



The University of Texas at Austin
Texas McCombs
Canfield Business Honors
 McCombs School of Business

FUNDAMENTALS OF MANAGERIAL ACCOUNTING

SPRING 2019

Class Hours:	TTh 9:30am - 10:45am (02345) TTh 11:00am - 12:15pm (02350) TTh 12:30pm - 1:45pm (02355)	Location:	CBA 5.328
		Location:	CBA 5.328
		Location:	CBA 5.328
Professor:	Eric Chan	Office:	CBA 4M.234
E-mail:	eric.chan@mcombs.utexas.edu	Office Hours:	TTh 2:30-4:00pm, or by appt.
Phone:	(512) 471-5529		
TA:	Katherine Kennedy	Office:	CBA 4.304A
E-mail:	katherine.kennedy@utexas.edu	Office Hours:	MW 1:00pm-3:00pm

Course Objectives

Managerial accounting is concerned with the use of accounting information by managers to plan and control (evaluate) personnel and operations of the firm. This course is intended as an introduction for individuals who will make business decisions, evaluate business opportunities, and evaluate others (or be evaluated) through the use of accounting systems. Throughout the course, we will discuss the two important roles of managerial accounting: the *decision-facilitating* role and the *decision-influencing* role.

Managerial accounting information can facilitate decision-making by providing information about the benefits and costs of the goods and services sold by the firm. We will discuss and apply principles which will guide our evaluation and design of planning information systems. We will observe that financial accounting systems require that information be accumulated in particular ways for external reporting which are often not helpful for managerial decision making. Thus, we will learn techniques to enhance the usefulness of accounting information to facilitate short-term operational and long-term strategic decisions.

Managerial control systems can influence decisions by assisting in the motivation and coordination of individuals and organizational units through performance evaluation and incentive systems. When discussing managerial control systems, we will explicitly recognize that individuals respond to methods used for performance measurement and reward. We will also discuss systems that have widespread use, examine the motivation and theoretical underpinnings for that use, and identify how and when the misuse of these systems leads to dysfunctional outcomes for the firm.

In addition to enhancing understanding of managerial accounting systems, this course will help to develop other essential skills critical to achieving success in the business environment. In particular, we will work to enhance analytical skills, written and oral communication skills, and the ability to work in teams.

Required Materials

- Textbook - *Managerial Accounting*, Second Edition, 2012, John Wiley & Sons, Inc., by R. Balakrishnan, K. Sivaramakrishnan and G. Sprinkle. (*No additional access codes required*)
- Course Packet – Contains all business cases required for the course. *Available for purchase from McCombs Copy Center (GSB3.136) at the end of January.*
- Financial Calculator – HP10bII+ Financial Calculator is recommended. You may NOT use calculators that have text memory (e.g. for programs) or cell-phone calculators to take exams.

Grading

Class Attendance and Participation	10%
Homework assignments (Lowest 2 dropped)	15%
Group Project (Proposal 15%; Presentation 5%)	20%
Midterm Exam	25%
Final Exam (cumulative)	30%
Total	100%

Letter grades will be determined based on your class grade averages using the following cutoffs:

> 93% = A, 90-93% = A-, 87-90% = B+, 84-87% = B, 80-84% = B-, 77-80% = C+, 74-77% = C, etc.

I reserve the right to adjust the grading scale in the students' favor. There will typically be no opportunities to raise your course grade by doing "extra credit" work either before or after the end of the semester.

Grade Appeals

If you believe a grading error has occurred, you must **appeal within one week** after the related grade has been posted on Canvas. Please submit a written explanation of your concern to me. **After one week has passed, no appeals will be considered.**

Class Attendance and Participation

Your class participation grade will be determined based on **both your attendance and in-class contributions**, during lecture sessions and especially during case study sessions.

The purpose of the business cases is to prepare you for important decisions that you could face in your future career. To enhance the learning environment, everyone is expected to actively participate in class discussions. Being an active participant in class discussions requires a thorough reading and understanding of the case and completion of the related homework assignment.

I will cold call as a standard practice. After each class, I will make class participation notes, with particular attention to the quality of comments and not just the quantity.

Homework Assignments

A homework assignment will be due before the start of most class sessions. The purpose of the homework assignments is to prepare you to learn the important lessons of the class session. Accounting is best learned by "doing" and keeping up on a regular basis is the best strategy for both learning and preparing for examinations.

There will be a total of **23 homework assignments**. Details of each homework assignment can be found on Canvas and the due dates are listed in the course schedule at the end of the syllabus. **Your lowest two scores will be dropped** and the scores on the remaining 21 assignments will count towards your final grade.

Textbook chapter homework assignments are **due at 5pm on Friday** following the related lecture. These homework assignments are to be completed on Canvas.

Case study homework assignments are **due 9am before class** on the day of the related case study. These homework assignments are to be submitted on Canvas electronically in PDF format. For all written memos, please use the following standard format: one-inch margins, single spaced, 12 point, Times New Roman font.

The system is set up such that no homework can be submitted after the deadline. **Late assignments will NOT be accepted and will automatically receive a score of zero.**

Homework will be graded on a scale of 5. Textbook chapter homework assignments contain 5 problems that are worth 1 point each. Case study homework assignments contain both quantitative and qualitative problems.

Qualitative homework problems will be graded subjectively. **Submissions that are judged to be completed with care will receive at least a grade of 3.** Submissions that are incomplete or do not present a reasonable, well-written approach in the judgment of the TA or me will receive lesser grades.

Verbal collaboration on homework is allowed. However, the **submitted assignment should be entirely your own work**. Please do NOT borrow, copy, or transfer answers or files from anyone else. Completing your own homework assignment is the only way you will learn the material. Students who submit identical homework assignments will receive a score of zero.

Exams

Exams will be **individually-completed, closed-book exams**. The exams will cover material from **assigned chapters in the textbook, case studies, lectures, and in-class discussions**. They typically consist of multiple choice questions and short answer questions.

The **midterm exam** will be administered in the evening for all sections of ACC 312H. Students with a regularly scheduled class during the exam time will be permitted to take the exam after the scheduled time. Otherwise, no make-up exam will be given. Medical and family emergencies are the only valid reasons for missing the exam. In such instances, you must provide prompt notification and documentation to Student Emergency Services (<http://deanofstudents.utexas.edu/emergency/>). If you miss the exam and you have a valid and documented reason for missing it, your final exam will replace the missing midterm exam grade.

The **final exam** is cumulative, but will emphasize material covered after the midterm. There will be a common final exam for all sections of ACC 312H, and the university will confirm the time and location of the exam later in the semester. **Please do not make travel arrangements until you are certain of your exam schedule. No early exams will be given for any reason.**

The final exam grade, if better, will be averaged with the midterm exam grade and will replace the midterm exam grade. This gives students a final opportunity to improve their overall grade.

Group Project

You will be randomly assigned to groups of 3 to 4 students at the beginning of the semester. **Your group will write and present a proposal to start a new business venture on campus.**

There are three key learning objectives associated with this project. First, you will learn to apply the course material in a real-world setting. This allows you to better appreciate the different business decisions that managers face and how management accounting systems can help managers make more informed business decisions. Second, you will learn to collaborate with others and work in a team. In any future career that you choose to pursue, you will have to work well with others. (See “Tips for Working in a Group” in the guidelines document) Third, you will gain practice in giving formal business presentations. The ability to present well is a skill critical to your future success.

Group Proposal (15%)

As a group, you will write a business proposal to showcase the various management accounting methods and techniques you have learned throughout this course.

Your group proposal will be graded based on the quality and accuracy of the analyses performed, the organization and clarity of the writing, and the practicality and creativity of the business idea.

Please see the Group Project Guidelines document on Canvas for details of the required deliverables and due dates. Please submit all documents electronically via Canvas.

Group Presentation (5%)

Each group will give a 15-minute presentation of its proposal (see course schedule). Your peers will have an opportunity to ask you questions about your proposed business after your presentation.

Your group presentation will be graded based on its content and organization, your level of preparation, the effectiveness of communication, and the use of visual aids.

Peer Evaluations

Group members are expected to contribute to the overall group project equally. You will have the opportunity to conduct peer evaluations of your group members at the end of the project. Based on your collective responses, I will use my discretion to adjust the individual grade of any group member, particularly those who have not contributed a reasonable share to the group project.

Communication

The use of Canvas is **required** for this course. It is your responsibility during the first week of class to ensure that you can access the class site on Canvas. Printing out the class notes and bringing them to class will allow you to better follow along with our class discussions.

I will frequently make announcements and communicate with the class via Canvas. If you want to update your email address in Canvas, go to your UT Direct page and, under personal info/all my addresses, change your email address.

My TA and I have regularly scheduled office hours for consultation on matters pertaining to the course. Students are encouraged to take advantage of these hours to discuss their problems and to secure assistance where needed throughout the semester. You can also email me or the TA with any questions you have at anytime.

McCombs Classroom Professionalism Policy

The highest professional standards are expected of all members of the McCombs community. The collective class reputation and the value of the Business Honors Program experience hinges on this. Faculty are expected to be professional and prepared to deliver value for each class session. Students are expected to be professional in all respects. The BHP classroom experience is enhanced when you:

- **Arrive on time.** On time arrival ensures that classes are able to start and finish at the scheduled time. On time arrival shows respect to others and enhances learning by reducing avoidable distractions.
- **Minimize unscheduled personal breaks.** The learning environment improves when disruptions are limited.
- **Prepare fully for each class.** Much of the learning in the BHP program takes place during classroom discussions. When participants are not prepared they cannot contribute to the overall learning process. This affects not only the individual, but their peers who count on them, as well.
- **Attend the class section to which you are registered.** Learning is enhanced when class sizes are optimized. Limits are set to ensure a quality classroom experience. If, on a particular day, you need to attend a section other than the one to which you are registered, please inform me prior to class.
- **Respect the views and opinions of your colleagues.** Disagreement and debate are encouraged. Intolerance for the views of others is unacceptable.
- **Put away all electronic devices not used for note-taking purposes (e.g., your cell phones).** All class participants are expected to devote their full attention to the topic at hand. When participants become a distraction to themselves and others, they are doing themselves and their peers a major disservice.

Other Important Notifications

Students with Disabilities

Students with disabilities may request appropriate academic accommodations from the Division of Diversity and Community Engagement, Services for Students with Disabilities, 512-471-6259, <http://diversity.utexas.edu/disability/>.

Please provide copies of approved accommodation letters **within the first two weeks of class** so that I can make the appropriate arrangements.

Religious Holy Days

By UT Austin policy, you must notify me of your pending absence at least fourteen days prior to the date of observance of a religious holy day. If you must miss a class, an examination, a work assignment, or a project in order to observe a religious holy day, you will be given an opportunity to complete the missed work within a reasonable time after the absence.

Policy on Scholastic Dishonesty

The McCombs School of Business has no tolerance for acts of scholastic dishonesty. The responsibilities of both students and faculty with regard to scholastic dishonesty are described in detail in the BBA Program's Statement on Scholastic Dishonesty at <http://my.mcombs.utexas.edu/BBA/Code-of-Ethics>. By teaching this course, I have agreed to observe all faculty responsibilities described there. By enrolling in this class, you have agreed to observe all student responsibilities described there. If the application of the Statement on Scholastic Dishonesty to this class or its assignments is unclear in any way, it is your responsibility to ask me for clarification.

Students who violate University rules on scholastic dishonesty are subject to disciplinary penalties, including the possibility of failure in the course and/or dismissal from the University. Since dishonesty harms the individual, all students, the integrity of the University, and the value of our academic brand, policies on scholastic dishonesty will be strictly enforced. You should refer to the Student Judicial Services website at <http://deanofstudents.utexas.edu/conduct/> to access the official University policies and procedures on scholastic dishonesty as well as further elaboration on what constitutes scholastic dishonesty.

Scholastic dishonesty includes, but is not limited to: copying work on tests or assignments, representing (copying) the work of another person as one's own or allowing another person to represent your work as their own, collaborating without authority with another student during an exam or in preparing academic work, using or having on your desk unauthorized material or aids to complete a quiz, group exercise, or exam (e.g., cheat sheets, solutions, graphing or programmable calculators, cell phones, etc.).

IT'S NOT WORTH IT! ALL acts of academic dishonesty receive significant penalties and are reported to Student Judicial Services and attach to your record. This record is consulted as part of application processes at UT (e.g., study abroad applications) and after (e.g., law school and MBA applications, which generally require you to provide access to this record).

Campus Safety

Please note the following recommendations regarding emergency evacuation, provided by the Office of Campus Safety and Security, 512-471-5767, <http://www.utexas.edu/safety>:

- Occupants of buildings on The University of Texas at Austin campus are required to evacuate buildings when a fire alarm is activated. Alarm activation or announcement requires exiting and assembling outside.
- Familiarize yourself with all exit doors of each classroom and building you may occupy. Remember that the nearest exit door may not be the one you used when entering the building.
- Students requiring assistance in evacuation should inform the instructor in writing during the first week of class.
- In the event of an evacuation, follow the instruction of faculty or class instructors.
- Do not re-enter a building unless given instructions by the following: Austin Fire Department, The University of Texas at Austin Police Department, or Fire Prevention Services office.
- Behavior Concerns Advice Line (BCAL): 512-232-5050 (or <https://operations.utexas.edu/units/csas/bcal.php>).
- Further information regarding emergency evacuation routes and emergency procedures can be found at: <http://www.utexas.edu/emergency>.

BBA Recruiting Conflicts

Conflicts occasionally arise between classes and the search for employment. We understand how important the job search process is to you, and McCombs provides many resources in support of career exploration and search. However, UT is first and foremost an educational institution and your BBA degree will be the credential that certifies your education. As such, education will take precedent whenever such a conflict arises.

All companies that recruit at McCombs are informed of this fact. Should a conflict arise, we recommend the following steps:

- Check the syllabus to see if an exception is provided that would allow you to satisfy class obligations while still attending the job event (e.g., paper instead of quiz, allowed quiz drops, etc).
- Note that a job-related conflict, whether a current job or a potential one, is usually not an acceptable reason for missing an exam or taking a make-up, and may not be acceptable in other circumstances either. If any doubt exists, check with your professor.
- If no exception is provided, inform the company that an academic conflict exists and request an accommodation.
- If no accommodation is provided, contact BBA Career Services and request their assistance in resolving the situation.

Note that while we do have influence with the companies that recruit at McCombs, not all conflicts can be resolved and we have little or no influence with companies that do not recruit through the Recruit McCombs system.

Finally, be aware that it is not unreasonable for an employer to expect you to go to some lengths to show your interest in them. In a recent example, several students completed an exam at 9 pm and were expected to attend an on-site interview in Houston the next morning at 8 am. A 5:30 am flight from Austin was available and the students were expected to be on it. This is reasonable, and if you think it is unfair, you probably need to reconsider what you believe are the reasonable expectations of a good job and career in business.

Course Schedule

Date	No.	Topic	Pre-Class Reading	Homework due dates (see Canvas for assignments)
Tues. Jan 22	1	Introduction	Ch. 1	
Thurs. Jan 24	2	Identifying Costs and Benefits	Ch. 2	Chapter 2 HW (<i>due 5pm, Friday Jan 25</i>); Practice:
Tues. Jan 29	3	Cost Flows and Cost Terminology	Ch. 3	Chapter 3 HW (<i>due 5pm, Friday Feb 1</i>)
Thurs. Jan 31	4	Estimating Fixed and Variable Costs	Ch. 4	Chapter 4 HW (<i>due 5pm, Friday Feb 1</i>)
Tues. Feb. 5	5	Cost-Volume-Profit Analysis	Ch. 5	Chapter 5 HW (<i>due at 5pm Friday Feb 8</i>)
Thurs. Feb 7	6	Decision Making in the Short Term	Ch. 6 (+ Appendix B)	Chapter 6 HW (<i>due 5pm, Friday Feb 8</i>)
Tues. Feb 12	7	<i>Case study: Aussie Pies (Please bring your laptop to class)</i>	Case study	Aussie Pies HW (<i>due 9am before class</i>)
Thurs. Feb 14	8	<i>Case study: Foxy Originals (Please bring your laptop to class)</i>	Case study	Foxy Originals HW (<i>due 9am before class</i>)
Tues. Feb 19	9	Operating Budgets	Ch. 7	Chapter 7 HW (<i>due 5pm, Friday Feb 22</i>)
Thurs. Feb 21	10	<i>Case study: Hanson Ski Products (Please bring your laptop to class)</i>	Case study	Hanson Ski HW (<i>due 9am before class</i>)
Tues. Feb 26	11	Budgetary Control and Variance Analysis	Ch. 8 (+ Appendix C)	Chapter 8 HW (<i>due 5pm, Friday Mar 1</i>)
Thurs. Feb 28	12	<i>Case study: Squeaky Horn (Please bring your laptop to class)</i>	Case study	Squeaky Horn HW (<i>due 9am before class</i>)
Tues. Mar 5	13	<i>Case study: Berkshire Toy Company (Please bring your laptop to class)</i>	Case study	Berkshire Toy HW (<i>due 9am before class</i>)
Thurs. Mar 7	14	Midterm Exam Review		Group project executive summary (<i>due 9am before class</i>) - <u>Please refer to the Group Project Guidelines for further details.</u>
Mon. Mar 11	15	MIDTERM EXAM <u>MONDAY</u> 6:30pm – 8:30pm / Location TBA (Assigned seating) NO CLASS on Tuesday 3/12		
Thurs. Mar 14	16	Cost Allocations	Ch. 9 (skip pp.370-374)	Chapter 9 HW (<i>due 5pm, Friday Mar 15</i>)

Mar 18-22	No Class – Spring Break			
Tues. Mar 26	17	Activity-based Costing and Management	Ch. 10	Chapter 10 HW (<i>due 5pm, Friday Mar 29</i>)
Thurs. Mar 28	18	<i>Case study: Bridgeton Industries (Please bring your laptop to class)</i>	Case study	Bridgeton Industries HW (<i>due 9am before class</i>)
Tues. Apr 2	19	<i>Case study: Wilkerson (Please bring your laptop to class)</i>	Case study	Wilkerson HW (<i>due 9am before class</i>)
Thurs. Apr 4	20	Capital Budgeting	Ch. 11 (+ Appendix A)	Chapter 11 HW (<i>due 5pm, Friday Apr 5</i>)
Tues. Apr 9	21	<i>Case study: Component Technologies (Please bring your laptop to class)</i>	Case study	Component Technologies HW (<i>due 9am before class</i>)
Thurs. Apr 11	22	Performance Evaluation	Ch. 12 (+ Appendix)	Chapter 12 HW (<i>due 5pm, Friday Apr 12</i>)
Tues. Apr 16	23	<i>Case study: Birch Paper</i>	Case study	Birch Paper HW (<i>due 9am before class</i>)
Thurs. Apr 18	24	Strategic Planning and Control	Ch. 13	Chapter 13 HW (<i>due 5pm, Friday Apr 19</i>)
Tues. Apr 23	25	<i>Case study: Citibank</i>	Case study	Citibank HW (<i>due 9am before class</i>)
Thurs. Apr 25	26	<i>Special Topic: Management Accounting Research on Motivating Employee Performance</i>	Articles online	
Tues. Apr 30	27	Group presentations (Group #s TBD)		Group project proposals and presentation slide decks for <u>ALL GROUPS</u> (<i>due 9am before class</i>)
Thurs. May 2	28	Group presentations (Group #s TBD)		
Tues. May 7	29	Group presentations (Group #s TBD)		
Thurs. May 9	30	Final Exam Review		
TBA	FINAL EXAM Date / Time / Room TBA (Assigned seating)			