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## ACCOUNTABILITY & REPRESENTATION in Spring 2019 (BA5001)

<b>Course Code</b>	BA5001	<b>Professor(s)</b>	Jean-luc Moriceau
<b>Prerequisites</b>	None	<b>Office Number</b>	G-3A02
<b>Class Schedule</b>	M: 09:00-11:55 in PL-1	<b>Office Hours</b>	Mon 12.00-12.45 or by appointment
<b>Credits</b>	4	<b>Email</b>	jmoriceau@aup.edu
<b>Semester</b>	Spring 2019	<b>Office Tel. Ext.</b>	

### Course Description

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Management accounting and control involves the processes managers use to make decisions based on costs and organisational performance to exert influence other members of the organisation in order to accomplish organisational strategies.

The course aims at providing an understanding of the issues around that goal, presenting the main managerial accounting and control tools and systems. We will discuss their implementation in concrete organizational settings. A particular emphasis will be put on strategic-level accounting, budgeting, cost allocation, performance reporting, goal congruence, etc.

The course will be a combination of cost determination and management analysis with focus on both traditional and contemporary concepts. We will begin by examining how product and customer costs are estimated and the impact this information has on the organization's strategy formation and decision-making. We will pay specific attention to cost behavior to develop your ability to use cost information in decision-making. We will then proceed to an in-depth examination of cost information for decision-making in both short and long term situations, highlighting some of the potential traps for managers in using management accounting information and control systems out of context or inappropriately. We will begin to wrap up with a discussion of various methods managers use in performance evaluation, illustrating how managers may use some of the tools we learned in the course. Finally, we will work on how all of this contributes to an organisation's overall performance in internal reports, public financial statements and investor / stakeholder operational reports.

### Course Learning Outcomes

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Understand the key features of cost and managerial accounting, with a specific emphasis on activity based costing, cost allocation, financial statement analysis and ratio analysis. Design and use control tools (planning, budgeting, variance analysis, balanced scorecards, performance evaluation) and adapt them to an organizational strategy.

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Obtain familiarity with the most current practices of planning and control.  
Start a reflection about management systems, and the difficulties of coordination and control, related to empowerment and responsibility in light of accountability and representation of the organization to investors and stakeholders.  
Step back from immediate figures of interpretation and discuss their possible significance and meanings in an organizational and a larger societal context.

## General Education

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## Course Outline

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**\*\*\*This schedule is likely to be revised based on course proceedings. Revisions will be announced in class.\*\*\***

**\*\*\* UPDATED 16 January \*\*\***

### **COURSE OUTLINE:**

#### **SESSION 1: Introduction to Management Accounting and Performance Measurement Concepts**

Course introduction

Lecture BGN – Prologue, Managerial Accounting: An Overview

CASE: Superior Manufacturing Company (Handout)

*Please Purchase Books & Coursepack by 23 January*

Lecture BGN – Prologue, Managerial Accounting: An Overview (cont')

*Practice Exercises: EP-1, EP-2, EP-3, EP-5, EP-8, EP-11, EP-12*

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CASE: Superior Manufacturing Company (Handout) – Group Presentations (ad hoc groups – read in advance/prepare in class)

## **SESSION 2: Cost Concepts**

Quiz BGN (Prologue)

Lecture BGN - Chapter One Managerial Accounting and Cost Concepts

CASE: Canadian Firearms Program (Coursepack) – Group Presentations (all groups - prepare in advance)

*Practice Exercises: E1-3, E1-4, E1-7, E1-14, P1-16, P1-17*

## **SESSION 3: CVP Analysis**

Quiz BGN (Ch. 1)

Lecture BGN - Chapter Five Cost-Volume-Profit Relationships

CASE: Energy Devices, Inc. (Handout)

*Practice Exercises: E5-1, E5-5, E5-6, E5-7, E1-14*

CASE: Energy Devices, Inc. (Handout) – Group Analysis (prepare in advance)

***Bonus Exercise: P5-20A***

## **SESSION 4: Segment Reporting & Kaizen**

Quiz BGN (Ch. 5)

Lecture BGN - Chapter Six Variable Costing and Segment Reporting: Tools for Management

*Practice Exercises: E6-1, E6-4, E6-5, E6-10, E6-16*

Glass, Ira (2010) NUMMI (Streaming audio file) This American Life,  
<http://www.thisamericanlife.org/radio-archives/episode/403/nummi>

CASE: NUMMI (Coursepack) – Group Analysis (prepare in advance)

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**SESSION 5: Midterm I / ABC & Balanced Scorecard**

**Midterm I – Covers BGN Ch. P, 1, 5 & 6, cases and course discussion to this point (open book, open notes)**

***Bonus Exercise: P6-26A***

Lecture BGN - Chapter Three Activity-Based Costing: A Tool to Aid Decision Making

*Practice Exercises: E3-2, E3-3, E3-4, E3-7, E3-11*

**SESSION 6: ABC / Quantitative Narratives**

Quiz BGN (Ch. 3)

*CASE: Owens & Minor, Inc. (A) – Group Analysis (prepare in advance - 10 minute limit per group)*

FILM: Margin Call (Chandor, 2012) Part I

**SESSION 7: Budgeting & Profit Planning**

Lecture: BGN - Chapter Seven Master Budgeting

*CASE: Colorscope, Inc. (coursepack) – Written Group Analysis (**ad hoc groups** – read in advance/prepare with group, due 16 March)*

*Practice Exercises: E7-1, E7-4, E7-6, E7-7, E7-8*

Quiz BGN (Ch. 7)

Review Colorscope, Inc. Case Results

**SESSION 8: Budgets and Performance Analysis**

*CASE: PCL-A Breakdown in the Enforcement of Management Control – Group Analysis (prepare in advance)*

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BGN - Chapter Eight Flexible Budgets, Standard Costs and Variance Analysis

*Practice Exercises: E8-1, E8-2, E8-3, E8-12*

CASE: Town of Bellington (handout) – Group Analysis (read in advance/**group activity in class**)

CASE: Clinique Nosral (handout) – Written Group Analysis (**ad hoc groups** – read in advance/prepare at home, due 27 March)

**Bonus Exercise: P8-18A**

## **SESSION 9: Differential Analysis**

Quiz BGN (Ch. 8)

Review Clinique Nosral Case Results

Lecture BGN - Chapter Ten Differential Analysis: The Key to Decision-Making (Part I)

*Practice Exercises: E10-1, E10-2, E10-3, E10-4, E10-5, E10-7*

Lecture BGN - Chapter Ten Differential Analysis: The Key to Decision-Making (Part II)

CASE: *EU Design's Rise in the Apparel and Fashion Industry: Formalizing Management and Incentive Systems – Part I & 2 - Group Analysis (prepare in advance)*

**Bonus: P10-21A**

## **SESSION 10: Performance Measurement**

Quiz BGN (Ch. 10)

ARTICLE: Using the Balanced Scorecard as a Strategic Management System (Coursepack)

ARTICLE: On the folly of rewarding A, while hoping for B (Blackboard)

**Midterm II – BGN Ch. 3, 7, 8 & 10, cases and course discussion (open book, open notes)**

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## **SESSION 11: Management Control Processes**

BGN - Chapter Eleven Capital Budgeting Decisions

*Practice Exercises: E11-1, E11-2, E11-3, E11-4, E11-7*

Quiz BGN (Ch. 11)

*CASE: Green Valley Medical Center (coursepack) – Group Analysis (read in advance, complete in-class in groups)*

***Bonus: P11-17A***

## **SESSION 12: Cash Flow is King**

BGN - Chapter Twelve Statement of Cash Flows

*Practice Exercises: E12-1, E12-2, E12-3, E12-4*

Quiz BGN (Ch. 12)

*CASE: Becton Dickinson: Designing the New Financial Planning Process (coursepack)  
–Individual (read in advance)*

## **SESSION 13: Financial Analysis**

BGN - Chapter Thirteen Financial Statement Analysis

*CASE: Statement of Cash Flow: Three Examples (coursepack) Group Analysis (ad hoc groups  
– read in advance/prepare in class)*

*Practice Exercises: E13-1, E13-2, E13-3, E13-4, 13-5, 13-6*

Quiz BGN (Ch. 13)

Final Exam Review

Course Conclusions

***Bonus: P13-13A***

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## **SESSION 14: Holiday & Reading Week**

**1 May No Class (May Day Holiday)**

**5 May Reading Day**

## **SESSION 15: Accountability and Representation**

**6 May Final Exam, 8.30 in Room PL-1**

**Inclusive of all materials covered, multiple choice/short essay/case analysis, open book and open notes**

## **Textbooks**

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Title	Author	Publisher	ISBN	Required
Introduction to Managerial Accounting, Global Edition, 6/e	BREWER, GARRISON & NOREEN	McGraw Hill	9780077185657	Yes

## **Attendance Policy**

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Students are expected to attend all course sessions. Only in the case of emergency situations, I may authorize a student to miss a course session. To receive approval for an excused emergency absence, the student should take the following steps:

- Contact the instructor immediately via e-mail to inform of your absence.
- Inform your group if presentations are taking place that day in class.
- Ask a friend or a member of your group to provide you with the handouts and notes relevant to the missed session and to brief you on the activities and discussion that took place during your absence, as well as the assignments required for the following session.
- Bring a doctor's note or some other form of documentation to justify an excused absence during the subsequent course session.

Attendance will be taken in the first ten minutes of the course. Students arriving late will be

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marked as such. Students leaving early will also be marked down on attendance. Attendance may be taken verbally or through a sign-in sheet. If a sign-in sheet is used, it is the student's responsibility to sign in. In general, students are expected to avoid disturbing the class by arriving late and leaving early. Please avoid unnecessary departures while the course is in session.

I may also authorize missing a course in advance for legitimate health or personal reasons, however please ask me as soon as you know there may be a conflict. I suggest you practice good time management and avoid making requests for avoidable commitments during course meetings.

**Students missing more than two course sessions unexcused will automatically receive a failing grade. Missing an assignment or project deadline or group presentation will result in a failing grade for that item. Attendance has a significant impact in the calculation of final grades. Please bear in mind that poor attendance is the most common cause of negative outcomes in the course.**

### **COURSE POLICIES:**

1. **Laptops & Mobile Phones:** Laptops should be not be used during classes unless specifically necessary for an in-class project. Exceptions may be made for students with physical and learning disabilities, with instructor permission only, for the purposes of taking notes. **Mobile phones are to be turned off and put away at all times while class is in session. Please do not send or receive text messages during class, even on silent mode.** Moreover, mobile phones are not allowed in the room during exams under any circumstances. Students found to be using a mobile phone or other electronic device during exams will be asked to leave and will automatically receive a failing grade. No exceptions.
2. **Communication:** We will use Blackboard for this course. Students are expected to check the Blackboard site, as well as their AUP email during the course for updates. All assignments will be posted here as well as course reader materials and other resources. You can also track your grades in the 'grading center'. I do not have an AUP office number or phone extension. If you must reach me, please contact me via email for an appointment or during my office hours.
3. **Assignments:** Students are expected to turn in all course assignments and presentations on time. Late submissions will not be accepted unless prior arrangements are made or the process for emergencies is strictly followed. It is the student's responsibility to make sure assignments that are sent electronically have been received and that the attachments can be opened. Successful assignment submission by email will receive a reply.
4. **Food and Drinks:** Students may drink beverages in class if they are in containers that can be completely sealed. Please do not consume any other food or beverages in the classroom that may distract from the learning environment. (Please leave your fermented shark and durian fruit at home...)



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5. **Professional Behavior:** Students are expected to behave in a professional manner at all times during the course. Disruptive behavior, academic dishonesty on assignments or for the cases and assignments (including copying another student's work, plagiarism, or using a third-party writing service) will result in a failing grade for the course. Other disciplinary actions up to, and including, removal from the course may also result from violating course and university policies. Please uphold professional standards at all times while you are in the university program.
  6. **Other Policies:** For all other policies and procedures, students are bound by the University's general policies and procedures. Copies of the University policies on absences and academic dishonesty were given to each student at registration. Students are responsible for adhering to these policies.

## Grading Policy

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Student Performance will be evaluated based on the following factors:

### Class Participation

Based on attendance and participation with group presentations, discussions and in-class projects, as well as group peer evaluations.

- **Attendance:** this is not simply a matter of being present, but also involves arriving on time and being prepared for each course session. Please bring the textbook to each class as well as any other materials that you may need.
- **Course Discussions:** Various activities, full class and small group discussions are an essential part of the learning experience in this course. Students are expected to actively participate by providing input and feedback to other students and by listening when other students are speaking.
- **Presentations:** occasionally students will be asked to present their solutions to specific problems. You should be prepared to do so if asked.

### Assignments

Individual assignments are due throughout the course. **There are two types of assignments: practice and controlled assignments.** The type of assignment is indicated on the course schedule, as are the due dates. You may e-mail your controlled assignments as long as I

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receive them 30 minutes before class commences. I would prefer it if you bring a hardcopy to submit in class.

- **Practice Assignments:** These will not necessarily be controlled (i.e. checked and graded), and there is nothing to hand in. However, you should complete these exercises before the subsequent class indicated in the course schedule. Often, students that do not attempt to complete the practice assignments struggle as the course progresses and they perform quite poorly on the quizzes and exams. If it appears that too many students are coming to class unprepared, I do reserve the right to control for the practice assignments.
- **Controlled Assignments:** Should I choose to verify completion of the practice problems, then these *must be submitted before the course commences on the subsequent course* as a hard copy. Assignments can be written by hand or completed on a computer and printed out. They can also be submitted via e-mail in a pinch (although a hardcopy is preferred). Late assignments will not be accepted, regardless of the circumstance.

## Quizzes

There will be a series of in-class quizzes in the course:

- In class quizzes will be given regularly. If you miss a quiz, there will be no make-up quizzes or retakes. The lowest quiz score will be dropped for each student.
- All quizzes are multiple-choice, although occasionally there may also be short-answer questions included.
- Quizzes may be either open book or closed book. This will be announced in advance.

## Bonus Problems

There will be a series of take home bonus assignments in the course:

- Bonus problems must be submitted in person within 5 minutes from the beginning of the class period they are due or they will NOT be accepted.
- Bonus problems must be submitted in hard copy format. (E-mailed bonus assignments will not be accepted.)
- Bring a copy of your bonus problem solutions to class so that you can follow the class discussion to review the solutions.
- For bonus problems submitted, it is important that you explain the rationale and provide detailed backup behind your calculations and logic.
- The value of these bonus assignments is to help you prepare for the exams and to assure yourself that you understand the material at the highest possible level. Moreover, they allow you to recover course points from poor performance on exams and quizzes or

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missed assignments. Up to 7% of your total grade can be recovered by completing these assignments. Many of you will need to do these to achieve your desired grade.

## Midterm Exams

There will be two midterms in the course. The exams will be open book, and you will be allowed to use your notes as well. Besides a standard calculator, electronic devices during exams will not be allowed. The format will be multiple choice and short answer. All assigned readings, material discussed in class, cases, or material covered in the homework assignments, quizzes and bonus problems may be tested.

## Final Exam

The final exam will cover all readings, lectures and class discussions in a multiple choice and short essay format. Your participation and attendance will play a big role in your success on the final.

## Exam and Quiz Policies

- The quizzes and exams will be based upon materials from the textbook, lectures, in-class discussions, and homework assignments.
- Nonprogrammable calculators may be used during the quizzes and exams. **You may not use your mobile phone as a calculator.**
- Please note that exams will be closed book, but a single A4 sheet of notes is allowed.
- Please note also that the final exam is required for course completion and the above grading policy will only be applicable to those students who take the final exam. As stated under the ATTENDANCE POLICY, makeup exams for mid-term and final exams will NOT be given.

## Grade Allocation

Final grades will be weighted based on performance within the various criteria as follows. These calculations may be adjusted slightly as we progress through the semester:

Attendance and Class Participation	20%
Quizzes & Controlled Assignments	20%

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Midterm Exam 1	15%
Midterm Exam 2	15%
Final Exam	30%
Bonus Problems	<+7%>

## Grading Scale

Excellent	Good	Satisfactory	Unsatisfactory
100-95 A (4.0)	89-87 B+ (3.4)	79-77 C+ (2.4)	69-67 D+ (1.3)
90-94 A- (3.7)	86-84 B (3.0)	76-74 C (2.0)	66-64 D (1.0)
	83-80 B- (2.7)	73-70 C- (1.7)	60-63 D- (0.7)
			Under 60 F (0)

**Excellent:** Reserved for students that display superior quality and outstanding performance throughout the course, including the extensive use resources including the textbook and assigned readings to complete assignments and presentations. It also means that the student participates fully in course discussions and group activities, maintains excellent attendance, and performs extremely well on course exams. An 'A' student is highly motivated to learn the material and completes the course readings in advance of the lecture, showing strong skills in critical thinking, problem solving, and exceptional informational literacy on all of the assignments, projects and exams. The student also takes a leadership role in the group projects and consistently responds to the presentations of other student groups. My goal is to see every student perform this well.

**Good:** The student provides work that is above average in quality. Maintains good performance on exams and in class discussions, including the effective use of assigned readings and above average course participation. Assignments are turned in on time and to a good level of quality. There is some evidence of additional research and critical thinking on core topics. Attendance, while not perfect, is still good. The student shows evidence of critical thinking, global learning and information literacy through their engagement in the course.

**Satisfactory:** Adequate and acceptable work in meeting course requirements and average performance in assignments, exams and projects. There is little use of external resources beyond the required texts. The student shows some engagement with the course, but participates at a minimal level. Meets the minimum attendance requirements. Displays some critical thinking, global learning and/or information literacy in assignments and group projects.

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**Unsatisfactory:** Failed to meet basic course requirements, below average performance and attendance. The typical profile of such students are that they often show up late to class, are often unprepared for class, and/or are frequently absent. The student is rarely prepared for group presentations or discussions. Assignments are missing, late, or copied or paraphrased directly from Wikipedia or other facile sources.

**A significant amount of studying outside of the course meetings is expected from all students who expect a 'B' grade or higher in the course. This means AT LEAST three hours of reading, group work, research and problem-solving and writing outside of class for every hour you spend in class - much more if the expected grade is an 'A'. I expect students to use resources other than the required materials to complete assignments. Outstanding and good performance will be awarded to those students who consistently complete their assignments and presentations on time and are well-prepared for every course meeting.**

Students with unsatisfactory performance will be notified at the midterm point so that we may mutually assess the likelihood of successful course completion. If I contact you for a meeting at the midterm point, please do not ignore my request. Often times, we can work out an academic study plan to get you back on track.

### **ASSIGNMENTS:**

There are three written assignments that will be completed in the course based on either the films we will view or by requiring submission of one or more of the weekly practice assignments. These will be announced in class during the semester.

## **Other**

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### **PEDAGOGICAL METHODS:**

Each session will alternate between short theoretical lectures, in-exercises and case studies completed in a group presentation or in a seminar format. The course will go back and forth between the use of tools and systems and the discussion of concrete situations and cases, probing the very notion of performance and the use of quantitative figures to present an organizational narrative of performance.

We will begin with the notions of costs and cost accounting. We will then go through the conventional tools of control and performance, followed by the main management control processes (planning, budgeting, controlling, balanced scorecards, and performance evaluation). We will also take a critical look at these cost and control tools, exploring how they can often be used in unproductive or organizationally problematic ways.

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You will be the driver in the success in this learning experience. It is critical to this course to that you fully participate in course discussions, group work and assignments. This “participative learning” can be very powerful if you actually engage with the course and complete your work. Students will be asked to work with one another in ad hoc groups during class and on some of the assignments. Moreover, you must be prepared to invest a significant amount of time in independent study to ensure that you fully understand the concepts that we are covering in class. While some of the work assigned will be verified and graded, there are also practice problems that you will need to complete on your own and I will not check that you did them. While it is possible to avoid completing the practice assignments, you will find it very difficult to pass the course if you do not do them.