

School of Accounting and Commercial Law

## **MMPA 512 ADVANCED MANAGEMENT ACCOUNTING**

Trimester 3, 2013/4

### **COURSE OUTLINE**

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<b>Names and Contact Details</b>	<b>Office</b>	<b>Telephone</b>
<i>Course Coordinator &amp; Lecturer</i> Binh Bui <a href="mailto:binh.bui@vuw.ac.nz">binh.bui@vuw.ac.nz</a> Office hours: TBA	RH 619	463 6679
<i>Lecturer</i> Martien Lubberink <a href="mailto:martien.lubberink@vuw.ac.nz">martien.lubberink@vuw.ac.nz</a> Office hours: TBA	RH 623	463 5968
<i>Course Administrator</i> Pinky Shah <a href="mailto:pinky.shah@vuw.ac.nz">pinky.shah@vuw.ac.nz</a> Office hours: Monday-Friday, 9am-5.30pm	RH 728	463 6921

#### **Trimester Dates**

Monday 18 November 2013 – Friday 28 February 2014

#### **Withdrawal from Course**

1. Your fees will be refunded if you withdraw from this course on or before 29 November 2013.
2. The standard last date for withdrawal from this course is 28 January 2014.

After the last date stated in #2, students forced to withdraw by circumstances beyond their control must apply for permission on an '*Application for Associate Dean's Permission to Withdraw Late*' including supporting documentation. The application form is available from either of the Faculty's Student Customer Service Desks.

#### **Class Times and Room Numbers**

**Wednesdays:** 12.40-3.30pm

**Venue:** GB LT 4 (Government Buildings Lecture Theatre 4), Pipitea Campus

## **Class Times and Room Numbers**

There are 11 two hour and 1 one-hour lectures and 11 one hour seminars. Students are expected to attend all lectures and seminar sessions. Lectures involve a mixture of delivery of material by lecture, class discussion, and group work; seminars are designated for student led activity, including group project case presentations and individual project paper critique presentations.

## **Course Delivery**

The course is delivered primarily through one three-hour session per week for twelve weeks (except in Week 12 when there is one-hour revision lecture). Each session will consist of a mixture of lectures, class discussions and short problem-based tasks. Lectures will be backed up by seminars, in which student case presentations, discussion, and other activities will be used to demonstrate the practical application of management accounting tools and techniques. The assigned readings (text book chapters and additional readings) for each week are expected to be completed prior to class. Lecturers may also post extra learning materials and readings on Blackboard for review after lectures. It is suggested that students regularly check Blackboard for updates, announcements and materials.

## **Group Work**

Students are expected to dedicate 12 hours to prepare for their group assignment, in addition to the scheduled seminar time.

## **Expected Workload**

It is expected that students will work for 150 hours across the course. Lectures and seminars account for 36 hours of this time; background reading for lectures and case presentations – 36 hours; critique preparation – 16 hours; case presentation preparation – 12 hours, post-lecture revision – 16 hours; and review of material for the final test – 34 hours.

## **Prescription**

Strategic applications of cost and management accounting.

## **Course Learning Objectives**

Students who are successful in this course will be able to:

- (a) Discuss and evaluate various Strategic Management Accounting approaches with specific reference to the application of strategic cost management, value chain analysis and lifecycle management and reporting.
- (b) Critique the use of Activity-Based Costing for management decisions and apply customer profitability analysis.
- (c) Explain, calculate and apply inventory management concepts and practices.
- (d) Discuss the utility of alternative structural choices and approaches to transfer pricing.
- (e) Explain and examine environmental cost management.
- (f) Discuss and evaluate quality management and costing.
- (g) Explain and apply activity-based management principles.
- (h) Critique performance measurement (PM) systems and explain the principles of incentives and compensation.
- (i) Consider the development of management accounting and its future.

## Course Content

A lecture, reading and case presentation schedule is provided on page 7.

## Readings

*Course Text (essential reading).*

C, Hunt, C. Fowler and L. Drennan (2013), *Management Accounting: Strategic Decision Making, Performance and Risk*, 2<sup>nd</sup> edn., Pearson Education, New Zealand.

*Additional books.*

The following books have been placed on closed reserve or 3-day loan in the Commerce Library.

- Chapman, C.S., Hopwood, A.G., and Shields, M.D. (Eds), (2007), *Handbook of Management Accounting Research*, 1<sup>st</sup> edn., Elsevier, Oxford & Amsterdam.
- Hopper, T., Northcott, D., and Scapens, R, (2007), *Issues in Management Accounting*, 3rd edn., Prentice Hall: Harlow, England; New York.
- Horngren, C.T., Datar, S.M., Foster, G., Rajan, M., and Ittner, C. (2009), *Cost Accounting: A Managerial Emphasis*, 13<sup>th</sup> edn., Pearson Prentice Hall: Upper Saddle River, NJ.
- Hoque Z., (2003), *Strategic Management Accounting*, 2<sup>nd</sup> edn., Pearson Education: Australia.
- Reeve, J. (2000) *Readings and Issues in Cost Management*, South-Western College Publishing, Thomson Learning, Canada.
- Langfield-Smith, K., Thorne, H. and Hilton, R.W. (2012) *Management Accounting: Information for Creating and Managing value*. 6<sup>th</sup> edn., McGraw Hill: Australia

*Supplementary Readings.*

Additional readings may be recommended in lectures and/or indicated via Blackboard during the course.

## Materials and Equipment

The final test is **closed book**. Materials permitted in the final test are:

- Non-programmable silent electronic calculators.
- Non-electronic foreign language/English translation dictionaries.

## Assessment

Assessment Item	%	Due Dates	Course Learning Objectives Covered
Group case presentations	16%	Case presentation and consultants' report, handed to lecturer immediately before case presentations (see course schedule).	Depending on the topic of the case
Research paper critique	20%	Submit critique by 2.00 pm on Friday 17 January 2014. Presentations on 22 January and 29 January 2014.	Depending on the article chosen by the student
Participation in case presentations	4%	Attending, submitting an executive summary of the case, and asking questions to the presenting group when not presenting (in weeks 3, 5, 6, 7 and 11)	Depending on the topic of the case
Final Test	60%	Monday 24 February 2014 (2 hours)	All

## ***Assessment Requirements***

### **1. Group Case Presentations**

**To be assigned during week one**

*Weighting: 16%*

The class will be allocated into small groups (four to five members). Each group will be responsible for the presentation to the class of one case study. The presentation should be planned to be a maximum of 30 minutes per group, and be followed by 15 minutes for questions and class discussion. For each case presentation, the presenting group will be acting as a team of consultants (or an internal project work group) hired (or constituted) to address a particular problem and present their recommendations to management. An oral presentation **and** a written, executive style, report will be required, each worth 50% of the overall marks. More detail is provided on the case presentation marking scheme, which will be circulated. Students will also have the opportunity to participate in a practice case presentation during the week 2 seminar and gain feedback on their performance.

The written report should be handed to the lecturer immediately BEFORE the oral presentation. The presenting group will need to outline the case problem, explain the relevant management accounting techniques they have used to address the problem and present the analysis undertaken and appropriate recommendations and conclusions, i.e. their proposed solution to the case. They will also be expected to answer questions from other groups, and justify their recommendations as necessary.

We expect that students should spend on average 12 hours working on this project. A significant amount of this time, although not all, will be working as a group. It is expected that all members of the group make a significant contribution to the group project and it is up to the group themselves to ensure that this happens and the work is split equitably. Therefore, all group members will receive the same mark.

### **2. Research Paper Critique**

**Due on or before 2.00 pm 17 January 2014**

*Weighting: 20%*

This individual assessment is a written critique (maximum 1,200 words) and speed presentation (**maximum 5 minutes**) of one assigned research paper. Students will be given a list of papers to choose from during the first 2 weeks of the trimester.

**The written critique** is to be in the form of a report to the chief executive of your (imagined or real) company and should provide a critique of the article that covers the following:

Content:

- State the purpose of the article.
- Outline the author's main arguments and/or findings.
- Discuss the major areas of agreement/disagreement you have with the author's research method and/or arguments and/or conclusions.

Implications:

- Briefly outline the type of company you work for (or are assumed to work for in relation to this report and the subsequent presentation).
- Identify the implications of this article for management accountants and/or management practice within this company.
- Identify any risks associated with doing nothing and/or the potential benefits from taking the recommended action

Recommendations:

- Make proposals to the chief executive in respect of what the company should do in relation to the key issues addressed, or proposals made in the paper.
- Be as specific as possible about what changes should take place and why.

Project reports should be attached to the assignment cover sheet which can be found in the assessments folder on Blackboard. The reports should then be placed in the MMPA 512 assignment box on the mezzanine floor in Rutherford House no later than **2.00 pm on Friday 17 January 2014**.

**Please state the word count of your report** and note that project reports that exceed 1,200 words will be subject to a 10% penalty per 100 words over the 1,200 word limit.

**The speed presentation** will be to your seminar group and will take place on 22 and 29 January 2014 during your normal seminar time. Your aim is to succinctly inform the CEO of your company of the key message of the paper and its main implications for your company. In 5 minutes can you convince the CEO that they really must read your full critique?

The mark allocation for the individual project will be as follows:

Report:	
Content	25%
Implications	25%
Recommendations	25%
Speed presentation	25%

### **3. Participation in case presentations**

*Weighting: 4%*

All students are expected to attend all presentations. In weeks when not presenting *each group* is required to prepare a one-page executive summary of the case and submit it to the lecturer at the start of the presentation. Each non-presenting group also needs to contribute at least one question to the discussion on the case. Marks will be awarded as a group based on the executive summary and participation; up to one mark per presentation for each group when not presenting.

### **4. Final Test**

*Weighting: 60%*

The final test (closed book) is two hours long and may cover material introduced during lectures throughout the whole course, and any extra work given by the lecturer(s). The final test will contain questions related to a case that will be handed out during week 11. It may also require you to critique an academic paper provided to you in week 11 of the course.

The final test for this course will take place on Monday 24 February.

### **Penalties**

A penalty of 5% per day (inclusive of weekends) will be applied for all late research paper critiques, unless prior permission has been granted or proof of exceptional circumstances can be produced. Research paper critiques that exceed 1,200 words will be subject to a 10% penalty per 100 words over the 1,200 word limit.

## **Use of Turnitin**

Student work provided for assessment in this course may be checked for academic integrity by the electronic search engine <http://www.turnitin.com>. Turnitin is an on-line plagiarism prevention tool which compares submitted work with a very large database of existing material. At the discretion of the Head of School, handwritten work may be copy-typed by the School and submitted to Turnitin. A copy of submitted materials will be retained on behalf of the University for detection of future plagiarism, but access to the full text of submissions will not be made available to any other party.

## **Mandatory Course Requirements**

In addition to obtaining an overall course mark of 50 or better, students must:

- Fully participate in the Group project, including both the preparation of the report and in the presentation.
- Obtain at least 40% in the final test.

If you cannot complete an assignment or sit a test or examination, refer to [www.victoria.ac.nz/home/study/exams-and-assessments/aegrotat](http://www.victoria.ac.nz/home/study/exams-and-assessments/aegrotat)

## **Class Representative**

A class representative will be elected in the first class, and that person's name and contact details made available to VUWSA, the course coordinator and the class. The class representative provides a communication channel to liaise with the course coordinator on behalf of students.

## **Communication of Additional Information**

Additional information concerning this course will be provided in lectures and posted on Blackboard: <http://blackboard.vuw.ac.nz>. Urgent notices will be circulated by email.

## **Student feedback**

Any feedback is considered and followed up on.

Student feedback on University courses may be found at [www.cad.vuw.ac.nz/feedback/feedback\\_display.php](http://www.cad.vuw.ac.nz/feedback/feedback_display.php)

## **Link to general information**

For general information about course-related matters, go to <http://www.victoria.ac.nz/vbs/studenthelp/general-course-information>

## **Note to Students**

Your assessed work may also be used for quality assurance purposes, such as to assess the level of achievement of learning objectives as required for accreditation and academic audit. The findings may be used to inform changes aimed at improving the quality of VBS programmes. All material used for such processes will be treated as confidential, and the outcome will not affect your grade for the course.

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## Course Content

Week	Date/Lecturer	Topic	Readings	Case Presentations
1	20 Nov ML	Introduction to course Value Chain Analysis and Life Cycle Reporting	Chapters one and two	ABC revision exercise
2	27 Nov ML	ABC in services, from ABC to TDABC	Chapter 3 Supplementary reading	K2 (practice case) All Groups
3	4 Dec ML	Customer profitability analysis and customer value	Chapter seven	Group 1
4	11 Dec BB	Supplier value and inventory management	Chapter eight	CPA activity – all groups
<b>MID-TRIMESTER BREAK (Saturday 21 December 2013 – Sunday 5 January 2014)</b>				
5	18 Dec BB	Quality costing and management	Chapter nine	Group 2
6	8 Jan BB	Environmental cost management	Chapter ten	Group 3
7	15 Jan BB	Financial performance measurement and firm value	Chapter twelve Supplementary reading	Group 4
<b>Friday 17 Jan</b>		<b>Hand in date for individual project – paper critique.</b>		
8	22 Jan BB	Incentives, compensation & empowerment	Chapter five	Speed presentations of paper critiques.
9	29 Jan BB	Critique of balanced performance measurement models.	Chapter eleven Supplementary reading	Speed presentations of paper critiques.
10	5 Feb ML	Divisionalisation and transfer pricing	Chapter six	BSC exercise – all groups
11	12 Feb ML	Activity-based management (ABM)	Chapter three Supplementary reading	Group 5
12	19 Feb ML	Revision		
	24 Feb	Final Test (time/location TBC)		

The weekly topic timetable of this course content is a guideline only and variations may occur.

NOTE: BB = Binh Bui ML = Martien Lubberink