

### COURSE INFORMATION

|                        |  |                 |                           |
|------------------------|--|-----------------|---------------------------|
| Course title:          | Intermediate Managerial Accounting: Decision Making & Performance Evaluation |                 |                           |
| Course code:           | BAAC 511   | Credits:        | 1.5                       |
| Session, term, period: | 2019W2, Period 4   | Class location: | HA 133                    |
| Section(s):            | 001  | Class times:    | Mondays 6:00 PM – 9:30 PM |
| Course duration:       | March 10 to April 8, 2020  | Pre-requisites: | BAAC 550, BAAC 551        |
| Division:              | Accounting and Information Systems   | Co-requisites:  | n/a                       |
| Program:               | MBA  |                 |                           |

### INSTRUCTOR INFORMATION

|             |  |                  |                 |
|-------------|--|------------------|-----------------|
| Instructor: | Sandra Chamberlain, CPA, PHD   | Office location: | Henry Angus 375 |
| Phone:      | 604-822-8531   | Office hours:    | By Appointment  |
| Email:      | <a href="mailto:sandra.chamberlain@sauder.ubc.ca">sandra.chamberlain@sauder.ubc.ca</a> |                  |                 |

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| Teaching assistant: | Yifan Luo  |
| Office hours:       | By Appointment   |
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### 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. Stated differently, accounting information can be used both to facilitate decisions and to help influence the incentives that managers have when they make decisions.

This course will survey important sub-topics within these two areas. Some of the 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 FORMAT

Classes are a blend of lecturing, instructor-led discussions, and flipped classroom activities

### LEARNING OBJECTIVES

By the end of this course, students will be able to:

1. Use basic managerial accounting cost vocabulary correctly (e.g., not confuse “gross margin” with “contribution margin”)
2. Differentiate and identify costs within the cost hierarchy
3. Estimate costs in order to use a cost hierarchy.
4. Use cost information appropriately to quantify costs and benefits of decisions
5. Define the role of accounting in controlling an organization’s outcomes (organizational triangle)
6. Use the vocabulary of responsibility accounting and identify the performance measures and controls that associate with different types of responsibility centers
7. Critique an organization’s choice of responsibility centers and the performance measures that are used.
8. Critique a performance measurement system that employs a balanced scorecard approach

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.

## ASSESSMENTS

### Summary

| <u>Component</u>    | <u>Weight</u> |
|---------------------|---------------|
| Assignments         | 25%           |
| Final exam          | 50%           |
| Class participation | <u>25%</u>    |
| Total               | <u>100%</u>   |

### Details of Assessments

To maximize learning, students need to prepare to discuss course packet readings, course notes and cases.

**Assignments:** These are short, written “turn-ins” that show me that you have prepared for class. The purpose of the assignments is to make sure that you understand the basic facts of the cases and to help you form opinions ahead of class about the case questions. **Students may work together to come up with responses to the assignments. However, assignments must be written up individually (not copy and pasted from another student or another source).** Conceptually, assignments are a measure of your effort, not a measure of your learning. I am not very concerned about whether you have the “right” answer on an assignment. Rather, I want to know that you have done the reading and have reflected on it.

**NOTE (on Cheating):** We are using cases that are widely used for conveying certain concepts to MBA students. You might be able to find information or suggested solutions on the web. It is *cheating* and *unethical* to search for answers to the cases in order to improve your score on a turn-in, or to improve your “performance” under class participation. You can search the internet for solutions to cases *after* we have finished discussing the cases, but beware because our bottom line may differ from other institutions.

**Class participation:** Class participation will be noted by the class TA and I take attendance each evening. Respectful sharing of opinions within the classroom, helps to raise the overall class learning. Please share your thoughts; whether your ideas are deeply insightful or even if they are flawed, and you will get a good engagement score. Class participation also includes the results of spontaneously assigned group work, in the classroom which will be turned in to me at the end of a class.

**Final Exam:** The final exam is comprehensive and will require both quantitative and qualitative analyses. I will provide sample questions and suggested answers to help you prepare. The outcome of this test is an individual measure of what you have learned and so, this is why it has a relatively heavy weight in the grading scheme. I typically curve grades to account for exam difficulty and my grading distribution will be consistent with RHL norms.

## LEARNING MATERIALS

Required:

1. There are chapter readings available on Canvas. Some of these materials are “required readings”. Some, if not most, of these materials are read at *your option*. These are offered to you for free.
2. There is a packet of copyright protected cases that you must pay for. There is a link to this on Canvas. The cost is about \$30 CAD
3. I will provide you with skeleton notes to guide your note-taking. These are my materials and are not to be shared with future students or with content providers such as Course Hero.

## COURSE-SPECIFIC POLICIES AND RESOURCES

*Missed or late assignments, and regrading of assessments*

Late submissions will not be accepted and will receive a grade of zero.

*Academic Concessions*

If extenuating circumstances arise, please contact the RHL Graduate School program office as early as reasonably possible, and submit an [Academic Concession Request & Declaration Form](https://webforms.sauder.ubc.ca/academic-concession-rhlee) <https://webforms.sauder.ubc.ca/academic-concession-rhlee>. If an academic concession is granted during the course, the student will be provided options by RHL, or by the instructor in consultation with RHL, per [UBC’s policy on Academic Concession](#).

*Other Course Policies and Resources*

- If you have registered for the class late, your assessment of assignments and participation will start based on the date of registration.

## POLICIES APPLICABLE TO COURSES IN THE ROBERT H. LEE GRADUATE SCHOOL

*Attendance*

Excepting extenuating circumstances, students are expected to attend 100% of their scheduled class hours. Absent students limit their own academic potential, and that of their classmates, and cause unnecessary disruption to the learning environment. Students missing more than 20% of the total scheduled class hours for a course (including classes held during the add/drop period) without having received an academic concession will be withdrawn from that course. Withdrawals, depending on timing, could result in a “W” or an “F” standing on the transcript.

*Punctuality*

Students are expected to arrive for classes and activities on time and fully prepared to engage. Late arrivals may be refused entry at the discretion of the instructor or activity lead. Students arriving later than halfway through a scheduled class will be treated as absent for that class.

*Electronic Devices*

Devices such as laptops, tablets, and cell phones are not permitted to be used in class unless directed by the instructor for in-class activities. Students who do not follow the School’s policy in this regard may be required to leave the room for the remainder of the class, so that they do not distract others. Research shows that students’ use of laptops in class has negative implications for the learning environment, including reducing their own grades and the grades of those sitting around them.

*Citation Style*

Please use the American Psychological Association (APA) reference style to cite your sources.

Details of the above policies and other RHL Policies are available at:  
<http://www.calendar.ubc.ca/vancouver/index.cfm?tree=12,199,506,1625>

### UNIVERSITY POLICIES AND RESOURCES

UBC provides resources to support student learning and to maintain healthy lifestyles but recognizes that sometimes crises arise and so there are additional resources to access including those for survivors of sexual violence. UBC values respect for the person and ideas of all members of the academic community. Harassment and discrimination are not tolerated nor is suppression of academic freedom. UBC provides appropriate accommodation for students with disabilities and for religious observances. UBC values academic honesty and students are expected to acknowledge the ideas generated by others and to uphold the highest academic standards in all of their actions. Details of the policies and how to access support are available on the UBC Senate website at <https://senate.ubc.ca/policies-resources-support-student-success>.

### *Academic Integrity*

The academic enterprise is founded on honesty, civility, and integrity. As members of this enterprise, all students are expected to know, understand, and follow the codes of conduct regarding academic integrity. At the most basic level, this means submitting only original work done by you and acknowledging all sources of information or ideas and attributing them to others as required. This also means you should not cheat, copy, or mislead others about what is your work. Violations of academic integrity (i.e., misconduct) lead to the breakdown of the academic enterprise, and therefore serious consequences arise and harsh sanctions are imposed. For example, incidences of plagiarism or cheating may result in a mark of zero on the assignment or exam and more serious consequences may apply if the matter is referred to the President's Advisory Committee on Student Discipline. Careful records are kept in order to monitor and prevent recurrences.

### COPYRIGHT

All materials of this course (course handouts, lecture slides, assessments, course readings, etc.) are the intellectual property of the instructor or licensed to be used in this course by the copyright owner. Redistribution of these materials by any means without permission of the copyright holder(s) constitutes a breach of copyright and may lead to academic discipline. Audio or video recording of classes are not permitted without the prior approval of the Instructor.]

### ACKNOWLEDGEMENT

UBC's Point Grey Campus is located on the traditional, ancestral, and unceded territory of the xwməθkwəyəm (Musqueam) people, who for millennia have passed on their culture, history, and traditions from one generation to the next on this site.

**COURSE SCHEDULE - ANTICIPATED**

(Subject to change, based on actual class progress. For the most up to date information, visit Canvas, the "To Do list" by session)

| Class | Date   | Topic (and approximate timing)   | Readings or Activities  | Assessments due                                  |
|-------|--|--|---|--|
| 1     | March 9<br>Cost<br>Analysis                                    | <b>6:00 PM - 7:30 PM</b><br>Module notes pp: Review of cost terms, job order costing, overhead allocations. We expand on these topics<br>Ginger Cards Example<br><b>7:40 PM - 9:20 PM</b><br>Clean-up from above.<br>Bridgeton Industries Case Discussion pp 17-24 Module notes    | <b>Supporting reading:</b><br>Garrison et al Chapter 2 pp 31-49 and Chapter 3 pp 71-89 and Eldenburg et al. Chapter 4, especially pages 146-147<br><b>Required Reading</b><br>1. Course notes pp 1-15 approximately Contemplate Velocity Bikes page 2-5. Also Ginger Cards<br>2. Bridgeton Industries—This is a HBC | Bridgeton Industries - See Canvas for Assignment |
| 2     | March 16<br>Cost<br>Analysis                                   | <b>6:00 PM - 7:30 PM</b><br>1. Takeaways from Bridgeton Industries<br>2. Cost estimation pp26-30 Module notes<br>3. Decision framing and opportunity costs –Al’s Gadgets<br><b>7:40 PM - 9:20 PM</b><br>Clean-up from above<br>Seligram Inc. Case (Intro to Activity Based Costing | <b>Supporting reading</b><br>Cost Estimation: Eldenburg et al Chapter 2 especially pp 46-57<br>Decision Framing: Eldenburg et al Chapter 4 pp 144-166<br>Activity Based Costing: Eldenburg et al. Chapter 7 pp 294-312<br><b>Required Reading:</b> Seligram In HBC  | Seligram Inc - See Canvas for Assignment         |
| 3     | March 23<br>Finish<br>Cost<br>Analysis<br><br>Begin<br>Control | <b>6:00 PM - 7:30 PM</b><br>Take aways from Seligram; Al’s Wizzers and Buckeye Bank (as time permits)<br><b>7:40 PM - 9:20 PM</b><br>Merchant’s framework; Nexus of Contracts framework<br>Leo’s 4 Plex  | 1. Merchant and Van der Stede Chapter 1 (Read carefully)<br>2. Skim Zimmerman chapter 4 but focus on pp 136-158   | Leo’s 4 Plex                                     |
| 4     | March 30   | <b>6:00 PM - 7:30 PM</b><br>Numerical Example in Module Notes<br><b>7:40 PM - 9:20 PM</b><br>Citibank Balanced Scorecard Discussion  | <b>Supporting Reading:</b><br>Robert S Kaplan and Anthony A Atkinson The Balanced Scorecard: Measuring Total Business Unit Performance Chapter 8 on   | Citibank BSC                                     |
| 5     | April 6  | <b>6:00 PM - 7:30 PM</b><br>Responsibility Accounting, Budgeting and Variances,<br><b>7:40 PM - 9:20 PM</b><br>Altex Discussion; Stalemart problem   | <b>Supporting Reading:</b><br>Zimmerman Chapter 4 pp 142-145; Zimmerman Chapter 5 pp 171-185  | Altex Aviations HBC Case                         |