

# THE UNIVERSITY OF BRITISH COLUMBIA

## Sauder School of Business

### COMMERCE 294

#### Introduction to Managerial Accounting

#### Course Outline: Winter 2010 – Section 201 (Monday/Wednesday/Friday)

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**Office hours:** Mon/Wed 2-3; Tue/Thu 8:30-9:30; other times (Friday afternoon) by appointment

#### **COURSE OBJECTIVES:**

This course focuses on the use of accounting information in efficiently operating an organization. The concepts are sufficiently general to be applicable in both profit and not-for-profit organizations, but most of our discussion will deal with profit-oriented firms. Management accounting has two major roles:

***Decision-Facilitating Role:*** Managers have the responsibility and authority for making decisions with respect to the acquisition and use of an organization's resources. To do this effectively they must identify the actions (or strategies) available to them, predict the relevant consequences of those actions, and then choose the action that has the most preferred predicted outcome. Management accounting systems can be effective tools in providing information that is useful in predicting the possible consequences of alternative actions and in presenting a description of those consequences. Furthermore, management accounting systems can help identify situations in which "corrective" action is required.

***Decision-Influencing Role:*** Managers are often employees, rather than owners, of an organization. Their action choices are affected by their personal preferences with respect to the consequences of those actions. Management accounting systems can be effective tools in providing measures of management performance which, when combined with appropriate incentives, will induce management to select the actions preferred by the owners or directors of the organization. In doing so, the system is fulfilling its decision-influencing role.

An organization's accounting records must provide the information necessary to prepare the financial statements reported to investors, bankers, unions and others who are not part of the firm's management. These statements must be prepared in accordance with generally accepted accounting principles (GAAP), particularly if the statements are audited. However, the information reported to management need not be prepared in accordance with GAAP. Management wants the information that is most useful in operating their organization, and that often differs from the information used to satisfy GAAP.

You should **not** approach the material in this course as one of memorizing rules or particular solution techniques. We seek to help you develop your ***analytical skills*** with respect to the identification and use of decision relevant accounting information. We will provide in-class examples, self-study problems, and assignment problems that are designed to help you understand and apply the key concepts. The examination questions will test your understanding of those concepts, but will often do so by posing problems or conceptual questions that differ from those you have seen before.

## TEXT

*Managerial Accounting, Eighth Canadian Edition*, Garrison, Irwin/McGraw-Hill, 2009 with Lyryx access code

Students who choose not to purchase a text, or choose to purchase a used text, **must purchase a Lyryx access code from the Bookstore** in order to complete the assigned labs.

A \$25.50 materials fee (for class handouts) must be paid to the duplicating services centre (HA 423) or **online at [www.sauder.ubc.ca/theStore/store/](http://www.sauder.ubc.ca/theStore/store/)**. **This fee must be paid by January 18<sup>th</sup> please. Thank you. Keep your receipt (in case of “errors”...).** Grades may be withheld if the fee is not paid. No handouts will be provided to students who have not paid the fee by the beginning of class on the 20<sup>th</sup> of January. [For your information, I don't get a single cent of the fee.]

## VISTA

Periodically, materials will get posted on VISTA ([www.vista.ubc.ca](http://www.vista.ubc.ca)). For your campus-wide login (“CWL”) go to [www.it.ubc.ca](http://www.it.ubc.ca) If you need technical support, please e-mail [help@itservices.ubc.ca](mailto:help@itservices.ubc.ca)

VISTA will contain the critical files for the course, including assignments, assignment solutions, and old examinations with solutions. Students are advised to check regularly for updates.

## E-Mail

I will also be e-mailing you (as necessary). If you don't have an e-mail account, you can get one at [www.interchange.ubc.ca](http://www.interchange.ubc.ca) **Please make sure that your e-mail address is up-to-date:** Go to [www.students.ubc.ca](http://www.students.ubc.ca) Under “Quicklinks”, click on Student Service Centre (SSC). Login to the SSC, and under “Personal Information”, click on e-mail change.

## COURSE OUTLINE: TOPICS, READINGS, AND ASSIGNMENTS:

The outline specifies the dates on which each topic will be started. You should read the relevant chapter **before the topic is discussed in class so that you can maximize your in-class learning experience.**

History has shown that failure to prepare for class dramatically reduces the quality of your learning experience and you will feel that the pace is going too fast.

**Class notes will be provided in class. You will always have the notes for the next chapter. Accordingly, you can come prepared for the next class. It is your responsibility to bring the notes to class. Extra copies will not be provided. If you miss class, please let me know by e-mail so that I can put aside a set of notes to you.**

Interesting articles (NOT required reading) will be posted at [www.library.ubc.ca](http://www.library.ubc.ca). Go to **Find** (on the left hand side of the screen) and click on **Course Material (Reserve/Online)**, type “Comm” in Subject Code and type “294” in Course Number and then click on Search. For off-campus access, you will need to click on the Virtual Private Network link and follow the setup instructions.

## CASES AND IN-CLASS PROBLEMS:

The problems we will do are included in the notes. **Students should come to class prepared to take up the problems.**

Some cases are merely more complex problems, but some are less structured than a typical problem and provide scope for discussing some of the more conceptual or subjective issues associated with management accounting. It is important that you develop your ability to analyze such cases since *“case type” questions appear on the midterm and final examinations.*

Case-type problems require good reading and comprehension skills.

## **MIDTERM EXAMINATION:**

The midterm examinations will be held on **Thursday, February 4 from 7-8:30 pm and Friday, March 12 from 7-8:30 pm**. Be very careful to ensure that you have no conflicts with these dates and times. I have coordinated the timing within Sauder through the Commerce Undergraduate Office. However, there may be conflicts with non-Commerce courses. ***Make certain you inform me of any conflicts before the 18th of January.*** I will seek to make alternative arrangements if the conflict warrants such an arrangement and **am notified by this date.**

## **CALCULATION OF THE COURSE GRADE:**

The course grade will be determined as follows:

Assignments (10%) and Lyryx labs (5%)	15 %
Midterm examination 1	15%
Midterm examination 2	20 %
Final examination	<u>50 %</u>
Total	<u>100 %</u>

You must achieve an aggregate passing grade on the examination components in order to pass the course [(MT1\*15% + MT2\*20% + FINAL\*50%) ≥ 42.5%].

## **ASSIGNMENTS**

The purpose of the assignments is to keep you current with the material that we are covering. Since there is essentially nothing to memorize, it is not a good strategy to leave the material to study the night before the examinations. The assignments will help you prepare for the examinations as they are primarily a self-study component where you get to communicate your knowledge and receive feedback in the form of a solution posted on-line.

The assignments will require that you apply the knowledge you have learnt and will give you an opportunity to demonstrate your understanding of management accounting tools in making a management decision. Turn in your assignment at the **beginning** of class, **single sided** with your name and **section number** in the upper right corner of each page.

The assignments will be posted on VISTA at least a week prior to their due date. The solutions will be posted on VISTA shortly after the assignment has been handed in.

## **LABS – Lyryx Learning Inc.**

The labs are to be completed on line and are provided for you to develop a basic understanding of the concepts. They are not onerous but will provide a foundation which is required to complete the assignments and will also begin the process of preparation for the examinations. The examinations will utilize the quantitative elements highlighted in the Labs coupled with the in-class discussion of the topics. The first lab is available for you to attempt an unlimited number of times. The subsequent labs are available for a maximum of 3 attempts. Your best score is carried forward.

In order to access the materials, you will need to download java (from java.com) if you don't already have it on your computer. **Please register in the correct section and register using your name exactly as it appears on your registration papers/transcripts. Thanks.** If you encounter any problems with Lyryx, please e-mail them at [student-support@lyryx.com](mailto:student-support@lyryx.com).

## **EXAMINATIONS**

There will be a practice midterm and practice final posted on VISTA. The assignments and labs, in conjunction with your reading and class discussion will equip you to successfully complete the examinations. The examination questions will be comprehensive in nature requiring you to thoughtfully integrate your knowledge providing quantitative and qualitative responses.

**Cell phones are NOT allowed on the desks during exams. Thus, make sure you have a watch to keep track of time. At the start of the exams, turn your cell phones OFF and PUT THEM AWAY in your jacket/pants/bag/purse/”murse”. Programmable calculators are not permitted for examination purposes.**

## COMMERCE 294 – Winter 2009

LECT#	DATE	GENERAL NATURE OF THE TOPICS	Labs/Assign ***
1	Jan. 4	<b>Ch. 1:</b> Managerial Accounting and the business environment	
2	Jan. 6	<b>Ch. 2:</b> Cost Terms, Concepts and Classifications	
3	Jan. 8	<b>Ch. 2:</b> Cost Terms, Concepts and Classifications	
4	Jan. 11	<b>Ch. 2:</b> Cost Terms, Concepts and Classifications <b>Ch. 3 :</b> Job-Order Costing	
5	Jan. 13	<b>Ch. 3 :</b> Job-Order Costing	
6	Jan. 15	<b>Ch. 3 :</b> Job-Order Costing	
7	Jan. 18	<b>Ch. 3 :</b> Job-Order Costing <b>Ch. 4 :</b> Process Costing	
8	Jan 20	<b>Ch. 4 :</b> Process Costing	Lab 1
9	Jan. 22	<b>Ch. 6:</b> Cost Behaviour ; Analysis and use	
10	Jan. 25	<b>Ch. 6:</b> Cost Behaviour ; Analysis and use	
11	Jan. 27	<b>Ch. 6:</b> Cost Behaviour ; Analysis and use	
12	Jan. 29	<b>Ch. 7:</b> Cost-Volume-Profit Analysis	Lab 2 Assignment 1
13	Feb. 1	<b>Ch. 7:</b> Cost-Volume-Profit Analysis	
14	Feb. 3	<b>Ch. 7:</b> Cost-Volume-Profit Analysis	
	<b>Thursday Feb. 4</b>	<b>Midterm [Chapters 1-4 and 6] Location: TBA Time: 7-8:30</b>	
15	Feb. 5	<b>Ch. 7:</b> Cost-Volume-Profit Analysis	
16	Feb. 8	<b>Ch. 7:</b> Cost-Volume-Profit Analysis <b>Ch. 5:</b> Introduction to Activity Based Costing/Management (ABC)	
17	Feb. 10	<b>Ch. 5:</b> Activity Based Costing/Management	Lab 3
18	Feb. 12	<b>Ch. 5:</b> Activity Based Costing/Management	
	Feb. 15- Feb. 26	<b>No classes: Midterm Break</b>	
19	Mar. 1	<b>Ch. 5:</b> Activity Based Costing/Management	
20	Mar. 3	<b>Ch. 5:</b> Activity Based Costing/Management	
21	Mar. 5	<b>Ch. 9:</b> Budgeting	Lab 4 Assignment 2
22	Mar. 8	<b>Ch. 9:</b> Budgeting	
23	Mar. 10	<b>Ch. 9:</b> Budgeting <b>Ch. 10:</b> Standard Costing	

LECT#	DATE	GENERAL NATURE OF THE TOPICS	Labs/Assign ***
24	Mar. 12	<b>Ch. 10:</b> Standard Costing	
	<b>Friday Mar. 12</b>	<b>Midterm [Chapters 5 and 7] Location: TBA Time: 7-8:30</b>	
25	Mar. 15	<b>Ch. 10:</b> Standard Costing	
26	Mar. 17	<b>Ch. 10:</b> Standard Costing <b>Ch. 8:</b> Segment Reporting	
27	Mar. 19	<b>Ch. 8:</b> Segment Reporting	
28	Mar. 22	<b>Ch. 8:</b> Segment Reporting	Lab 5
29	Mar. 24	<b>Ch. 11:</b> Reporting for Control: ROI, RI	
30	Mar. 26	<b>Ch. 11:</b> Reporting for Control: ROI, RI	
31	Mar. 29	<b>Ch. 12:</b> Relevant Costs for Decision Making	
32	Mar. 31	<b>Ch. 12:</b> Relevant Costs for Decision Making	Lab 6 Assignment 3
	Apr. 2 & Apr. 5	<b>No classes: Good Friday and Easter Monday</b>	
33	Apr. 7	<b>Ch. 12:</b> Relevant Costs for Decision Making	
34	Apr. 9	<b>Ch. 12:</b> Relevant Costs for Decision Making	
35	Apr. 12	<b>Ch. 12:</b> Relevant Costs for Decision Making <b>Ch. 11:</b> Transfer Pricing	
36	Apr. 14	<b>Ch. 11:</b> Transfer Pricing	
37	Apr. 16	<b>Ch. 11:</b> Transfer Pricing <b>WE NEED TO HAVE A CLASS ON THIS DATE TO MAKE UP FOR THE HOLIDAY CLASSES (GOOD FRIDAY &amp; EASTER MONDAY)</b>	Lab 7 Assignment 4
	<b>Apr. 19 to May. 1</b>	<b>The final exam date is set by UBC (NOT me). DO NOT MAKE ANY PLANS until you know the exact date and time of your exam (posted on <a href="http://www.students.ubc.ca">www.students.ubc.ca</a>).</b>	

\*\*\* Due dates for labs and assignments are subject to change.