

**THE UNIVERSITY OF WESTERN ONTARIO
DAN PROGRAM IN MANAGEMENT AND ORGANIZATIONAL STUDIES**

MOS 3372 ONLINE SECTION 650– MANAGEMENT ACCOUNTING

**COURSE OUTLINE
SUMMER 2012**

INSTRUCTOR: KAREN CONGO, M. SC., CA

Objectives

The course objective is to teach students to become competent users of accounting data and to fully integrate their understanding of basic accounting transactions, and related profits, cost behaviour, relevant costs and control systems into their analysis of business problems. Regardless of career objectives, all students will have to deal with some form of accounting information in their day-to-day activities. The task of this course is to ensure a thorough understanding of the nature and behaviour of costs so that this type of information can be positively incorporated into the decision-making framework. Knowledge of a spreadsheet program is beneficial.

Please note: Do not expect that the online version of this course will be EASIER than the in-class version of MOS 3372; you are simply subscribing to a different manner of delivery of the same topics. You will need to self-assess your ability to keep on track with reading assignments and problems; learning several chapters all at once in advance of an exam is definitely not recommended. In some ways, going to a physical classroom increases the chance that you will learn concepts by “osmosis”; the same outcome will not occur with this format. You are responsible for your own learning, and I, as the instructor, will facilitate your learning. I will provide you with lecture notes to supplement the assigned readings, presented to you in an understandable, user-friendly manner that incorporates my humour, and the use of examples to illustrate the concepts.

Prerequisites: Business 257 or equivalent financial accounting course – refer to the *Western Academic Calendar* for further details.

Textbooks

1. Garrison/Chesley/Carrol/Webb, Managerial Accounting, 8th Canadian edition, McGraw Hill Ryerson, 2009, ISBN: 0070980829
2. Anthony, Hawkins & Merchant, MOS 3372 Management Accounting, A custom publication for the University of Western Ontario, McGraw-Hill 2011, ISBN: 125901632-3. I refer to this as the McGraw Hill Casebook in the calendar below.

Evaluation

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| Midterm 1 – <u>On-Campus</u> Saturday June 2, 2012, 9am to 11am | 20% |
| Quiz 1 – Online: Saturday June 16, 2012, 12pm to 1pm | 10% |
| Quiz 2 – Online: Saturday June 23, 2012, 12pm to 1pm | 10% |
| Midterm 2 – <u>On-Campus</u> Saturday July 14, 2012, 9am to 12pm | 20% |
| Final Exam – <u>On-Campus</u> (7pm: date b/t July 30 & Aug 2, TBA) | 30% |
| Participation | <u>10%</u> |
| | 100% |

Examinations

“Students who fail to appear for an examination at the time set in the timetable will not be allowed to write the examination paper thus missed. Students should report this irregularity immediately to the office of their dean or, in cases of evening or Saturday examinations, to the Office of the Registrar. They may, with the approval of the chair of the department concerned, petition their dean for permission to write a Special Examination.” See the current *Western Academic Calendar*.

The exam format will vary throughout the course - there could be any combination of multiple choice questions, short-answer questions, and case-type problems. The on-campus 3372 course permits use of an 8.5 x 11 “cheat sheet” (both sides) during their midterms and final exams. By extension, any quizzes done ONLINE, will mean that you will have access to all of your course materials while you write the exam. However, the exam is timed, so advance preparation and a solid understanding of concepts is essential for success on exams.

Policy on Special Examinations

1. Students with conflicts or students unable to write based on compassionate or medical grounds (supported by appropriate documents), may apply in writing prior to the exam to the course coordinator to be excused.
2. Students involved with approved out-of-town university activities during the scheduled mid-term exam may apply the course coordinator for special proctoring privileges to write the mid-term exam.
3. Students who are excused from the writing of the mid-term exam will have the appropriate percentage of marks transferred to the weighting of the marks for the final exam.

Notes

1. It is the student’s responsibility to submit his or her own original written material in courses in this program. See the current Western Academic Calendar, “Scholastic Offences”.
2. For a description of the process to be followed for mark/grade appeals, contact your professor.

Important University Dates

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| MAY 7 | SUMMER DISTANCE STUDIES COURSES BEGIN. |
| MAY 11 | LAST DAY TO ADD A SPRING/SUMMER DISTANCE STUDIES COURSE. |
| MAY 21 | VICTORIA DAY |
| JUNE 1 | LAST DAY TO DROP A FULL COURSE OR FULL-YEAR COURSE IN SPRING/SUMMER DISTANCE STUDIES WITHOUT ACADEMIC PENALTY. |
| JULY 1 | CANADA DAY |
| JULY 27 | SUMMER EVENING AND SPRING/SUMMER DISTANCE STUDIES TERM ENDS |
| JULY 30- AUG 2ND | FINAL EXAMS FOR SUMMER DISTANCE STUDIES COURSES |
| AUGUST 6 | CIVIC HOLIDAY |

Contact Information

Email is a great option: kcongo@uwo.ca I will also be “live” with you online for chat sessions, right within the WebCT platform. I will let you know in advance when these sessions will be.

Participation

1. 10% of your final grade will be a result of your contribution to class discussion, which will take place in an online forum.
2. You will be evaluated on your participation efforts after each session, taking into consideration both the quality of your participation and the quantity. Quality is more important than quantity.
3. **Remember that while communicating online, we do not generally have the benefits of facial expressions and body language to indicate the “tone” of our conversation. Therefore, pay special attention to HOW you write, so that it is not so sharp so as to cause offense. Once something is written and posted, it will be available for everyone to read.**
4. The main objective of contributing to class discussion is not to be evaluated, but rather to learn, and to assist other members of the class (including the instructor) to learn.
5. The following might assist you in deciding how you will contribute to online discussions:

A- Excellent Contribution

- Consistent contribution to online discussions
- Contributions indicated preparation for class by pre reading and thinking about assigned material and making an initial attempt at assigned problems
- Frequent explanations of difficult points or concepts to other online students
- Positive direction demonstrated

B- Good Contribution

- Consistent contribution to online discussions
- Contributions indicating preparation for class by pre reading assigned material
- Often demonstrates capability to explain difficult points or concepts to other online students
- Positive direction demonstrated

C- Fair Contribution

- Contributed to online discussions.
- Contributions indicated preparation for sessions
- Positive direction demonstrated

D- Poor Contribution

- Infrequent contribution to class discussions
- Contributions give little indication of preparation for class
- Did not assist in developing positive atmosphere within discussion forum.

E-Unsatisfactory Contribution

- Rarely contributed to class discussions
- Gave no indication of preparation for class
- Actively inhibited or impeded the course of class discussion

TENTATIVE CLASS SCHEDULE; CHANGES MAY BE MADE BY INSTRUCTOR!

| WEEK OF: | TOPIC AND ASSIGNMENT |
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| May 7 | Course Introduction: How the Course Will Work (Includes Role of the Management Accountant and Ethics and the Management Accountant) |
| | Cost Terms, Concepts and Classifications (Includes COGS and COGM) Read: Garrison Chapter 2 <i>Exercises/Problems: 2-10, 2-16, 2-20, 2-26, 2-27,</i> |
| May 14 | Cost Behaviour: Analysis and Use Read: Garrison Chapter 6 and Appendix 6A Read: Note on Regression (<i>Document #01 online, OR p2 in McGraw-Hill Casebook</i>) <i>Exercises/Problems: 6-10, 6-18 (1 only), 6-19, 6-24 (use Excel and do regression on both sets of data – see Garrison pages 253-255 for more info)</i> |
| | Cost-Volume-Profit Relationships (Includes Contribution Margin Analysis and Revenue and Profitability Analysis) Read: Garrison Chapter 7 <i>Exercises/Problems: 7-5, 7-6, 7-7, 7-8, 7-9, 7-13, 7-19, 7-26, 7-30</i> <i>Missing Data Problem (Document #02 online OR p5 in McGraw-Hill)</i> |
| May 21 | Systems Design: Job-Order Costing Read: Garrison Chapter 3 and Appendix 4B (pg 152 to 156) <i>Exercises/Problems: 3-21, 3-23, 3-24, 3-31 and 4-32 (yes, chapter 4-32)</i> <i>Exercises/Problems: Cost Allocation Problem (Document #03 online OR p4 in McGraw-Hill)</i> |
| May 28 | Systems Design: Process Costing Read Garrison Chapter 4 & Appendix 4A <i>Exercises/Problems: 4-21, 4-22, 4-30, 4-31</i> |
| | Joint Product Costing Read: Note on Joint Costing – (<i>Document #04 online OR p14 in McGraw-Hill</i>) <i>Case: Chem Company (Document #05 online OR p19 in McGraw-Hill)</i> |
| Saturday June 2 | MIDTERM 1 – On Campus: Saturday June 2, 2012, 9am to 11am. Exam covers chapters 2, 3, 4, 6, 7 (DOES NOT INCLUDE “Joint Product Costing.”) |
| June 4 | Absorption Versus Variable Costing Read: Garrison Chapter 8 <i>Exercises/Problems: 8-5, 8-6, 8-8, 8-18, 8-22</i> <i>Absorption vs. Variable Costing Problem (Document #06 online OR p7 in McGraw-Hill)</i> |
| | Budgeting Read: Garrison Chapter 9 <i>Exercises/Problems: 9-17, 9-20, 9-22, 9-26 (ignore Q3 & 4)</i> |
| June 11 | Variance Analysis – Materials, Labour, Overhead (Includes Standard Costing) Read: Garrison Chapter 10 <i>Exercises/Problems: 10-2, 10-3, 10-4, 10-5, 10-25, 10-26, 10-36, 10-44</i> <i>Case: Kudarski Company (Document #07 online OR p6 in McGraw-Hill)</i> |
| | Marketing Variances Read: Garrison Chapter 11, and pages 532-536. Note on Marketing Variances (<i>Document #08 online OR p8 in McGraw-Hill</i>) <i>Exercises/Problems: Exercises/Problems: 11-11</i> <i>Case: IOTA Company (Document #10 online OR p10 in McGraw-Hill)</i> |
| Saturday June 16 | QUIZ 1 – ONLINE. 12pm to 1pm. Covers “Joint Costing” and chapters 8, 9. |

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| June 18 | Relevant Costs for Decision Making (Includes the decision-making process) Read: Garrison Chapter 12 and Appendix <i>Exercises/Problems: 12-11, 12-22, 12-26, 12-27, 12-31</i> |
| Saturday, June 23 | QUIZ 2 – ONLINE. 12pm to 1pm. Covers chapters 10 and 11. |
| June 25 | Relevant Costs/Short-Term Decisions Read: Note on Linear Programming (<i>Document #11 online OR p11 in McGraw-Hill</i>) <i>Problem 26-5 (p105 McGraw-Hill)</i> <i>Case: Forner Carpet (p103 McGraw-Hill)</i> |
| | Capital Budgeting Read: Garrison Chapter 13 and Appendix 13A <i>Exercises/Problems: 13-23, 13-24, 13-34 (Assume CCA rate of 20% and tax rate of 40%) 13-36</i> |
| July 2 | Sensitivity Analysis Read Sensitivity Analysis and Capital budgeting (<i>Document #12 online OR p20 in McGraw-Hill</i>) <i>Problem: Do Sensitivity analysis on P13-34.</i> |
| | <i>Case: Canada Company (Document #13 online OR p24 in McGraw-Hill)</i> |
| | <i>Case: Kitchen Supply Company (Document #14 online OR p27 in McGraw-Hill)</i> |
| July 9 | Introduction to Management Control Systems 1) Responsibility Centres Read: McGraw-Hill Casebook, Chapter 22; starts on p42. Read: Outline for MCS Case Writing(<i>Document #15 online OR p31 in McGraw-Hill</i>) <i>Case: Shuman Automobiles: Saved in “Cases and Case Solutions” online.</i> |
| Saturday July 14 | MIDTERM 2 – On Campus: Saturday July 14, 2012, 9am to 12pm. Includes all material on Relevant Costing and Capital Budgeting and Sensitivity Analysis. (Does not include Management Control Systems.) |
| July 16 | 2) Transfer Pricing Garrison Chapter 11, Pages 498-50. <i>Exercises/Problems: 11-18, 11-30, 11-32</i> <i>Case: Zumwald AG: Saved in “Cases and Case Solutions” online.</i> |
| | 3) Budgeting Read: McGraw-Hill Casebook Chapter 24; starts on p81. <i>Case: Vershire Company: Saved in “Cases and Case Solutions” online OR p106 in McGraw-Hill.</i> |
| July 23 | 4) Evaluation Read: McGraw-Hill Casebook Chapter 23; starts on p64. <i>Case: Industrial Electronics: Saved in “Cases and Case Solutions” online.</i> |
| | The Balanced Scorecard, Internal Business Performance and Quality Read: Garrison Chapter 11, Pages 514-528 <i>Problems: 11-22, 11-26, 11-27</i> |
| | <i>Case: Sampson Electronics: Saved in “Cases and Case Solutions” OR p36 in McGraw-Hill.</i> |
| July 27 | Classes End. |
| | Final Exam On Campus, 7pm: Date: To Be Announced |