

The University of Texas at Arlington – Department of Accounting

<u>COURSE TITLE:</u>	Accounting Analysis II	<u>INSTRUCTOR:</u>	Dr. Nandu J. Nagarajan
<u>COURSE#:</u>	ACCT 5302-001	<u>OFFICE:</u>	432
<u>COURSE ROOM:</u>	PKH 113	<u>PHONE:</u>	(817) 272-3069
<u>CLASS TIME:</u>	Mondays 7-9.50 PM		
<u>OFFICE HOURS:</u>	5.30-6.30 PM Mondays	<u>E-MAIL:</u>	nagaraja@uta.edu

Class Materials:

- Required: Managerial Accounting for Managers – Noreen, Brewer and Garrison 3rd edition – McGraw Hill
- Harvard Cases and Readings : Details for access will be provided on Blackboard

Course Description:

Introduction to concepts, methodology, real world applications and terminology of Managerial Accounting. **Prerequisite:** ACCT 5301 or equivalent.

Course Objectives:

1. To explain the basic concepts and applications of Managerial Accounting
2. To explain cost-benefit analysis and decision making
3. To help students understand the basics of product costing and cost system design
4. To explain the basics of planning and control
5. Identify and discuss “real world” implications of cost and management control information
6. Work in groups.

Objectives 1, 2, 3 and 4 will be assessed through successful completion of homework and two exams. Objectives 5 and 6 will be assessed through an evaluation of case reports and class participation.

Class Policies and Classroom Etiquette:

The class policies on attendance, grades, and withdrawals will follow the rules and regulations set forth in the current UTA graduate catalog. Students are expected to behave in a professional manner. Please **turn off cell phones** or mute them when you are in the classroom. Laptop computers may be used to take notes in class, but while in class, **please do not work on material from other courses or other business, surf the web, read or respond to email, or receive or send instant messages.** Your laptop will not be required for any activity during my class. Therefore, unless you are using it to take class notes, I would prefer that you turn off your laptop during class. **Your attitude and focus during class will be considered in determining your class participation grade.**

Please come to class on time and do not leave and enter the classroom while class is in session.

Students have indicated that they find late arrivals, and students coming and going during class to be disruptive. Of course, I recognize that there are times that students must leave during the class. If this is the case, inform me in advance and leave with as little disruption as possible. Finally, please do not talk to other students during class. I find such conversations to be very distracting.

The format of this class consists of lectures, case discussions, class problem solving and exams. Power point slides for the class will be posted on Blackboard. Also, announcements, critical thinking problems and other information will also be posted on Blackboard. **Group members will be determined by February**

1st . Student **groups will complete case analysis assignments.** This course will move along rapidly. Therefore, it is in your interest to read ahead of the class, attend classes on a regular basis and complete all assignments.

If you have any problems keeping up with the material, please do not hesitate to contact me. You cannot wait until the end of the course to address areas of difficulty.

I usually respond to e-mails pretty quickly. You can also call me or set up a time to talk to me. I will be generally available in my office (COB 432) on Mondays before class from 5.30pm-6.30pm. Please e-mail me or let me know in class if you will be coming by to see me, so that I make sure that I am in my office at that time.

I reserve the right to reseat students before or during exams.

Class Participation:

Attendance will be taken on a regular basis and will count towards class participation. Preparation for class participation includes completing the following activities ahead of time: 1) carefully reading the assigned text book chapter(s), cases and other articles and 2) working on homework problems assigned for class discussion. Students will be called on to help solve problems and also comment on articles assigned for class discussion.

Because speaking up in class is such an important part of the course experience, in general, and case discussions, in particular, participation is 5% of your final grade. Your participation grade will be based on my assessment of your input. The class participation score can often make the difference between grade levels.

Read the business section of your local newspaper and the Wall Street Journal for items that have a managerial accounting dimension. Be prepared to discuss these in class. If and when possible, also read relevant articles in other business publications such as Business Week, Fortune and the Economist. The contribution you make to this discussion will count toward your class participation grade. **A sign-in sheet will be passed around during each class period. This is the only record of attendance, and failure to sign in will result in being marked absent for the class period. More than two unexcused absences will result in zero credit for class participation.**

Homework Problems and Homework Policy:

Your ability to master cost analysis concepts is heavily dependent on problem solving. Therefore, I have assigned problems from the text book for homework. I plan to selectively solve some of the homework problems as well as the Critical Thinking (CT) problems that are either contained in the session notes or available on Blackboard. I will call on students to assist in solving problems assigned for class discussion. This will count towards the grade for class participation.

Homework assignments are indicated in the detailed schedule that follows. The dates and assigned problems are tentative and may be adjusted by me during the course. In addition to the assigned material, students are encouraged to attempt as many other problems as time permits.

Cases:

Students will work in their assigned groups to write-up the case analyses. Each group will be responsible for handing in **ONE** written case report for **EACH** scheduled case at the beginning of class. **Discussions among groups, regarding the case reports are NOT permitted. Students are NOT permitted to seek**

“solutions” to the cases on the internet or other sources. This will constitute a major violation of academic integrity standards and, if detected, will have serious consequences. **All submitted case reports WILL BE SCREENED FOR VIOLATIONS OF THE ACADEMIC INTEGRITY STANDARD.**

We will discuss TWO Harvard cases in class during the term for which groups will have to submit case reports at the BEGINNING of the scheduled class. These are the Salem Telephone Company and Dakota Office Products cases. For each case report, I have provided questions at the back of this course outline. I will inform you on how you may obtain copies of these cases and the Harvard Business Review articles via Blackboard.

In preparing for the case discussions, please read the facts of the case thoroughly. **Further, in preparing your case reports, all you have to do is to answer the questions provided at the back of the course outline for each case and any supplementary questions on Blackboard.** Executive summaries are NOT required. I reserve the right to change the case questions during the course.

Group Work

Case reports are group assignments. **You are required to form groups by February 1 to complete the case analyses. The groups may have no more than five members each.**

IMPORTANT: If you wish me to assign you to a group, please e-mail and let me know during the first week of classes.

Your final grade will be partly determined by an evaluation (by members of your group) of your contribution to the group effort (5%).

Grading Policy

Grades will be determined using the following percentages:

Exam I	35%
Exam II	35%
Written case reports (10% each)	20%
Class Participation	5%
Group Evaluation	5%
	100%

Exams

There will be two non-cumulative class exams on the dates indicated in the syllabus.

I do not give make-up examinations unless the student can document a serious and unavoidable medical or personal emergency..

If you must miss an examination because of personal illness or injury, illness or injury of a dependent, or other personal emergency, you need to let me know in advance before the exam, if possible. Exams may **NOT** be missed for any recreational or otherwise non-essential absences from class. In all cases of absence from an exam, I will require written documentation of the circumstances. Failure to provide this documentation on a timely basis, or an unauthorized absence from an exam, will result in a grade of zero on that exam.

Important Information

- Each day, before coming to class, read and study the assigned chapter. Check Blackboard FREQUENTLY for any new information or instructions.
- Complete the assigned homework for that chapter before coming to class

- Bring your textbook to each class
- Print the PowerPoint slides and Critical Thinking Problems (if not on the slides) and bring them to the appropriate class
- For each class day, select a Wall Street Journal article (or similar publication) with an accounting dimension and be prepared to discuss it in class
- For each exam, **Calculators will be provided by the Department of Accounting.** Personal calculators or calculators on personal internet-enabled devices such as cell phones, tablets, etc. may not be used during an exam.

SCHEDULE

Session 1: **January 25, 2016**

TOPICS:

Overview

Cost concepts and terminology and cost behavior

CASES AND READINGS:

Chapter 2 (Chapter 1 Background)

HOMEWORK

Assigned Reading

Session 2: **February 1, 2016**

TOPICS:

Cost analysis for decision making

CVP analysis

CASES AND READINGS:

Chapter 3

HOMEWORK:

Assigned Reading

Critical thinking (CT) problems 1 and 2 from session notes

2-17, 2-18*, 2-22

3-20, 3-22, 3-30

* I may not complete solving all the problems assigned for class discussion. However, problems left incomplete will be used for review in subsequent classes or during the exam review.

Session 3: **February 8, 2016**

TOPICS:

Product and service costing

Job order costing

CASES AND READINGS:

Chapter 4

HOMEWORK:

Assigned Reading

Critical Thinking Problems to be assigned

4-17, 4-18

Session 4: **February 15, 2016**

TOPICS:

Variable and Absorption Costing

CASES AND READINGS:

Chapter 5

HOMEWORK

Assigned Reading

5-16, 5-20

Session 5: **February 22, 2016**

TOPICS:

Cost-Volume Profit Analysis (Recap)

Activity-Based Costing

CASES AND READINGS:

Chapter 6

Salem Telephone Company case analysis

The Information That Executives Truly Need-Drucker

HOMEWORK:

Submit Salem Telephone Company Case

Assigned readings and case

CT problem 3

Session 6: **February 29, 2016**

TOPICS:

Activity-Based Costing

Exam 1 Review

CASES AND READINGS:

Chapter 6

The Fallacy of the Overhead Quick Fix – Blaxill and Hout

HOMEWORK:

Exam I review slides

Assigned readings

Other problems to be assigned

Session 7: **March 7, 2016**

TOPICS:

EXAM-I

CASES AND READINGS:

None

HOMEWORK:

None

SPRING BREAK: MARCH 14 – MARCH 18

Session 8: March 21, 2016

TOPICS:

Activity-Based Costing
Activity-Based Management
Pricing
Customer Profitability Analysis-Kanthal

CASES AND READINGS:

Chapter 6
Pages 558-568
Tapping the full potential of ABC-Ness and Cucuzza
Manage Customers for Profits-Shapiro et.al.

HOMEWORK

Assigned Readings
CT Problems 4 and 7

Session 9: March 28, 2016

TOPICS:

Activity-Based Costing
Activity-Based Management
Differential Analysis
Pricing
Target Costing

CASES AND READINGS:

Chapter 7
Pages 558-568
How Chrysler created an American Keiretsu
Dakota Office Products case analysis
Time-Driven ABC-Kaplan
Control tomorrow's costs through today's designs –Chew and Cooper

HOMEWORK

Critical Thinking Problems 5 and 6
Problems 7-18, 7-20, 7-22
Submit Dakota Office Products case analysis
Assigned Readings

Session 10 April 4, 2016

TOPICS:

Differential Analysis
Budgeting

CASES AND READINGS:

Chapter 7
Chapter 9

HOMEWORK:

Critical Thinking Problem 8/ Other problems to be assigned
Assigned Reading

Session 11: **April 11, 2016**

TOPICS:

Profit Planning/ Flexible Budgeting/Standards

CASES AND READINGS:

Chapter 9

Chapter 10

HOMEWORK:

9-16, 9-22, 10-22, 10-24

Assigned Readings

Session 12: **April 18, 2016**

TOPICS:

Standard Costing and Variance Analysis

CASES AND READINGS:

Chapter 11

HOMEWORK:

Critical Thinking Problems to be assigned

Problems 11-11, 11-14

Assigned Reading

Session 13: **April 25, 2016**

TOPICS:

Performance Measurement

CASES AND READINGS:

Chapter 12

The Balanced Score Card as a Strategic Management System—Kaplan and Norton

Coming Up Short on Non-Financial Performance Measurement –Ittner and Larcker

HOMEWORK:

Critical Thinking Problems to be assigned

Problems 12-14, 12-19

Session 14: **May 2, 2016**

TOPICS:

Exam Review

CLASS DISCUSSION:

Sample exam

HOMEWORK:

Work on Sample exam

Session 15: **May 9, 2016**

TOPICS:

EXAM-II

HOMEWORK:

Absences Based on Religious Beliefs:

A student who misses an examination due to the observance of a religious holy day will be given the opportunity to complete the work missed within 15 days following the due date of the assignment, test, or other project missed. To be eligible for such a make-up, the student must notify me in writing of classes scheduled on dates he or she will be absent to observe a religious holy day. Notification must be made within the first 15 (fifteen) class days through either a written correspondence, personal delivered, acknowledged and dated by me or written correspondence sent certified mail, return receipt requested to me. Failure to follow the rules provided above within the time frames listed will result in the absence being considered unexcused. A student missing a case submission for the reason above will be provided with an alternative case analysis to be submit within 15 days.

Academic Dishonesty:

Students enrolled in this course are expected to adhere to the UT Arlington Honor Code:

I pledge, on my honor, to uphold UT Arlington's tradition of academic integrity, a tradition that values hard work and honest effort in the pursuit of academic excellence.

I promise that I will submit only work that I personally create or contribute to group collaborations, and I will appropriately reference any work from other sources. I will follow the highest standards of integrity and uphold the spirit of the Honor Code.

All students are expected to pursue their scholastic careers with honesty and integrity. It is the philosophy of this Department, this instructor and the University of Texas at Arlington that academic dishonesty is a completely unacceptable mode of conduct and will not be tolerated in any form. All persons involved in academic dishonesty will be disciplined in accordance with University regulations and procedures. Discipline may include suspension or expulsion from the University.

"Scholastic dishonesty includes, but is not limited to, cheating, plagiarism, collusion, the submission for credit of any work or materials that are attributable in whole or in part to another person, taking an examination for another person, or any act designed to give unfair advantage to a student or the attempt to commit such acts." Regents *Rules and Regulations*, Part One, Chapter VI, Section 3, Subsection 3.2, Subdivision 3.22.

Institutional procedures regarding charges of academic dishonesty are outlined in Part II, Chapter 2, of the **Handbook of Operating Procedures of The University of Texas at Arlington**. Copies of the Handbook are available at more than 75 locations on campus, including the Student Congress office, the Library, and the Accounting Department Office.

Americans with Disabilities Act (ADA):

The University of Texas at Arlington is on record as being committed to both the spirit and letter of all federal equal opportunity legislation, including the *Americans with Disabilities Act (ADA)*. All instructors at UT Arlington are required by law to provide "reasonable accommodations" to students with disabilities, so as not to discriminate on the basis of that disability. Any student requiring an accommodation for this course must provide the instructor with official documentation in the form of a letter certified by the staff in the Office for Students with Disabilities, University Hall 102. Only those students who have officially documented a need for an accommodation will have their request honored. Information regarding diagnostic criteria and policies for obtaining disability-based academic accommodations can be found at www.uta.edu/disability or by calling the Office for Students with Disabilities at (817) 272-3364.

Attendance and Drop Policy:

Drop Policy: Students may drop or swap (adding and dropping a class concurrently) classes through self-service in MyMav from the beginning of the registration period through the late registration period. After the late registration period, students must see their academic advisor to drop a class or withdraw. Undeclared students must see an advisor in the University Advising Center. Drops can continue through a point two-thirds of the way through the term or session. It is the student's responsibility to officially withdraw if they do not plan to attend after registering. **Students will not be automatically dropped for non-attendance.** Repayment of certain types of financial aid administered through the University may be required as the result of dropping classes or withdrawing. For more information, contact the Office of Financial Aid and Scholarships (<http://www.uta.edu/aao/fao/>).

Undergraduate students may drop a course with a grade of *W* during the first six weeks of class. From the seventh through the 12th week of class, a student may drop a course with a grade of *W* if passing or a grade of *F* if failing. A student may not drop a course after the 12th week of class. Summer schedules are adjusted to the appropriate time frame.

Graduate students need to consult with their Graduate Advisor to drop or add a course. A student dropping a course after the Census Date but on or before the midsemester date will receive a grade of *W* only if at the time of dropping the student is passing the course (has a grade of A, B, or C); otherwise an *F* will be recorded.

College Policy: Students who have not paid by the census date and are dropped for non-payment cannot receive a grade for the course in any circumstances. Therefore, a student dropped for non-payment who continues to attend the course will not receive a grade for the course. Emergency loans are available to help students pay tuition and fees. Students can apply for emergency loans by going to the Emergency Tuition Loan Distribution Center at E.H. Hereford University Center (near the southwest entrance).

College of Business Bomb Policy:

Section 22.07 of the Texas Criminal Law states that a Class A misdemeanor is punishable by (1) a fine not to exceed \$4,000, (2) a jail term of not more than one year, or (3) both such a fine and confinement. If anyone is tempted to call in a bomb threat, be aware that UTA will soon have technology to trace phone calls.

Every effort will be made to avoid cancellation of presentation/tests caused by bomb threats to the Business Building. Unannounced alternate sites will be available for these classes. If a student who has a class with a scheduled test or presentation arrives and the building has been closed due to a bomb threat, the student should immediately check for the alternate class site notice which will be posted on/near the main doors on the south side of the Business building. If the bomb threat is received while class is in session, your instructor will ask you to leave the building and reconvene at another location.

Students who provide information leading to the successful prosecution of anyone making a bomb threat will receive one semester's free parking in the Maverick Garage across from the Business Building. UTA's Crimestoppers will provide a reward to anyone providing information leading to an arrest. To make an anonymous report, call 817-272-5245.

Student Support Services:

UT Arlington provides a variety of resources and programs designed to help students develop academic skills, deal with personal situations, and better understand concepts and information related to their courses. Resources include tutoring, major-based learning centers, developmental education, advising and mentoring, personal counseling, and federally funded programs. For individualized referrals, students may visit the reception desk at University College (Ransom Hall), call the Maverick Resource Hotline at 817-272-6107, send a message to resources@uta.edu, or view the information at www.uta.edu/resources.

CASE QUESTIONS FOR WRITTEN SUBMISSION

1. SALEM TELEPHONE

Answer questions in the case

2. DAKOTA OFFICE PRODUCTS (DOP)

- A. Why was Dakota's existing pricing system inadequate for its current operating environment?
- B. Develop an activity-based cost system for DOP based on year 2000 data. Calculate the activity cost-driver rate for each DOP activity in 2000.

- C. Using your answer to Question 2, calculate the profitability of customer A and customer B. What explains the difference in profitability (if any) between the two customers? What are the limitations, if any, of your analysis?
- D. Suppose that a major customer switched from placing all its orders manually to placing all its orders over the internet site. How should this affect the activity cost driver rates calculated in Question 2? How should the switch affect Dakota's profitability?
- E. What are the implications of the Kaplan article on "Time-Based ABC" for the Dakota Office Products case? Be as specific as you can.