

COURSE OVERVIEW

Course Information

Course Title: Internal Information for Strategic Decisions
Quarter: Spring 2025
Website: Canvas (<https://canvas.uchicago.edu>)

Instructor Information

Name: Christopher Stewart
Email: christopher.stewart@chicagobooth.edu
Office: 324 Harper Center

Times

Sec. 01: Tuesday 8:30 – 11:30 AM (Harper #TBD)
Sec. 02: Tuesday 1:30 – 4:30 PM (Harper #TBD)
Sec. 85: Saturday 1:30 – 4:30 PM (Gleacher #TBD)

Teaching Assistants (Two for three sections)

Name: Caitlin Butcher (MBA student)
Email: cbutcher@chicagobooth.edu
Name: Matthew O’Sullivan (MBA student)
Email: mosulli0@chicagobooth.edu

Teaching format: In-person only

Course Description: We develop your ability to analyze the economic costs of important decisions *within* a firm. These decisions include make vs. buy, abandon vs. continue, setting transfer prices, and evaluating employee performance, to name a few. When you leave the course, you will understand key costing concepts such as overhead allocation, activity-based costing, capacity costs, customer profitability, transfer pricing, performance evaluation, and internal controls. We apply a case-based approach to learning. Cases cover both the manufacturing and service sectors. The course is highly recommended for students intending to become management consultants, entrepreneurs, managers (e.g., CEOs, CFOs, product managers), and anyone with an interest in learning how firms make product and service decisions from a cost-analysis perspective.

Course Format: The course consists of cases, class discussions, and lectures. The schedule is provided in this syllabus.

Time Demands: I expect that the median student will spend approximately 5 hours per week preparing outside of class.

My Availability: Questions about class topics are best discussed via a Zoom meeting or in person. These meetings are by appointment and can be scheduled through email. In addition, you can email me with short questions (i.e., questions that require yes/no answers). If you have questions about case assignments, I request that you first contact the teaching assistant for the class (contact information listed above).

Textbook: There is no required textbook. If you want a textbook to review the course topics, I recommend Management Accounting: Information for Decision Making and Strategy Execution (6th ed.) by Atkinson, Kaplan, Matsumura, and Young. It is not stocked in the bookstore.

ASSIGNMENT DUE IN FIRST CLASS

There is a case assignment for the first class. The case and case questions are available on the Canvas website. Your solutions to this assignment must be submitted through the “Submit Assignments” section of the Canvas website prior to the start of the first class. Solutions are to be submitted as one PDF file. Late assignments will not be graded. Multiple file formats other than PDF will not be graded.

IMPORTANT SCHEDULING NOTES

As there is no final exam, the final assignment will be due in week 10 (a due date will be announced in class).

ASSIGNMENTS AND GRADING

Grade Components

The course cannot be taken pass/fail. Final grades are based on the following weights:

Class Participation	25%
Major Case Assignments	35%
Minor Case Assignments	10%
Problem Set	5%
Final Project	<u>25%</u>
Total	100%

Class Participation: With respect to class participation, the grade is based on quality, not quantity. However, I do not require you to be insightful every time you say something. In particular, please ask questions. I expect you to spend at least as much time preparing for case discussions as you do for the submitted case assignments.

Major Case Assignments: The course is case intensive. Each case requires a written assignment, consisting of responses to specific questions. The submission should follow the template I will provide. I will post the case questions on Canvas at least a week before the assignments are due. Assignments must be submitted electronically as one PDF file through Canvas before the start of class in which it is due. Late assignments will not be graded. Multiple files and file formats other than PDF will not be graded. You may discuss the case assignments with fellow students, but the assignments are to be completed individually.

Minor Case Assignments: Each minor case requires you to complete a “quiz” on the Canvas website.

Problem Set: There is one problem set. You may discuss the problem set with fellow students, but the assignments are to be completed individually. The problem set must be submitted electronically as one PDF file through Canvas before the start of the class in which it is due. Late assignments will not be graded. Multiple files and file formats other than PDF will not be graded.

Final Project: There is a final project that is similar to, but more in depth than the case assignments. I will make the case for the final project available on Canvas in week seven. The specific details and due date will be announced in class, and subsequently posted to the Canvas website. The project must be prepared individually and is not to be discussed with fellow students. Late assignments will not be graded. Multiple files and file formats other than PDF will not be graded.

Re-grading: If you believe that a mistake has been made in the grading of your case assignment or problem set, you may re-request a re-grading of an assignment. The written re-grading request must include a description of the mistake, it must be signed, and it must be sent to me by email. With no exceptions, you have one week after receiving the grade to submit the re-grading request. Late re-grading requests will not be considered.

COURSE SCHEDULE – SPRING 2025

Week 1 (March 25th/29th) Introduction/Opportunity Costs

Major Case	RegionFly: Cutting Costs in the Airline Industry
Readings	Theory & Problems of Managerial Accounting—Chapters 2 & 3 Opportunity Cost Definition

Week 2 (April 1st/5th) Breakeven, Investment, and Product Costing

Major Case	NoMi Hotel
Minor Case	Insolar Solar Umbrella
Readings	Theory & Problems of Managerial Accounting—Chapters 4 & 5

Week 3 (April 8th/12th) Activity Based Costing (ABC) and Capacity Costs

Major Case	Midwest Office Products
Minor Case	Anagene, Inc.
Readings	Activity-Based Cost Systems for Manufacturing Expenses

Week 4 (April 15th/19th) Time-Driven ABC

Major Case	Boston Children's Hospital
Readings	Time-Driven Activity Based Costing

Week 5 (April 22nd/26th) Customer Profitability

Major Case	RBC Financial Group (Abridged)
Minor Case	Elkay Plumbing Products Division
Readings	Using ABC to Manage Customer Mix and Relationships How Fidelity's Trading Chief Pinches Pennies

Week 6 (April 29th/May 3rd) Variance Analysis, Budgeting, and Joint Costing

Major Case	Software Associates
Minor Case	Spruce Street Shelter (no quiz for this case)
Readings	Theory & Problems of Managerial Accounting—Chapter 7 Notes on Variance Analysis Readings

COURSE SCHEDULE – SPRING 2025 (Continued)

Week 7 (May 6th/10th)

Transfer Pricing

Major Case Birch Paper
Other deliverables Problem Set

Readings Workplace at Bell Atlantic
 Control with Fairness in Transfer Pricing
 MCI Tax Settlement
 # Final assignment details and due date to be announced

Week 8 (May 13th/17th)

Performance Evaluation

Major Case Vyaderm Pharmaceuticals
Minor Case Citibank
Readings Understanding Economic Value Added
 Coming Up Short on Nonfinancial Performance Measures

Week 9 (May 20th/24th)

Internal Controls and Fraud

Case Financial Reporting at Mattel

Week 10 (May 27th/31st)

Final Project Week

No class. Due date for the final project will be announced in week 7.

ADDITIONAL NOTES

Booth Honor Code Pledge

Each student shall sign the following pledge on their final project:

“ I pledge my Honor that I have not violated the Chicago Booth Honor Code during this examination.”

At the discretion of the professor, this pledge may be required on any other graded work for this course.

Accommodations for Students with Disabilities

The University of Chicago is committed to ensuring full participation of all students in its programs. If you have a documented disability (or think you may have a disability) and, as a result, need a reasonable accommodation to participate in class, complete course requirements, or benefit from the University's programs or services, please contact Student Disability Services as soon as possible. To receive a reasonable accommodation, you must be appropriately registered with Student Disability Services. Please contact the office at 773-702-6000/TTY 773-795-1186 or disabilities@uchicago.edu, or visit the website at disabilities.uchicago.edu. Student Disability Services is located at 5501 S. Ellis Avenue.

If you have an approved accommodation from Student Disability Services that you plan to use in this course, please contact Academic Services (AcademicServices@lists.chicagobooth.edu) as soon as possible. Academic Services will provide support to you and your instructor and coordinate the details of your accommodation on your behalf.

Note about sharing this document

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