

**BAAC 511: Intermediate Managerial Accounting:
Decision Making & Performance Evaluation**
Course Outline

COURSE INFORMATION

Division: Accounting & Information Systems

Term/period: Period 4

Instructor: Jeff Kroeker

Email: jeff.kroeker@sauder.ubc.ca

Office Location: HA 369

Credit value: 1.5

Section number: 001

Class meeting times: M/W 2 – 4 PM

Course duration: March 4 – April 12, 2019

Classroom location: HA 435

Course website: canvas.ubc.ca

BRIEF COURSE DESCRIPTION

*Management accounting concerns 1. the use of information to support business decisions, and 2. the involvement of accounting information in helping to govern and control an organization. That is, accounting information can be used either to **facilitate decisions** or to help **influence the incentives that managers have when they make decisions.***

*This course will survey important sub-topics within these two areas. With regard to **decision facilitation**, this course will help you to understand how to extract and use relevant information from internal accounting reports to make the best decisions you can. With regard to the **influence of accounting on incentives**, we will examine the role of business sub-unit objectives on overall firm outcomes, and the costs and benefits of using multiple performance measures.*

Specific tools and concepts are: cost behavior and cost estimation, use of accounting information for special business decisions such as dropping or adding product lines, activity based costing (and cost management), the role of accounting in the organizational control triangle, costs and benefits of a balanced scorecard, how to organize and measure performance for centralized versus decentralized decision making.

COURSE GOALS & LEARNING OBJECTIVES

At the end of this course students will be able to:

- Use basic managerial accounting cost vocabulary correctly (e.g., know the difference between a gross margin and a contribution margin)
- Differentiate and identify costs within the cost hierarchy
- Estimate costs in order to use a cost hierarchy.
- Use cost information appropriately to quantify costs and benefits of decisions
- Define the role of accounting in controlling an organization's outcomes
- Use the vocabulary of responsibility accounting and identify the performance measures and controls that associate with different types of responsibility centers
- Critique an organization's choice of responsibility centers and the performance measures that are used.
- Critique a performance measurement system that employs a balanced scorecard approach

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Students will develop the confidence to use the tools they learn and will be able to learn new tools, on their own, following this course.

COURSE MATERIALS & REQUIREMENTS

1) Course workbook

Lecture notes, problems and other materials will be available via Canvas
There is no course package to buy.

2) Reference textbooks will be on reserve at the DLAM Library

Other Learning Resources: Check Canvas *regularly* for supplementary readings, notes or changes

ASSESSMENT SUMMARY

<i>In class activities (mini cases)</i>	20%
<i>Mid-term examination</i>	40%
<i>Final Case: Role play & Submission</i>	40%

Class time will be split between lecture style, where we will build a set of concept-based tools, and case discussion, in which the tools are selected and applied. The purpose of the creation of the “toolset” is to provide you with a technical framework, that, when coupled with strategic thinking, will create the solid analytical foundation upon which to base your management decisions. As the course title indicates, the course revolves around decision-making, the tools and calculations are a *means* to an end. It is critical that you read and prepare the questions or mini-cases prior to class as this will constitute the backbone of the course.

The mini cases will be connected directly to content we have covered and will be completed in class. If a class is missed when a mini case takes place then the score will be zero on that mini case.

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SCHEDULE

	CLASS TOPICS
Module 1 Module 2	Cost Concepts and Cost Models for decision-making Understanding variable and fixed costs Gross margin versus contribution margin Eliminating the impact of inflation, GAAP, IFRS
Module 3 Module 4 Module 5 Module 6	Cost analysis as a strategic planning tool Relevant costing and business decisions Relevant costs, opportunity costs and sunk costs Batch costs and optimal production plans Channel costs and decision-making
Module 7 Module 8 Module 9 Module 10	Performance Evaluation Responsibility accounting and segmented income statements Profit centers, cost centers, revenue centers, investment centers Performance evaluation and transfer pricing Performance management and balanced scorecards

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KEY REGULATIONS

Attendance: As per RHL Regulations on Professionalism, Attendance and Behaviour, students are expected to attend 100% of their scheduled classes. Students missing more than 20% of scheduled classes for reasons other than illness will be withdrawn from the course. Withdrawals, depending on timing, could result in a “W” or an “F” standing on a student’s transcript. Students must notify their instructors at the earliest opportunity if they are expected to miss a class due to illness. A medical note from a licensed, local doctor is required if more than 20% of scheduled classes for a course are missed due to illness. Students are required to notify the Student Experience Manager if they are absent from two or more classes due to illness.

Tardiness: As per RHL Regulations on Professionalism, Attendance and Behaviour, students are expected to arrive for classes and activities on time and fully prepared. Late arrivals may be refused entry at the discretion of the instructor or activity lead. Students arriving halfway through a scheduled class, or later, will be treated as absent for that class.

Electronic Devices: As per RHL Regulations on Professionalism, Attendance and Behaviour, laptops and other electronic devices (cellphones, tablets, personal technology, etc.) are not permitted in class unless required by the instructor for specific in-class activities or exercises. Cellphones and other personal electronic devices must be turned off during class and placed away from the desktop. Students who fail to abide by the RHL “lids down” policy will be asked to leave the room for the remainder of the class. Research has shown that multi-tasking on laptops in class has negative implications for the learning environment, including reducing student academic performance and the performance of those sitting around them.

ACADEMIC MISCONDUCT

All UBC students are expected to behave as honest and responsible members of an academic community. Failure to follow appropriate policies, principles, rules and guidelines with respect to academic honesty at UBC may result in disciplinary action.

It is the student’s responsibility to review and uphold applicable standards of academic honesty. Instances of academic misconduct, such as cheating, plagiarism, resubmitting the same assignment, impersonating a candidate, or falsifying documents, will be strongly dealt with according to UBC’s procedures for Academic Misconduct. In addition to UBC’s Academic Misconduct procedures, students are responsible for reviewing and abiding by RHL’s policy on Academic Integrity.

STANDARD REFERENCE STYLE

The Robert H. Lee Graduate School uses American Psychological Association (APA) reference style as a standard. Please use this style to cite sources in your work unless directed to use a different style.
