ACCT 603 Managerial Accounting for Strategic Measurement and Control

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Williams College of Business
ACCT 603 Managerial Accounting for Strategic Measurement and Control
Instructional Syllabus, Spring Semester 2012

PROFESSOR: Christian Mastilak, PhD, CPA (inactive)
CLASS MEETINGS: Thursday, 5:30 – 9:05 PM, Deerfield Campus
OFFICE LOCATION: 212 Smith Hall
MAIL LOCATION: ML#1211
OFFICE PHONE: 513-745-3290
OFFICE FAX: 513-745-4383
EMAIL ADDRESS: mastilakc@xavier.edu
OFFICE HOURS: By appointment; I'm available before and after class. If you have difficulty
with any topic covered during the course, please seek extra help during my
office hours or arrange an appointment. It’s my job to help you understand.

TWITTER: MastilakXU (I may very occasionally use Twitter to communicate with the
class; this will generally be last-minute items such as class cancellations due
to weather or illness)

Mission of the Williams College of Business: We educate students of business, enabling them to
improve organizations and society, consistent with the Jesuit tradition.

Course objectives: ACCT 603 contributes to the College’s mission through the examination of
issues relevant to the integration of accounting information into the management decision making
and performance evaluation processes. The course is designed to aid the student in developing an
appreciation for the advantages and limitations of accounting information in this setting, thereby
enhancing their ability to improve organizations and the society in which they operate. In order to
achieve this objective, managerial accounting must concern itself with behavioral, ethical, as well as
computational issues. A secondary objective is to provide a forum in which students may enhance
their ability to discuss accounting-related issues. This objective is accomplished through problem
analysis and class discussions.

Required text
  470-76942-3
- Text Website: http://www.wiley.com/college/eldenburg, including useful resources
- Other cases and readings as assigned during the semester on Blackboard.

Notes on the textbook and course content: The course content (and the textbook book) vary
from high-level conceptual topics to relatively detailed calculations. I strongly believe that both
levels of understanding are important. I will not lead you through detailed calculations for no good
reason, nor do I believe you all want to become accountants. Rather, I believe that “computational
rigor” enhances “analytical and conceptual rigor” – going through the detailed computations helps
bring to light the conceptual issues involved.

The nature of managerial accounting information is that it is internally generated and used, and
that its release to the public would create competitive disadvantages. Therefore, we seldom have
the luxury of working with real-life data. As a result, we must use either hypothetical data or
obscured data based on real organizations.
Much of the course content revolves around the trade-off of costs and benefits that are specific to individual organizations and contingent upon specific situations. We must therefore answer many questions with “it depends.” What do organizations do, and what should they do? It often depends. But we must not stop there. We must pursue the thought further: upon what does it depend? Some of this course will be devoted to helping you think through how to apply general principles to specific situations, by considering the costs and benefits of various accounting choices, and how to determine the best available cost-benefit tradeoff.

Blackboard: Course-related material and information will be distributed through Blackboard. I will generally use “Announcements” on Blackboard to communicate with the class.

If you need help in the course: Please try these things, roughly in this order:
1. Have you done the recommended reading and practice problems? They are intended to help you. The practice problems particularly will help you understand where you need help.
2. Have you talked to me? It is my job to help you learn – it is what I get paid to do, and I enjoy it. To help me be most effective and to use our time wisely, please have answers to the following questions when you ask me for help:
   a. With what specific topic are you struggling?
   b. Which practice problems have you already attempted?
   c. How far were you able to get on the practice problems?
   d. How do your solutions compare to the suggested solutions on Blackboard? For which parts of which questions do your answers differ?
   e. Why were you unable to proceed further?
   f. Which portion of the lecture or book was unclear?
   It is inefficient and often impossible for me to help students who have not attempted to work problems on their own. Saying, “I'm totally lost” doesn't help me help you, and usually untrue (most students who say that are not totally lost; rather they need specific help in a few areas, most of which can be solved by working practice problems).
3. Have you talked to classmates? Often other students in the class can help you understand the material, and may be either more conveniently available or better able to explain the solution to your struggles.

Professionalism: Please maintain a professional demeanor in class as you would at work. Please, prepare all written communications, such as emails or answers to assignments, professionally. I reserve the right to reduce grades on any assignment due to poor grammar, punctuation, spelling, or other presentation problems.

Class attendance and preparation: Actively participating in class and completing suggested homework problems on a timely basis are critical to your success. Homework problems for each chapter are noted on the tentative course schedule available on Blackboard. Students should attempt all the homework problems assigned for each day prior to class. Completing the problems before class allows you to highlight the topics that need additional attention and to ask clarifying questions during class. You should bring the textbook to class each day.

I expect you will attend class every week. If you anticipate missing more than three class periods during the semester, I recommend that you consider taking this course at another time. In the event that you find it unavoidable and must miss a class, you should make arrangements to obtain lecture notes and assignment solutions from another member of the class. I will answer specific questions, but I will not repeat entire lectures privately.
Please minimize the use of cell phones, iPods, laptops and all other electronic devices while in the classroom. Failure to do so is inconsistent with the purposes of the class sessions and common courtesy. If there are extenuating circumstances (e.g., you are expecting an important phone call), please notify the professor before class. If you wish to use a laptop for notes, please sit in the back of the classroom to avoid distracting other students.

**Grades:** The course grade will be determined based on a student’s performance on the activities listed below. Final course letter grades will be based on the grading scale below. I reserve the right to assign + or – grades at my discretion. These adjustments will generally be made based on students’ contributions to the course, via class participation, thorough preparation, etc.

<table>
<thead>
<tr>
<th>Grade Components</th>
<th>Grade Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Midterm Exam</td>
<td>A (exceptional) = 90%-100%</td>
</tr>
<tr>
<td></td>
<td>B (good) = 80%-below 90%</td>
</tr>
<tr>
<td>Final exam</td>
<td>C (minimal) = 70%-below 80%</td>
</tr>
<tr>
<td>Problem sets</td>
<td>F (failure) = Below 70%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
</tr>
</tbody>
</table>

*See note below about required ungraded assignments.*

Note that the university considers an “A” to represent “exceptional” work. Thus, earning an “A” in this course will require understanding the material deeply, and being able to apply it to situations beyond the basic examples provided in class or in the textbook. All students who demonstrate exceptional work (measured by earning at least 90% of the available points) will receive an “A.” However, students should not assume an “A” is the default grade. I intend to use the full grading scale provided by the University, as needed. A grade of Incomplete is not assigned except under extreme circumstances (at my discretion).

**Late work:** Any work turned in after the deadline will receive at least a one-letter-grade deduction.

**Exams:** The exams will cover the assigned chapters, problems, lectures, cases, as well as assigned extra reading material and class discussion. If material is sufficiently covered in the readings, it may not be covered in class. This material may be on the exams. Generally, though, the material I believe is most important will receive time in class. Students should not expect to do well on exams if they have not read the textbook, worked homework problems on their own and participated in class.

As you prepare for each exam, you should work all suggested practice problems and study the learning objectives, examples, and exercises within the chapters, and self-study problems found at the end of each chapter. **Do not deceive yourself by assuming that memorizing the rules and definitions discussed in class and scanning over the solutions to the homework problems will be sufficient for you to answer questions successfully on an exam. I intentionally write exams with the intention that rote memorization will not be a successful approach, because rote memorization will not help you manage organizations.** You should also try to develop extensions, alterations, or novel combinations of material. What more could be done with a particular setting? What could be changed about the assumptions? How would those changes affect your response to the question? How do topics covered previously affect decisions managers would make? Try to think about how changes would affect computations, behavioral effects on managers involved, and the overall success of the organization.

As the course material is applied and quantitative, the exams will measure students’ ability to apply quantitative material. Application, as I use it here, is not merely recitation. Exams will likely require
you to apply material in settings or contexts that differ somewhat from those covered in class. This is because in managerial practice, you will be required to do the same. My goal is not to teach you to answer particular homework or exam questions correctly, but to help you develop a framework for thinking through the issues of measurement and control, and to take that framework with you into managerial practice.

All students are expected to sit for exams at the scheduled time. Students who are absent will receive a score of zero. **Consideration for a makeup exam will be given only to students who notify the professor in advance.** Documentation will be required for any exams rescheduled.

*Department of Accountancy policy: No programmable calculators may be used for exams. Students will be provided with a basic four function calculator for taking exams if needed.*

**Problem sets** will be completed outside of class. Problem sets are due by the beginning of class on their due date. **These are to be done individually, unless otherwise noted.** They are intended to ensure practice working problems, and feedback, prior to exams. **Students may ask the instructor for help with problem sets,** however, the instructor may give limited help to ensure the student benefits from doing the work. Problem sets will be fully graded. Problem sets are to be turned in via email to Acct603.turnin@gmail.com. (Note: please do not use this email for regular communication; it is only for turning in assignments.) Any numerical calculations are to be in a spreadsheet. Specific instructions for individual problem sets will be on Blackboard.

**Required, ungraded assignments (Price of admission assignments):** For many of the class days, there are "price of admission" assignments. The assignments are either intended to assure preparation for the upcoming class or to provide a review or integration of prior material. They may be exercises from the textbook, or they may be questions I write or find from other sources. Details of each assignment will be on Blackboard.

These assignments are due at 9:00 AM on the day of class. They are due regardless of whether you will attend class on a particular day. They are to be turned in via email to Acct603.turnin@gmail.com. (Note: please do not use this email for regular communication; it is only for turning in assignments.) Any numerical calculations must be done in a spreadsheet. (You may attach a spreadsheet file to the email, or you may use Google Docs or a similar online spreadsheet application.)

These assignments are required for the course. I will not grade them in detail; however, I will check them for evidence of a good faith effort. A good faith effort means, among other things: (1) every part of every question is attempted; (2) if you were unable to answer a question, you are to explain what you were able to do, what information you’d need to continue, and an estimate or reasonable guess at the answer; (3) numerical answers are explained, rather than simply putting math problems into a spreadsheet and letting me decipher the numbers; (4) the assignment is turned in on time; (5) you have followed the directions for both the specific assignment and the general instructions for all assignments. I reserve the right to assign partial credit if good faith effort is not in evidence.

Your grade for the course will be limited to the percentage of “price of admission” assignments you turn in. Thus, for example, if your score on graded assignments is 93%, but you only turned in 75% of the “price of admission” assignments, your score for the course will be a 75%.

**Practice problems:** Practice problems listed on the Course Schedule may be the basis for class discussions and exam preparation, but will not be collected for grading. These problems are
intended to help in learning to apply the material. They are not necessarily useful for assessing learning, nor are they necessarily sufficient for learning to apply the material in practice beyond your time in the course. Thus, homework problems and exam problems will differ.

**Academic honesty**: Academic life requires a trust based upon integrity of the written and spoken word. I will not tolerate violations of certain standards of ethical behavior. These violations include all forms of cheating, plagiarism, and unauthorized assistance on any assignments and exams. **All assignments in this class are to be done individually, unless otherwise noted. Anyone who receives or gives unauthorized assistance on any assignment will be guilty of violating this policy.** If you are unsure of how to apply this policy to a particular situation, you should discuss it with me before turning in any assignments or discussing an assignment with anyone else. **The penalty for violations of the academic honesty policy will generally include your receiving an "F" in the course. I may also pursue your expulsion from the University if I deem it appropriate.** Further, in accord with the University’s policy, **I will report all instances of academic honesty violations to the Dean of the Williams College of Business.**

It is expected that all work you turn in for a grade for this class is original for this class. If you turn in any work that refers to or includes a portion of work you have done for another class, you must cite that work as though it were not your own. For example, you may not copy and paste text from a paper you wrote for another class without citing that paper. Please see me if you have any questions.

Keep in mind that when I find instances of academic dishonesty, I am forced to respond. The responses are never pleasant, and may linger throughout the semester or beyond. It is a waste of my time to have to prosecute these incidents, and I am unlikely to be in a good mood when I do so. Given the penalty for cheating, and the fact that I take this seriously, you are generally better off not turning in an assignment than cheating on it. Not turning in an assignment results in a zero. Cheating is substantially worse than not turning in an assignment. **Your best course of action if you're having difficulty with an assignment – even if it's at the last minute – is to contact me and ask for help. I would much rather grant an extension, or help you with the requirements of an assignment, than have you turn in someone else’s work as your own.** So, even if it’s shortly before an assignment is due, or it’s the middle of the night, send me an email and we can talk about it. Of course, you’d be better off contacting me sooner – but cheating is always the worst possible action to take.

**Learning disabilities**: If you have a documented learning disability, please disclose this information to your professor during the first week of class. If you think you may have a disability, but are not sure, you should contact the Learning Assistance Center during the first week of classes to schedule testing. After obtaining documentation of a learning disability, disclose this information to your professor.

**Miscellaneous items**: All dates and assignments in the Course Schedule are subject to change at the sole discretion of the professor. Verbal notification during any regularly scheduled class period will be considered sufficient notification to effect such change under this syllabus. Alternatively, an email sent to the class or an “announcement” posted to Blackboard will be considered sufficient notification to effect a change.

Each student should become familiar with the appropriate dates and academic regulations as published by Xavier University in its Catalogs, Programs, and Semester Schedule of Classes.
Course schedule for ACCT603 Spring 2012

Note: the "q1, q2," etc. for each chapter correspond to the Questions around which the chapters are written (similar to learning objectives for each chapter). While class meetings may not perfectly correspond with these questions, you should focus on these questions during your reading.

<table>
<thead>
<tr>
<th>Date</th>
<th>What you should do before the class meeting</th>
<th>“Price of admission” due?</th>
<th>First part of class meeting</th>
<th>Second part of class meeting</th>
<th>Suggested practice problems for after the class meeting</th>
<th>Other items due or comments</th>
</tr>
</thead>
</table>
| Jan. 5   | Skim chapter 1  
Read chapter 2,  
Read chapter 3 | No | Course introduction & overview; chapter 1 | Cost terms and concepts (chapter 2, q1-q3) | 1.19, 1.20, 1.26, 1.27, 1.41, 2.17, 2.19, 2.28, 2.39 |                          |
| Jan. 12  | Re-read chapter 2, q3-q6, Appendix 2A  
Read chapter 3 | Yes | Costs - estimating cost behavior (chapter 2, q3-q6, Appendix 2A) | Cost volume profit (chapter 3 q1-q2) | 2.20, 2.21, 2.26, 2.46, 3.19, 3.20, 3.21, 3.23 |                          |
| Jan. 19  | Re-read chapter 3, q3-q5  
Read chapter 4 | Yes | Cost volume profit (chapter 3) | Short-term decision-making (chapter 4 q1, q2, q5) | 3.16, 3.17, 3.18, 3.37, 3.39, 3.27, 4.17, 4.18, 4.21, 4.22 (don’t miss part C on the top of the next page), 4.23, 4.34 |                          |
| Jan. 26  | Read chapter 5 (skip q4) | Yes | Short-term decision-making (chapter 4 q3, q4) | Product costing (chapter 5) | 4.20, 4.24, 4.29, 4.32, 4.41, 5.17, 5.18, 5.19, 5.21, 5.23, 5.28, 5.31, 5.34, 5.42, 5.40, 7.17, 7.20, 7.21, 7.22, 7.24, 7.25, 7.38 | Problem set 1 due at beginning of class |
| Feb. 2   | Skim chapter 5  
Read chapter 7  
(skip q5)  
Read chapters 8 (q1-3) & 9 (q1, q2, q5) | Yes | Product costing (chapter 5, chapter 7 q1-4 & q6) | Other applications of cost allocation (chapters 8 & 9) | 7.17, 7.20, 7.21, 7.22, 7.24, 7.25, 7.38 |                          |
<table>
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<th>First part of class meeting</th>
<th>Second part of class meeting</th>
<th>Suggested practice problems for after the class meeting</th>
<th>Other items due or comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feb. 9</td>
<td>Yes</td>
<td></td>
<td>Cost accounting and decision making (based on chapters 5, 7 &amp; 4)</td>
<td>Review for exam</td>
<td>5.32</td>
<td>Problem set 2 due at beginning of class</td>
</tr>
<tr>
<td>Feb. 16</td>
<td>No</td>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Feb. 23</td>
<td>Read chapter 15 (q1-3, q5) and chapter 10</td>
<td>Yes</td>
<td>Exam review</td>
<td>Planning and control overview (chapter 15 q1-3, q5); Budgeting (chapter 10 q1-3)</td>
<td>10.16, 10.17, 10.18, 10.19, 10.20, 10.26, 10.27, 10.36, 15.25</td>
<td></td>
</tr>
<tr>
<td>Mar. 1</td>
<td>Read chapter 11 including Appendix 11A</td>
<td>Yes</td>
<td>Budgeting (chapter 10q3-6)</td>
<td>Cost center evaluation (chapter 11 q1-4)</td>
<td>10.37, 10.29, 11.16, 11.17, 11.18, 11.21, 11.33</td>
<td></td>
</tr>
<tr>
<td>Mar. 8</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Spring break – no class meeting</td>
</tr>
<tr>
<td>Mar. 22</td>
<td>Read chapter 15 (q4, q6, q7)</td>
<td>Yes</td>
<td>Investment center evaluation (chapter 15 q4)</td>
<td>Transfer pricing (chapter 15 q6-7)</td>
<td>15.17, 15.18, 15.19, 15.22, 15.23, 15.20, 15.21, 15.24, 15.26</td>
<td>Problem set 3 due at beginning of class</td>
</tr>
<tr>
<td>Mar. 29</td>
<td>Read chapter 16 (skip q6)</td>
<td>Yes</td>
<td></td>
<td>Balanced scorecard (chapter 16)</td>
<td>16.18, 16.28, 16.29, 16.39</td>
<td></td>
</tr>
<tr>
<td>Apr. 5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Easter break – no class meeting</td>
</tr>
<tr>
<td>Apr. 12</td>
<td>Yes</td>
<td></td>
<td>Cost accounting, performance evaluation and decision making (chapters 4, 5, 7, 10, 11, 15)</td>
<td>Review for exam</td>
<td></td>
<td>Problem set 4 due at beginning of class</td>
</tr>
<tr>
<td>Apr. 19</td>
<td>No</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Final exam (Cumulative)</td>
</tr>
</tbody>
</table>