illness or other emergency, you should notify me before the exam, if possible, and also provide notification and proof of emergency to Student Emergency Services (http://deanofstudents.utexas.edu/emergency/). They will require proof of emergency and will provide me official acknowledgement of the emergency. However, I have final authority to determine if your absence is excused. If so, and if it is feasible for you to take the scheduled alternate exam or an individual makeup midterm exam (see prior paragraph), you may do so. Otherwise, students with an excused absence from a midterm exam will be required to add the weight of that exam (“lowest midterm” weight) to the weight of the final exam. No “make-up” exams will be given and unexcused absences will result in an exam grade of 0.

The three-hour final exam will also be administered together for all three sections, but will NOT be given on the dates and times listed in the UT course schedule. The date and time for our final exam has NOT YET been determined. The final exam time will be finalized by the university later in the semester. I will advise you of the date for the Final Exam as soon as I receive it. Please do not make travel arrangements until you are certain of the exam schedule. No early exams will be given to accommodate travel schedules. The final exam will cover all topics in the course (i.e., it is cumulative). However, the exam will emphasize material covered after the midterm.
Grading Questions or Appeals
If you feel there exists a grading error on any of the above grade components, or if you feel you need to bring to my attention other facts or circumstances that might affect the grade for that item, you will have one week from the date the item is graded to take such action and have the matter resolved. The one-week period will begin on the day the assignment is handed back in class (even if you are not in attendance that day) or the grade is posted on Canvas, whichever occurs first. After the week has passed, no appeals will be considered.

DO NOT WAIT UNTIL THE END OF THE SEMESTER, ONCE YOU REALIZE YOU MAY NEED ADDITIONAL POINTS, TO TAKE THIS ACTION. IT WILL BE TOO LATE!

Homework Assignments
A homework assignment will be due before the start of most class sessions. The purpose of the homework assignments is to prepare you to learn the important lessons of the class session. Accounting is best learned by “doing” and keeping up on a daily basis is the best strategy for both learning and preparing for examinations. Overall, diligently preparing the homework assignments will allow you to get the most out of our class time together.

Homework assignments are described both in the course schedule at the end of this document and on Canvas under the “Assignments” tab. **Before 9:30am of the assignment date**, an electronic copy of your assignment is due via Canvas. **Please submit each assignment before 9:30am on the assignment date.** Throughout the semester, we will have a total of twenty-five homework assignments.

The homework assignments are challenging. You will be responsible for giving them your best effort and not necessarily for discovering the “correct” answer. Submissions judged to be completed with care will receive a grade of 3. Assignments completed with care will use a reasonable approach to problems and any discussion, when requested, will be thoughtful and well-written (i.e., written in complete, well-crafted sentences). Submissions that are incomplete or do not present a reasonable, well-written approach in the judgment of the TA or me will receive lesser grades. Late assignments will not be accepted and will receive a score of zero. Your lowest five scores will be dropped and the scores on the remaining twenty assignments will be added together. Therefore, a student who receives 60 “points” on their homework assignments will get the full 17.5% for this graded component.

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).
Case Assignments

Group Presentation (10% of overall course grade)
By the second class, I will randomly assign each student to a group of 5-6 students. Each group will be randomly assigned two cases and will be responsible to lead the class discussion for that case. The presentation should last no more than 60 minutes. There will be open class discussion during the presentation. All students should come prepared for general class discussion and be ready to critique the presentations.

In addition to the presentation, each group is required to submit a copy of their presentation and a write-up. Write-ups should be concise (no more than 5 pages, double-spaced). The questions provided for each case should merely guide your analysis. Groups should send the write-up and presentation material to me via email by noon the day prior to the class in which the case will be discussed.

All members of each team will normally receive the same grade on this assignment, however I reserve the right to assign partial or zero credit to anyone not carrying their weight on the team. A peer evaluation mechanism will be made available.

Individual Component (7.5% of overall course grade)
All students should come prepared for general class discussion and be ready to critique the presentations. Accordingly, you will also receive an individual grade for participating in the open discussion during other group case presentations. Each student will present a self-assessment & grade after each case presentation with details as to their contribution to the overall discussion. I will review each self-assessment and have the ability to change your grade if warranted.

E-mail and Canvas
The use of email and Canvas is required for this course. I will frequently communicate with the class with announcements and guidance and I will answer questions via email. I check my e-mail at frequent intervals during weekdays and somewhat less regularly over weekends. I will use the email addresses that are supplied to me on Canvas. They are the email addresses that you have given the University for directory purposes. If you need to update your email address with the University go to your UT Direct page and, under personal info/all my addresses, change your email address. Before each class, I will post on Canvas our class notes. I will send out a class-wide e-mail notifying you when I post the class notes so you can print them out and bring them to class. Please work smarter, not harder. Printing out the notes and bringing them to class will allow you to better follow along with our class discussions instead of feverishly trying to copy everything down.

It is possible that additional readings and study materials, if any, will be posted on Canvas. It is your obligation, during the first week of class, to ensure that you can access the class site on Canvas. Canvas Student Support can be reached at 475-9400.

Any outside-of-class announcements that I make (e.g., corrections or clarifications of items discussed in class, syllabus changes, assignment changes, etc.) will be sent to you via e-mail through Canvas. It is possible
that substantial content will be posted on Canvas or sent via e-mail. It is your responsibility to regularly check your e-mail (both your McCombs account and any other accounts that you might have set up for forwarding) and the class Canvas site. It is your responsibility to make sure that you have the correct dates, times, and rooms for all exams as they may be changed during the semester.

E-mail is also a great way to ask me questions that you may have at times other than office hours.

Office Hours:
I have regularly scheduled office hours for consultation on matters pertaining to the course. Students are encouraged to take advantage of these hours to discuss their problems and to secure assistance where needed throughout the semester. An appointment for office hours or a telephone conference outside of the regularly scheduled times can be made.

Prerequisites:
ACC 312H is restricted to students in the McCombs School of Business. The prerequisite for the course is ACC 311H. Be certain you meet these requirements or you will be dropped from the course. If you do not satisfy these prerequisites you should drop ACC 312H or the Office of the Dean of Undergraduate Programs will drop you from the course. Instructors may not waive prerequisites to their courses.

Quantitative Reasoning Flag
This course carries the Quantitative Reasoning flag. Quantitative Reasoning courses are designed to equip you with skills that are necessary for understanding the types of quantitative arguments you will regularly encounter in your adult and professional life. You should therefore expect a substantial portion of your grade to come from your use of quantitative skills to analyze real-world problems.

Electronic Class Rosters
A recent opinion from the US Department of Education states that the University must inform students in advance if their name will be appearing on an electronic class roster: Since Fall 2001, web-based, password-protected class sites have been available for all accredited courses taught at The University. Class e-mail rosters are a component of the sites. Students who do not want their names included in these electronic class rosters must restrict their directory information in the Office of the Registrar, Main Building, Room 1. For information on restricting directory information see:
http://www.utexas.edu/student/registrar/catalogs/gi00-01/app/appc09.html
Religious Holy Days
You will be given excused absences for observance of religious holy days. By UT Austin policy, you must notify me of your pending absence at least fourteen days prior to the date of observance of a religious holy day. If you must miss a class, an examination, a work assignment, or a project in order to observe a religious holy day, you will be given an opportunity to complete the missed work within a reasonable time after the absence. If more than two days lapse between an exam and your return, the missed exam will be dropped as a requirement for you. Missed quizzes will not be made up, but will be dropped in determining your quiz score.

Students with Disabilities
Students with disabilities may request appropriate academic accommodations from the Division of Diversity and Community Engagement, Services for Students with Disabilities, 512-471-6259, http://www.utexas.edu/diversity/ddce/ssd/.

Policy on Scholastic Dishonesty
The McCombs School of Business has no tolerance for acts of scholastic dishonesty. The responsibilities of both students and faculty with regard to scholastic dishonesty are described in detail in the BBA Program’s Statement on Scholastic Dishonesty at http://www.mccombs.utexas.edu/BBA/Code-of-Ethics.aspx. By teaching this course, I have agreed to observe all faculty responsibilities described in that document. By enrolling in this class, you have agreed to observe all student responsibilities described in that document. If the application of the Statement on Scholastic Dishonesty to this class or its assignments is unclear in any way, it is your responsibility to ask me for clarification. Students who violate University rules on scholastic dishonesty are subject to disciplinary penalties, including the possibility of failure in the course and/or dismissal from the University. Since dishonesty harms the individual, all students, the integrity of the University, and the value of our academic brand, policies on scholastic dishonesty will be strictly enforced. You should refer to the Student Judicial Services website at http://deanofstudents.utexas.edu/sjs/ to access the official University policies and procedures on scholastic dishonesty as well as further elaboration on what constitutes scholastic dishonesty.

Scholastic dishonesty includes, but is not limited to: copying test or assignments, representing (copying) the work of another person as one’s own or allowing another person to represent your work as their own, collaborating without authority with another student during an exam or in preparing academic work, using or having on your desk unauthorized material or aids to complete a quiz, group exercise, or exam (e.g., cheat sheets, solutions, graphing or programmable calculators, cell phones, etc.).

Specific acts of scholastic dishonesty I have reported students to Judicial Services for (and some have ultimately been expelled for) include:
- after an exam has been graded and returned, erasing a wrong answer on a scantron or written long-problem, writing the correct answer, and then bringing it to my office to appeal that the exam was graded wrong. (FYI – we hire students workers who make copies of tests before we pass them back.)
- while taking an exam or quiz, looking at your neighbor’s exam or quiz.
- while taking an exam or quiz, allowing your neighbor to look at your exam or quiz (see the underlined and bolded sentence in the paragraph above)
- copying a friend’s homework assignment and submitting it as your own
- letting your friend from the sentence above have your homework assignment to copy (see the underlined and bolded sentence in the paragraph above)
Campus Safety

Please note the following recommendations regarding emergency evacuation from the Office of Campus Safety and Security, 512-471-5767, http://www.utexas.edu/safety/:

- Occupants of buildings on The University of Texas at Austin campus are required to evacuate buildings when a fire alarm is activated. Alarm activation or announcement requires exiting and assembling outside.
- Familiarize yourself with all exit doors of each classroom and building you may occupy. Remember that the nearest exit door may not be the one you used when entering the building.
- Students requiring assistance in evacuation should inform their instructor in writing during the first week of class.
- In the event of an evacuation, follow the instruction of faculty or class instructors.
- Do not re-enter a building unless given instructions by the following: Austin Fire Department, the University of Texas at Austin Police Department, or Fire Prevention Services office.
- Behavior Concerns Advice Line (BCAL): 512-232-5050
- Further information regarding emergency evacuation routes and emergency procedures can be found at: www.utexas.edu/emergency.
Tentative Class Schedule – may be amended if necessary

**Tue January 20 (Class Session 1)**

**Accounting: Information for Decision Making**

**Learning Objective**

We will discuss a framework for making business decisions and talk about the primary roles of managerial accounting within this framework. Specifically, we will discuss that managerial accounting provides information about the benefits and costs of the goods and services sold by the firm to help facilitate decisions as well as control/coordinate individuals and organizational units.

**Textbook Reading**

Chapter 1

**No Assignment**

N/A

**Thu January 22 (Class Session 2)**

Identifying and Estimating Costs and Benefits

**Learning Objective**

We will learn and apply principles that will help us identify the costs and benefits to include when measuring the value of our decision alternatives.

**Textbook Reading**

Chapter 2

**Assignment #01**

Text: 2.47; 2.51

**Tue January 27 (Class Session 3)**

Identifying and Estimating Costs and Benefits

**Learning Objective**

We will apply the principles that help us identify the costs and benefits to include when measuring the value of our decision alternatives to a real-world business scenario.

**Case Reading**

Course Packet: Precision Worldwide

**Assignment #02**

Write a brief (less than one page) memo describing what action you believe Hans Thorborg should take. Please provide support for your recommendation.
Thu January 29 (Class Session 4)  
Cost Flows and Cost Terminology

Learning Objective
We will examine how cost and benefit information flow through the financial accounting systems of service, merchandising, and manufacturing firms for financial reporting purposes. Applying principles from our first three class sessions, we will understand why information aggregated for financial accounting purposes may not be particularly helpful inputs for many operational and strategic decisions faced by managers inside these organizations.

Textbook Reading  
Chapter 3

Assignment #03  
Text: 3.55; 3.57

Tue February 3 (Class Session 5)  
Techniques for Estimating Fixed and Variable Costs

Learning Objective
We will observe that grouping costs by their behavior (e.g., variable, fixed) facilitates short-horizon decisions, and we will illustrate how regression analysis can be used to estimate fixed and variable costs.

Textbook Reading  
Chapter 4

Assignment #04  
Text: 4.67

Thu February 5 (Class Session 6)  
Techniques for Estimating Fixed and Variable Costs

Learning Objective
Examining a real-world business scenario, we will use regression analysis to estimate fixed and variable costs. We will then use these estimates to help facilitate important decisions.

Assignment #05  
Text: 4.68
Tue February 10 (Class Session 7)  
**Learning Objective**  
We will discuss the Cost-Volume-Profit relation and use it to help facilitate short-horizon decision making.

**Textbook Reading**  
Chapter 5

**Assignment #06**  
Text: 5.66

Thu February 12 (Class Session 8)  
**Learning Objective**  
We will continue to discuss how accounting information can be used to help facilitate short-horizon decision making.

**Textbook Reading**  
Chapter 6

**Assignment #07**  
Text: 6.41; 6.45; 6.70

Tue February 17 (Class Session 9)  
Operational Budgets: Bridging Planning and Control

**Learning Objective**  
We will discuss the roles budgets serve in organizations, how to construct operating budgets, and how operating budgets link together to form an organization-wide plan.

**Textbook Reading**  
Chapter 7

**Assignment #08**  
Text: 7.41; 7.42 (a & b only); 7.63

Thu February 19 (Class Session 10)  
**Cash Budgeting**

**Learning Objective**  
Using a real-world scenario, we will illustrate the importance of cash budgeting/planning in general and for a rapidly growing (startup) company in particular.

**Case Reading**  
Course Packet: Hanson Ski Products

**Assignment #09**  
Prepare a cash budget for the quarter ending 6/30/86.
Tue February 24 (Class Session 11)  The Budgeting Process

Learning Objective  Using a real-world scenario, we will illustrate how an organization aggregates decisions of diverse divisions into budgets serving as the action plans for the organization as a whole.

Case Reading  Course Packet: Codman & Shurtleff

Assignment #10  In less than one page, please evaluate the planning and control system in use at Johnson & Johnson. What are its strengths and weaknesses?

Thu February 26 (Class Session 12)  Budgetary Control and Variance Analysis

Learning Objective  We will discuss the use of managerial accounting information to help align employee incentives with the short-run objectives of the organization.

Textbook Reading  Chapter 8

Assignment #11  Text: 8.31; 8.38; 8.53

Tue March 3 (Class Session 13)  Performance-Evaluation and Reward System Design

Learning Objective  Using a real-world scenario, we will discuss the inherent conflict of interests between employers and employees and the key functions that performance-evaluation and reward systems play in mitigating these conflicts. We will also discuss the strengths and weaknesses of individual and group-based plans in fulfilling these functions.

Case Reading  Course Packet: TBD

Assignment #12  What roles do performance-evaluation and reward systems play in organizations to better align employee and employer objectives (e.g., one of these roles is motivating hard work)? Based on the roles you identify, evaluate both the Standard Hour Plan and Continuous Improvement Pay Plan of John Deere. Please provide less than one page of discussion.
Thu March 5 (Class Session 14)  Performance-Evaluation and Reward System Design

Learning Objective  We will continue our discussion of the potential benefits and pitfalls of linking pay to short-term variances.

Case Reading  Course Packet: Berkshire Toy Company

Assignment #13  Calculate the direct material and direct labor variances for Berkshire Toy Company. Attached to the assignment page is a template that will help you in answering the questions. During the day’s class, the people sitting on my left (when I am facing the class) will be in the production department, the people in the center section will be in the marketing department, and the people sitting on my right (when I am facing the class) will be in the purchasing department. Based on where you intend to sit, please list three highlights (i.e., positive factors) of your department’s performance. Also, please list three reasons the overall company performed poorly.

Tue March 10 (Class Session 15)  Review Session

Wed March 11  Midterm Exam 7-9pm
Coverage: Chapters 1 - 8
Location: TBD

Thu March 12  No Class

Tue/Thu March 17 & 19  Spring Break—Have Fun—Be Safe!

Tue March 24 (Class Session 16)  Cost Allocations: Theory and Applications

Learning Objective  We will discuss the role of cost allocations in making long-horizon decisions and explain the general steps to performing cost allocations.

Textbook Reading  Chapter 9

Assignment #14  Text: 9.35; 9.57; 9.72
Thu March 26 (Class Session 17)  Cost Allocations: Theory and Applications

Learning Objective
We will discuss the importance of identifying controllable capacity costs when making long-horizon decisions.

Case Reading
Course Packet: Bridgeton Industries

Assignment #15
Consider two products in the same product line: **Product 1**: Expected selling price = $62; Material Cost = $16; Direct Labor cost = $6 & **Product 2**: Expected selling price = $54; Material Cost = $27; Direct Labor cost = $3. Calculate the expected gross margins as a percentage of selling price on each product based on the 1988 and 1990 model year budgets assuming selling price, material and labor costs do not change from standard. Considering the analysis above, please describe whether you believe the product costs reported by the cost system are appropriate for use in the strategic analysis being performed by Bridgeton Industries (a half page or less).

Tue March 31 (Class Session 18)  Activity-Based Costing and Management

Learning Objective
We will discuss Activity-Based-Costing, a specific methodology for using cost allocation to understand how products, service offerings, and/or customers utilize capacity-related resources.

Textbook Reading
Chapter 10

Assignment #16
Text: 10.70; 10.72
Thu April 2 (Class Session 19)  Activity-Based Costing

Learning Objective  Using a real-world scenario, we will gain a better understanding of the potential benefits of an Activity-Based-Costing system.

Case Reading  Course Packet: Wilkerson

Assignment #17  Develop an activity-based cost model using the information in the case. Provide your best estimates about the cost and profitability of Wilkerson’s three product lines. What difference does your cost assignment have on reported product costs and profitability? What causes any shifts in cost and profitability? Please provide less than a half page discussion.

Tue April 7 (Class Session 20)  Activity-Based Management

Learning Objective  We will discuss how activity-based pricing can help companies promote their value to customers.

Case Reading  Course Packet: Owens and Minor

Assignment #18  Evaluate the impact cost-plus pricing has on distributors, customers, and suppliers. What effect will activity-based pricing have on customer behavior? What type of customers will adopt activity-based pricing first? Please provide no more than one page of discussion.

Thu Apr 9 (Class Session 21)  Managing Long-Lived Resources: Capital Budgeting

Learning Objective  We will discuss several techniques organizations use to evaluate the specific capacity resources they can use to carry out their long-horizon strategic direction.

Textbook Reading  Chapter 11

Assignment #19  Text: 11.55 a & c; 11.56 a & c; 11.62
Tue April 14 (Class Session 22)  

Net Present Value Analysis

Learning Objective  
We will discuss the uses and limitations of net-present-value analysis (a technique often used to evaluate potential capacity-related resources) in a real-world scenario.

Case Reading  
Course Packet: TBD

Assignment #20  
Answer questions 1a and 1b from the case (use Excel).

Case Project:  
Introduced and Assigned

Thu April 16 (Class Session 23)  

Performance Evaluation in Decentralized Organizations

Learning Objective  
We will discuss issues surrounding the design of performance evaluation and reward systems to help ensure employees make decisions in the long-run interest of the firm.

Textbook Reading  
Chapter 12

Assignment #21  
Text: 12.52; 12.68
Tue April 21 (Class Session 24)  Transfer Pricing

**Learning Objective**

We will discuss common ways to price intrafirm transfers of goods and services and determine the effects of various transfer price mechanisms on division and firm-wide performance.

**Case Reading**

Course Packet: Birch Paper

**Assignment #22**

During the day’s class, the people sitting on my left (when I am facing the class) will represent the interests of the Thomson Division and the people sitting on my right will represent the interests of the Northern Division. The Division Manager (your boss) has asked you to investigate the situation presented in the case and to identify the transfer price that is in the best interest of your division. Once you’ve done that, prepare a memo (1/2 to 1 page) to the Commercial Vice President (that would be me) making your argument for this transfer price. This one page memo should be convincing – remember, divisional profits (and, consequently, your bonus!) depend on the transfer price that the VP decides to use – that is, don’t be altruistic.

Thu April 23 (Class Session 25)  Strategic Planning and Control

**Learning Objective**

We will discuss the role management accounting plays in guiding firm strategy. In doing so, we will discuss the concept of the Balance Scorecard which helps focus employee attention on both current financial performance and leading indicators of future financial performance.

**Textbook Reading**

Chapter 13

**Assignment #23**

Text: 13.61
Tue April 28 (Class Session 26)  Nonfinancial Performance Measures

Learning Objective  We will discuss benefits and common pitfalls to avoid when linking pay to nonfinancial performance measures.

Case Reading  Course Packet: Citibank: Performance Evaluation

Assignment #24  Assume the role of Lisa Johnson. Prepare a brief (less than one page) memo to Frits Seegers that gives your recommendation regarding whether James McGaran should be given an overall rating of “below par”, “par” or “above par.” Be sure to support your recommendation.

Thu April 30 (Class Session 27)  Nonfinancial Performance Measures

Learning Objective  We will discuss the benefits of tracking and analyzing nonfinancial performance metrics in order to measure the effectiveness of an organization’s strategy.

Case Reading  Course Packet: Store24

Assignment #25  Prepare a memo to Bob Gordon regarding whether you believe Ban Boredom is a bad strategy for Store24, or a good strategy that was poorly implemented. In light of this position, recommend whether Store24 should: (a) drop Ban Boredom, (b) continue to implement Ban boredom, or (c) continue to implement Ban Boredom in some stores but drop it in others. Use the data/information in the case to support your recommendation. To aid you in this assignment, I have attached an Excel file with the data from the case to the assignment page of our course website.

Tue May 5 (Class Session 28)  Catch-up

Thu May 7 (Class Session 29)  Review Session