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**ACCT 5100/7100 - Managerial Accounting
Course Outline
Fall 2007
Professor Linda Bamber**

COURSE PREREQUISITES

ACCT 5100 assumes that you *understand* the material covered in ACCT 2101, 2102, and 5000. Class participants must understand the financial statements, debits and credits, business terms, and other fundamental financial accounting concepts, such as revenue and expense recognition. More specifically, ACCT 5100 continues ACCT 2102. We will build on your knowledge of CVP analysis, job costing, process costing, and variable costing. If you are rusty on the material covered in ACCT 2101, *now* is the time to review.

COURSE OBJECTIVES

Substantive Knowledge:

After completing this course, you will be able to:

- 1) Prepare and interpret management accounting information for both operational and strategic decision making. This includes determining the costs and profitability of different products, services, and customers; information for planning business operations; and cost management and performance measurement techniques. You will also learn to make informed strategic and operational business decisions based on the management accounting information you have prepared.
- 2) Anticipate how management accounting information will affect employees' incentives and behavior.
- 3) Use your knowledge of (1) and (2) to design an appropriate management accounting system given a specific business context. Unlike financial accounting, there are no "generally accepted management accounting principles." Each company uses different reports and analyses, and most companies use some subset of the tools in this course. Because no single approach is always appropriate, you will learn when and where a particular tool is likely to be useful.
- 4) Understand and appreciate the role that management accounting information plays in guiding business operations, and ultimately, the flow of capital in the marketplace (i.e., see the big picture).

Unfortunately, the CPA and CMA exams cover more topics than we can squeeze into a 3-hour course. *As we go through the course, I will point out additional topics that those of you who will sit for the CPA or CMA exam will need to study on your own.* Keep your textbook and handout packet to help prepare for the CPA/CMA exams.

Specific Skill Development:

The assignments in ACCT 5100 will also help you develop skills required by PricewaterhouseCoopers' statement *Educating for the Public Trust*, and by the CPA exam. You will:

- 1) Develop skills, competencies, and points of view that professionals require, including the ability to critically evaluate ideas and information.
- 2) Develop critical thinking and analytical skills to tackle unstructured problems.
- 3) Learn to: learn technical accounting material on your own, learn from your peers, and teach your peers.
- 4) Improve your ability to express your ideas and opinions, both in writing and orally.
- 5) Develop your ability to work with others as part of an effective team.
- 6) Develop your ability to concentrate and work effectively in a busy office atmosphere.

REQUIRED TEXT AND HANDOUT PACKET

Horngren, C. T., S.M. Datar, and G. Foster, *Cost Accounting: A Managerial Emphasis*, 2006 (12th Edition). Be sure to purchase the U.S. edition, and *NOT* an international edition, as the international editions are different than the U.S. edition.

ACCT 5100 packet at Bel-Jean's

Horngren/Datar/Foster is the most widely used cost accounting text in the country. It integrates current management accounting thought with more traditional approaches. Most of the book is very well-written, although it tends to emphasize mechanics (i.e., how to do the numerical calculations). After *studying* (not just reading) the text, you should be well-equipped to do the computations necessary in the assignments. However, there is much more to managerial accounting than number-crunching. The (required) handout packet includes relevant articles from the business press, and we will spend a good deal of class time discussing concepts and issues.

OTHER STUDY AIDS

Check answers for *all* problems (including assigned and unassigned problems) in assigned chapters of the text appear at the end of the handout packet, and under the **Course Material** tab on the Blackboard site.

Suggested solutions for assignments from the text will be available at the library reserve desk *after* we cover the material in class. The solution release schedule appears at the beginning of the Bel-Jean's handout packet, and on Blackboard (under **Syllabus**, click on the **Required Text and Other**

Study Aids folder, then click on the **Other Study Aids and Where to Find Them** subfolder. The link to the solution release schedule is at the top of that file.)

The Horngren/Foster/Datar text has *problems for self-study* (with answers, of course!) at the end of each chapter. Work through these before attempting the assigned homework.

If you are having trouble with a topic, go to the main library reserve desk, get the reserve list for ACCT 5100 and check out the Horngren, Harrison, Bamber *Accounting* text for a more elementary discussion that will help you get the basics.

I hold *optional problem-solving and review sessions* as noted on the syllabus, approximately once a month.

A *companion study guide* to the Horngren/Datar/Foster text is available at the bookstore. This guide includes a chapter outline and some objective and problem-type questions (with answers) to help you understand the basics. I recommend this study guide for anyone who found ACCT 2102 or ACCT 5000 challenging.

Under the **Course Material** tab, you will find a link to *elementary self-study exercises* that the textbook publisher prepared for each chapter. These are a good starting point for assessing your understanding of the chapter. But keep in mind that they are typically *much easier* than quiz and exam questions for ACCT 5100.

Your conscientious study of the text and handout packet, your class notes, and conscientious effort to complete the written assignments on a timely basis are the best resources for learning the material. However, the **Course Material** tab also posts *Powerpoint slide presentations* that the publisher has prepared for each chapter. These are **NOT** a substitute for studying the text and for attending class. I have added them to the website in case they are helpful for participants having trouble with the chapter. *There is no need to spend time looking at these slides unless you are having difficulty with the chapter*, because the slides are at a more elementary level than is expected of participants in ACCT 5100.

On the Blackboard site, click on the **Student Tools** tab. Then click on **Calendar**. Click on the **View Month** tab at the top. Dates, times, and locations for quizzes, exams, and optional sessions are listed on the calendar. For example, move to the month of October. Click on the Exam 1 icon. The screen will show you the time, date, and place of the exam. You can add your own personal events to your personal calendar. (These will not appear on other participants' calendars.)

PERFORMANCE EVALUATION

Exams:

There are *two required evening midterm exams* and a final exam, on the dates noted on the syllabus. The second exam and the final exam are comprehensive. All three exams are closed-book. You may use hand-held calculators, but no PalmPilots, computers, or cell phones. Course objectives include developing your ability to concentrate and work effectively in busy office atmospheres, so all students will sit for quizzes and exams in the same room.

If the midterm dates and times conflict with one of your regularly scheduled classes at the University of Georgia, you must furnish me with a copy of your class schedule showing the conflict, by August 23, 2007, and I will make alternative arrangements. If you have a medical emergency on the exam date, contact me *before* the exam and furnish a doctor's note when you return to class. *If you miss an exam without prior permission and a doctor's note, you will receive a zero on the exam.* With a doctor's note and prior permission, the weight of the exam will be placed on the remaining exams. The final exam is given during the time scheduled by the University; without exceptions.

To ensure your personal safety when departing evening activities on campus, click on <http://www.ps.uga.edu/escortservic.html> to see how you can call the University of Georgia escort service to escort you to your car or dorm. I will also try to have an escort available during the last half hour of the evening exams.

Quizzes:

The syllabus schedules eight quizzes. However, in the (I hope unlikely) event that preparation for class becomes inadequate, I reserve the right to increase the frequency of quizzes. **There will be no make-up quizzes, and a missed quiz receives a zero. However, your lowest quiz score will be dropped.** Quizzes cover material since the last quiz, plus material assigned for that day. Quiz questions will generally be easier than exam questions.

You are responsible for all materials (text, articles, problems) assigned. Just because we don't go over it in class doesn't mean it's not important. I will try to spend class time on more subtle or confusing points.

Daily Written Assignments:

For most class participants, the only way to succeed in this course is to complete (or at least attempt) the readings and written assignments regularly and on time. I cannot overemphasize the importance of completing the daily written assignments before class. The challenging part of most assignments is deciding how to set up the analysis. Class participants who do not make a conscientious effort to complete the written assignments before class lose the opportunity to develop this essential analytical skill.

Daily written assignments are collected (randomly) at the **beginning** of the class for which they are assigned. Professionals are responsible for meeting deadlines. ***Late assignments are not accepted.*** Except for team projects, written assignments are graded as follows:

- 2 - neat, generally complete
- 1 - neat, shows effort but serious conceptual errors, or otherwise incomplete.
- 0 - illegible or shows no serious effort.

Daily written assignments fall into four categories:

1. *Lecture Exercises* – found in your (required) handout packet, these exercises illustrate basic concepts with minimal computations.
2. *Textbook Problems* – range from easy to difficult, but are generally moderately difficult.
3. *Handout Cases* – found in your handout packet, these are generally more challenging. They are part of your written assignment, so complete them before class.
4. *Team Projects* – found in your handout packet, these case-type assignments often involve role-plays to complete in your team. Most require each team to turn in its analysis.

The course syllabus is a general plan for the course; it may be necessary for the instructor to announce deviations. For this reason, check the Blackboard course announcement page before beginning assignments.

Rationale for Quiz and Daily Written Assignment Policies:

Some (but not all) of the daily written assignments cover material before we have discussed the topic in class. Also, part of each quiz is from material that is assigned for that day but not yet covered in class. When quiz items include material that has been assigned but that we have not yet covered in class, the questions are at a more basic level. There are several purposes for this policy:

- 1) To reward class participants for keeping up-to-date with the advance reading assignments.
- 2) To give class participants an early warning of what they don't understand, and where they need to devote more attention.
- 3) To encourage class participants to learn on their own as much of the basics as possible, because:
 - A) Education research shows that people retain more of what they learn or discover on their own (than they do of what they "hear"), and
 - B) As the PWC statement on *Educating for the Public Trust* explains, the rapid rate of change in the accounting and business worlds means that professionals have a continuous responsibility to learn (on their own and from peers) about these changes and their effects.

- C) The more you learn on your own, the more of our limited class time we can spend considering "bells and whistles" or more subtle issues and potential pitfalls.

Retaining more of the information is important to your success as a professional. As PWC explains, learning to learn on your own is critical for your development into a competent professional. Upper division courses are a step between the spoon-feeding that often occurs in lower division courses, and the responsibility to learn more complex and extensive material when you become a professional (when you not only have to learn on your own, but you must first decide *what* to learn!). The daily written assignment and quiz policies reward you for developing these essential skills.

Class and Team Participation:

Active class participation is important. This means responding to questions posed in class, offering relevant comments and observations to issues raised in class, or asking insightful questions. I will generally call on volunteers in class, but I may call on you even if you have not volunteered. As a professional, you must discuss technical material, and form and defend opinions based on your analysis. When we call on you, we do not necessarily expect you to have “the” answer, even if there is one. We do expect you to be familiar with the issues and be willing to share with your colleagues. When you add substantively to everyone's understanding, this will increase your class participation grade. Talking merely to accumulate minutes of air-time will not improve your grade. *Students who do not contribute to class discussions will receive a lower class participation grade.*

Class time is too limited for us to benefit from learning how management accounting concepts relate to each class member's work experiences. Use the discussion board on the ACCT 5100 Blackboard website to share your experiences by entering a new posting, or by responding to other participants' postings. (See the instructions under the **Discussion Board** tab on the Blackboard website for information on the content of the postings.) ***I expect each class member to make at least one high quality and thoughtful posting to the board (either an original posting or a meaningful response to a prior posting) prior to the cutoff date.*** Additional high quality postings are welcome and will improve your class participation grade. If you feel you have no work experience that is sufficiently relevant to develop a new posting, you can complete this requirement by entering a thoughtful question or response to a classmate's posting.

Class participants will form 4-person teams. Team members should sit near each other in class, because we will do some team activities during class sessions. Class participants will also complete several team projects listed on the syllabus. At the end of the semester, each team member will evaluate the other members of the team, and this peer evaluation is part of your class participation grade.

Grades:

Your performance determines your course grade as follows:

Exam I	23%
Exam II (comprehensive)	38%
Final Exam (comprehensive)	13%
Quizzes	14%
Daily Written Assignments	6%
Class and Team Participation	6%

WITHDRAWAL POLICY

Participants who withdraw before Exam I receive a W. ***Class participants who withdraw after Exam I but before the University “W” date will receive a W if and only if their score on Exam I is 55% or above. Class participants will receive a WF if their score on Exam I is less than 55%, or if they withdraw after the University “W” date.*** A WF is included in your academic average. Thus, if you are not prepared for Exam I, you should drop **before** the exam.

ACADEMIC HONESTY POLICY

All academic work must meet the standards contained in “A Culture of Honesty.” Students are responsible for informing themselves about those standards before performing any academic work. You can access the University of Georgia’s statement *A Culture of Honesty* by clicking on the **Syllabus** tab on Blackboard. Within the **Syllabus** tab, click on the *Performance Evaluation* folder, and within that folder, click on *Academic Honesty*. All academic work submitted in this course must be your own unless you have received my permission to collaborate and have properly acknowledged receiving assistance. In particular, quizzes and exams are to be the sole work of the individual class participant. It is my responsibility to uphold the University’s academic honesty policy and report my belief of dishonesty to the Office of the Vice President for Instruction.

KEYS TO SUCCESS IN MANAGEMENT ACCOUNTING, ACCT 5100

- 1) You are preparing to enter a profession, whether it be accounting, law, or a related business profession. Accept responsibility for acting in a professional manner throughout the course (and indeed, throughout your future accounting courses).
- 2) The *PricewaterhouseCoopers* statement on *Educating for the Public Trust* emphasizes that new entrants to the profession as well as seasoned professionals must accept responsibility for learning on their own, for learning from peers, and for teaching peers, as well as for learning from instructors. Professionals also learn to concentrate and work effectively in busy office atmospheres. We will use the assignments in ACCT 5100 to develop each of these important skills.
- 3) Professionals accept responsibility for completing all work on a timely basis. For each class meeting, all class participants expect that you have read and studied the assigned chapters and articles, and that you have analyzed the problems and cases assigned for that class meeting. Studying for quizzes and exams on a timely basis will improve your performance. ***Do not allow yourself to get behind.*** This is a course in which you must keep up with the assignments.
- 4) Professionals attend meetings regularly and on time. Entering meetings late disturbs all participants.
- 5) Professionals accept responsibility for internalizing underlying concepts and theories, not just memorizing facts. Don't be satisfied with mere number-crunching.
- 6) Professionals accept responsibility for identifying and taking the initiative to fill in gaps in their knowledge, on their own.
 - a. To develop your ability to teach and learn from your peers, when you have a question, start by seeking help from the other members of your team.
 - b. I also encourage you to ask questions in class.
 - c. We hold optional review sessions as scheduled on the syllabus.
 - d. My TA and I are available during posted office hours for questions that class participants cannot resolve through their own research or discussion with their teammates, or through the optional review sessions.
- 7) Professionals value others' time, and so submit only their best (neat, correct, and complete) work for review.
- 8) Professionals concentrate and work effectively in busy office atmospheres.

- 9) Suggested study plan:
- A) Read the handout on background information, learning objectives, and helpful hints that I have prepared for the chapter. These chapter-by-chapter handouts appear in your Bel-Jean's handout packet and on Blackboard, under the **Course Materials** tab, in the folder for that week's assignment.
 - B) Look at the learning objectives on the first page of the chapter, and skim the chapter headings and subheadings to obtain an overview of the topics covered in the chapter.
 - C) Read the chapter slowly and carefully, working through the numerical examples.
 - D) Read the chapter once again, to reinforce and get details.
 - E) Study the Decision Points at the end of the chapter, and do the problem for self-study at the end of the chapter.
 - F) Read assigned articles from the Bel-Jean's handout packet.
 - G) Watch the chapter video that shows how a real company uses the management accounting concepts in the chapter. A link to the video is available on the Blackboard site under the **Course Material** tab. Scroll down and click on the red folder for **PH Resources – Link to Self-Study Quizzes and Videos**.
 - H) Complete the elementary self-study exercises that the publisher prepared for the chapter, available under the **Course Materials** tab. Scroll down and click on the red folder for **PH Resources – Link to Self-Study Quizzes and Videos**. These are *simple* exercises. Participants in ACCT 5100 are expected to acquire deeper knowledge as indicated by the problems and cases assigned on the course syllabus. (Also, a few of these self-study exercises require memorization of lists or silly distinctions – these items are not indicative of knowledge required for ACCT 5100. For the course, *understanding*, and not memorization, is the key to success.)
 - I) After completing A through H, complete the problems, cases, and team projects assigned on the syllabus. These assignments are indicative of the level of knowledge participants will be expected to demonstrate on exams.

Remember: Try not to refer back to the text when analyzing the problems and cases. Referring back to the text signals that you don't understand it yet.

- 10) Use index cards to prepare a set of cost accounting "flashcards." On one side, write a question. On the other side write your answer (in your own words). This is useful for items such as definitions (but make sure the definition is in your own words, not copied from the text), standard problem formats (e.g., I/S and CGM formats, flow of production costs through T-accounts, process costing worksheets), and concepts (e.g., why activity-based costing is becoming more popular). Flashcards provide several learning opportunities. First, you must think about the material and identify important concepts that are conducive to flashcards. Second, you must identify questions and determine the answers. Third, when using the flashcards to review, if you must turn the card over, this is a clear signal that you have not yet learned the material. Fourth, you can sort the cards into piles that you know and piles that you don't yet know. You obtain more return studying what you don't know (although studying what you do know is more fun and less frustrating!). Fifth, these cards will be useful for preparing for CPA and CMA exams as well as ACC 5100/7100 exams.