

COURSE INFORMATION

Course title:	Intermediate Managerial Accounting: Decision Making & Performance Evaluation		
Course code:	BAAC 511	Credits:	1.5
Session, term, period:	2021W1, Period 4]	Class location:	HA 437
Section(s):	001	Class times:	MW 10 am – 12 PM
Course duration:	Sep 7 – Oct 16, 2021	Pre-requisites:	BAAC 550, BAAC 551
Division:	Accounting	Co-requisites:	N/A
Program:	MBA		

INSTRUCTOR INFORMATION

Instructor:	Sandra Chamberlain PHD, CPA-CMA		
Phone:	604-822-8531	Office :	HA 365
Email:	Sandra.chamberlain@sauder.ubc.ca	Office hours:	By appointment

Teaching assistant:	Uday Goel and Nick Young		
Office hours:	N/A		
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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. The typical structure is that I will go over a topic as a lecture that corresponds to a chapter or partial chapter from a textbook. There is usually a case that accompanies the topic. You will be asked to read the case to contemplate some questions about the case. We then expand on the case in class and frequently students work together in class in a flipped activity to more fully understand the application of the topic.

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%
In-Class Contributions	<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 you have prepared for class. (These are turned in on Canvas.) The purpose is to make sure that you understand the basic facts of cases and topics, 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). If you work with someone, please tell me in your submission.**

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, assignments serve to encourage reading of materials and reflection on these readings. Each individual turn-in will be worth between 5 and 10 points.

In class contributions: Speaking out in class will be noted by the class TA and I take attendance each class. Showing up for class consistently, but never speaking out will give you a relatively low score in this area (i.e., you could get a 65% on this area if you consistently attend, but never or rarely contribute ideas.) 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, to get a good mark under “in class contributions.” This component 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.

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 conclusions may differ from other institutions. See also “Academic Integrity” page 5.

Final Exam: The final exam is comprehensive, and is a closed book exam that 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. I won’t offer “make-up” assessments, but I will probably drop at least one lowest scored assessment before assigning you a grade in this area.

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 students miss turn-ins and assessments during the drop add period, please alert me and I will inoculate your grade in the class for this circumstance.

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.

If you are missing a class due to some extenuating circumstance, as a courtesy, please do email me, ideally before class.

COVID-19 Policies for Attendance & Academic Concessions:

If a student feels unwell, they should stay home and send a courtesy email to each impacted instructor and cc their program manager. The student should also submit an [Academic Concession Request & Declaration Form](#).

If a student suspects possible Covid-19 infection, they should use the BC Ministry of Health's [self-assessment tool](#), to help determine whether further assessment or testing for COVID-19 is recommended.

If a student is required to self-isolate (e.g., while waiting for test results), they should follow the steps above (stay home, email instructor(s) and program manager, submit an [Academic Concession Request & Declaration Form](#), and follow BC Health Guidance.

Students who are required to quarantine, should get in touch with their Program Manager to discuss the possibility of academic concessions for each impacted course. The Program Manager will work closely with your instructors to explore options for you to make up the missed learning.

Covid-19 Safety in the Classroom:

Masks: Masks are **required** for all indoor classes, as per the BC Public Health Officer orders. For our in-person meetings in this class, it is important that all of us feel as comfortable as possible engaging in class activities while sharing an indoor space. For the purposes of this order, the term "masks" refers to medical and non-medical masks that cover our noses and mouths. Masks are a primary tool to make it harder for Covid-19 to find a new host. You will need to wear a medical or non-medical mask for the duration of our class meetings, for your own protection, and the safety and comfort of everyone else in the class. You may be asked to remove your mask briefly for an ID check for an exam, but otherwise, your mask should cover your nose and mouth. Please do not eat in class. If you need to drink water/coffee/tea/etc, please keep your mask on between sips. Students who need special accommodation are asked to discuss this with the program office.

Seating in class: To reduce the risk of Covid transmission, please sit in a consistent area of the classroom each day. This will minimize your contacts and will still allow for the pedagogical methods planned for this class to help your learning.

Visit the following website for the most recent updates regarding Covid-19 protocol on campus: <https://students.ubc.ca/campus-life/returning-to-campus>

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

In-Person Regulations

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.

On-Line Lecture Regulations

If there are online lectures, students are not permitted to use any electronic devices other than the

primary one used for attending the online lecture (e.g. laptop or desktop). Only Zoom should be open during the online lecture unless an instructor advises the use of another program/website for an in-class activity. Feedback from students indicates that personal devices are the number one distraction from effective learning and participation in the online learning environment.

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>.

Respect for Equity, Diversity, and Inclusion

The UBC Sauder School of Business strives to promote an intellectual community that is enhanced by diversity along various dimensions including status as a First Nation, Metis, Inuit, or Indigenous person, race, ethnicity, gender identity, sexual orientation, religion, political beliefs, social class, and/or disability. It is critical that students from diverse backgrounds and perspectives be valued in and well-served by their courses. Furthermore, the diversity that students bring to the classroom should be viewed as a resource, benefit, and source of strength for your learning experience. It is expected that all students and members of our community conduct themselves with empathy and respect for others.

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 and could be subject to legal action. Any lecture recordings are for the sole use of the instructor and students enrolled in the class. In no case may the lecture recording or part of the recording be used by students for any other purpose, either personal or commercial. Further, audio or video recording of classes are not permitted without the prior consent of the instructor. Students may not share class Zoom links or invite others who are not registered to view sessions.

ACKNOWLEDGEMENT

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

ONLINE TEACHING TOOL & REQUIREMENTS

Some portions of this course might be taught using Zoom for synchronous classes and office hours.

Therefore, you might be required to use a Zoom account during synchronous classes and office hours. If you do not have a Zoom account, you can create one here: <https://zoom.us/signup>. Note: creating a Zoom account requires that you provide a first name, last name, and email address to Zoom. For privacy purposes, you may consent to using your existing email address and your real name. Alternatively, if you prefer, you may sign up using an alternative email address and an anonymized name that does not identify you (i.e. Jane Doe, jane.doe@email.com). If you have trouble creating an account, or accessing a Zoom session, please contact CLCHelp@sauder.ubc.ca. You will be required to provide the email address associated with your Zoom account in a Canvas quiz for identification purposes.

To help replicate the classroom experience, make sessions more dynamic and hold each person accountable, both students and instructors are required to have their cameras on during Zoom sessions. Students who require an accommodation with regard to the "camera on" requirement must contact their instructors in advance of the first class to discuss options. As professional graduate students, students are expected to conduct themselves professionally by joining sessions on time, muting mics when not speaking, refraining from using any other technology when in-session, attending in business casual dress (at a minimum), and participating from a quiet environment. Content from synchronous

sessions will be selectively recorded per instructor discretion and made available to students on Canvas for a maximum duration of the course length. This is done to allow students the opportunity to return to lecture content to solidify learnings.

TENTATIVE COURSE SCHEDULE

(Subject to change. See Canvas for regular updates that are based on actual class progress. Note that all class time is synchronous unless due to circumstances beyond our control, we are forced back on-line during the semester.

Class	Date	Topic	Readings or Activities	Tentative Assessments due <u>UPDATED ON Canvas</u>
1	W Sept 8	Cost terms and Cost volume profit analysis (Targeting pp 1-7 Module Notes 1)	Suggested: Garrison et al Chapter 1 and Chapter 2 pp 31-49, especially pages 43-46 Attempt: Warm-up problem page 2 and page 4 of Module 1 notes	
2	F Sept 10	Cost Terms, CVP model, Estimating Variable and Fixed Costs, Introduction to Overhead allocations (Targeting pp 8-16 and pp 19-20 Module 1 Notes)	Suggested: Eldenburg et al Chapter 2 pp 51 – 60; and Garrison et al. Chapter 3 pp 71-89 (overhead allocation) Attempt: Nehaw Bay problem pg 8 and Ginger Cards page 19-20 Module 1 notes	See Canvas after class 1. I might have a short follow up assignment (e.g., multiple choice) from class.
3	M Sept 13	Relevant Costs for Decisions—Bridgeton Case (dropping a product line); Overhead allocations can distort decisions.	Required: <u>Bridgeton Case-IVY</u> Suggested: Eldenburg et al. Chapter 4 especially pp 146-147	Formal Assessment: Bridgeton assignment available on Canvas. Due by 8 am on Monday Sept 13.
4.	W Sept 15	Relevant Costs for Decisions (Opportunity Costs, AI's Gadgets); Batch Costs and Activity Based Costing	Suggested: Eldenburg et al. Chapter 4 continued and Eldenburg et al. Chapter 7 Attempt: AI's Gadgets before class Module notes pp 33-45	See Canvas after Class 3.
5.	M Sept 20	Cost System Design—Does it Matter? Why? And Decision Making under constraints (time permitting) and—End of Module 1	Required: Seligram Case IVY; AI's Wizzerss (Page 48 Module 1 notes if time permits)	Formal Assessment: Short Seligram assignment due by 8 am on Sept 20
6.	W Sept 22	Introduction to Accounting for Control Purposes	Required: Merchant, Van der Stede Chapter 1 Suggested: Zimmerman Chapter 4 Attempt: Leo's Four Plex Theatre pg 3 Module 2 lecture notes Familiarize pp 4-7 Module 2 Notes	See Canvas after Class 5

7.	M Sept 27	Accounting Performance Measures Numerical Example (agency theory)	Suggested: Zimmerman Chapter 4 Required Woodhaven Service Skim Module 2 Notes pp 7-12	Check Canvas following Session 6
8.	W Sept 29	Balanced Scorecard	Required: Kaplan and Atkinson reading and IVEY Citibank Performance Evaluation Skim Module Notes 2 pp 13-20	Assessment Citibank Performance Evaluation due by 8 am Weds Sept 29
9.	M Oct 4	Responsibility Accounting	Required: Zimmerman Chapter 5 pp 171-185 Module notes pp 21-34 Attempt: Golf-world pp 30-31; Stalemart page 34 Module Notes 2	
10.	W Oct 6	Profit Center Structure Costs and Benefits Review for Final Exam	Required Airtex Aviation Case IVEY	Assessment Airtex due by 8 am Oct 6

Readings and Problems Available through Canvas

1. "Chapter 1 MANAGERIAL ACCOUNTING AND THE BUSINESS ENVIRONMENT" pp 2-23 (22 pages) in Garrison, R.H., Noreen, E.W., Brewer, PC, Chesley, G.R, Carroll. R.F., Webb, A., Libby, T. Managerial Accounting, Ninth Edition. McGraw-Hill/Ryerson, 2012. ISBN: 9780070401891. 697 pages SESSION 1
2. "Chapter 2 Cost Terms, Concepts, and Classifications" pp 31-52 (22 pages) Garrison, R.H., Noreen, E.W., Brewer, PC, Chesley, G.R, Carroll. R.F., Webb, A., Libby, T. Managerial Accounting, Ninth Edition. McGraw-Hill/Ryerson, 2012. ISBN: 9780070401891. 697 pages SESSION 2
3. Chapter 3 Systems Design: Job-Order Costing pp 70-86 (17 pages) Garrison, R.H., Noreen, E.W., Brewer, PC, Chesley, G.R, Carroll. R.F., Webb, A., Libby, T. Managerial Accounting, Ninth Edition. McGraw-Hill/Ryerson, 2012. ISBN: 9780070401891. 697 pages SESSION 3
4. "Chapter 2 Chapter 2 Cost Terms, Concepts, and Classifications" pp 51-60 (10 pages) Eldenburg, L.G., Wolcott, S.K., Cook, G.L., Chen, L-H. Cost Management, Second Canadian edition, 2012. John Wiley & Sons. ISBN: 9781118168875. 842 pages SESSION 2
5. "Chapter 4 Relevant Information for Decision Making" pp 144-180 (37 pages) Eldenburg, L.G., Wolcott, S.K., Cook, G.L., Chen, L-H. Cost Management, Second Canadian edition, 2012. John Wiley & Sons. ISBN: 9781118168875. 842 SESSIONS 1-5
6. "Chapter 7 Activity Based Costing (ABC)" pp 294-325 (32 pages) Eldenburg, L.G., Wolcott, S.K., Cook, G.L., Chen, L-H. Cost Management, Second Canadian edition, 2012. John Wiley & Sons. ISBN: 9781118168875. 842 SESSION 4 and 5
7. "Chapter 1 Management and Control" pp 3-18 Merchant, Kenneth A., Van der Stede, Wim A. Management Control Systems: Performance Measurement, Evaluation and Incentives, Third Edition. Prentice Hall, 2012. ISBN: 9780273737612. 815 SESSION 6

8. Leo's Four Plex Theatre Merchant, Kenneth A., Van der Stede, Wim A. Management Control Systems: Performance Measurement, Evaluation and Incentives, Third Edition. Prentice Hall, 2012. ISBN: 9780273737612. 815 SESSION 6
9. "Chapter 4 Organizational Architecture" pp 136-157 Zimmerman, J L Accounting for Decision Making and Control McGraw-Hill Irwin Sixth Edition McGraw-Hill Irwin 2009 * SESSION 6 -10
10. Chapter 5 "Responsibility Accounting and Transfer Pricing" pp 171-185 Zimmerman, J L Accounting for Decision Making and Control McGraw-Hill Irwin Seventh Edition McGraw-Hill Irwin 2009 * SESSION 9-10
11. "The Balanced Scorecard: Measuring Total Business Unit Performance" Chapter 8 Robert S. Kaplan and Anthony A. Atkinson. Advanced Management Accounting 3rd Edition. Prentice Hall, 1998. ISBN: 0-13-262288-2. 798 pages * SESSION 8
12. "The Control Function of Management" Kenneth A. Merchant, Sloan Management Review Vol 23 Issue 4 * (Similar to Resource 7)
13. Woodhaven Service Case 4-2 from Zimmerman "Accounting for Decision Making and Control" page 168-169 7th edition, McGraw-Hill Irwin, 2009 ISBN: 978-0-07-813672-6 * SESSION 7
14. Stale-Mart Problem from Zimmerman Chapter 5 "Accounting for Decision Making and Control, 7th edition, McGraw-Hill Irwin, 2009 page 213-214 (Library Resources) * SESSION 9

Course Packet Through IVEY

1. "Bridgeton Industries Automotive Component and Fabrication Plant" Harvard Business Case # 190-085
2. "Seligram, Inc.: Electronic Testing Operations" Harvard Business Case # 189-084
3. "Citibank – Performance Evaluation" Harvard Cases #9 - 198-048
4. "AirTex Aviation" Harvard Business Case #9-800-269