**The University of Texas at Arlington – College of Business**

COURSE TITLE: Optimizing Quality and Process with Accounting Information

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| COURSE#: EMBA 5303 | OFFICE: 431 (Main Campus) |
|  | OFFICE HOURS: by appointment |
| INSTRUCTOR: Dr. Martin Taylor | PHONE: (817) 272-3030 (office) |
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**Class Materials:**

Required: Managerial Accounting for Managers – Noreen, Brewer and Garrison 3e – McGraw Hill

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MHID 0078025427

<http://highered.mcgraw-hill.com/sites/0078025427/student_view0/index.html>

**Course Description:**

Executives explore modern tools for meeting the competing challenges of organizational cost minimization within an environment that demands near-perfect quality standards. Participants can expect exposure, via case study methods, to a broad array of modern tools ranging from activity-based costing, to Kaizen, “Lean” management, and Six Sigma. Participants will explore how to leverage accounting information for decision-making and strategic management, as well as for the control of processes and organizations. Additionally, participants explore managing process flows through key measures such as flow rate, capacity, utilization, and thorough understanding of tradeoffs in process architecture as they relate to competitive strategy.

**Course Objectives:**

1. Discuss the nature of management accounting
2. Explain the basic concepts of management accounting
3. Explain the basics of managerial cost analysis
4. Identify and discuss “real world” implications of management accounting information
5. Foster the ability to work in groups through the process of analyzing cases.

**Homework Policy:**

Homework is assigned on the homework assignment sheet. Student participation is expected during class discussions of homework.

In addition to the assigned material, students are encouraged to attempt as many exercises and problems as time permits.

**Current Events:**

Read the Business section of your local newspaper and the Wall Street Journal for items that have a management accounting dimension. Be prepared to discuss these in class. The contribution you make to this discussion will count toward your class participation grade.

**Grading Policy:**

Grades will be determined using the following percentages:

Exam 40%

Class Projects (Cases) 40%

Class Participation 20%

100%

**Collaborative Learning Problems & Cases:**

Several collaborative learning problems and cases are assigned in the course. These problems and cases are designed to foster cooperative learning, team work and group discussion. During the semester, you will be assigned to a group. Each group will be assigned two cases and will be responsible for one experience-based learning presentation (see below). Each group will prepare a formal write-up of the cases, and prepare a class presentation of the cases. In addition, each group is required to incorporate some of the latest information/computer technologies into the learning process (e.g., using spreadsheet and/or computer graphics in preparing the case analysis; using PowerPoint slides in making your presentation; etc.)

The case Frame-It, deals with the preparation of a master budget and will be presented on January 8. Groups will be randomly selected to present parts of the master budget in class. Presentations for the Harvard Business Review cases will be on January 23, 2016. Specific details will be forthcoming.

**Experience-Based Learning:**

Each group will be responsible for presenting one experience-based learning presentation. Students often bring with them relevant experience from job related activities. Each group will be asked to make a presentation on selected topics in order to illustrate how management accounting is working in practice. The presentations (15 minutes or less) should be professional and include the use of overheads or power points.

Presentation topics to be covered in this learning experience may include the following:

* Corporate Governance
* Ethical considerations
* Performance Evaluation
* Transfer Pricing
* Standard Costs
* The Balanced Scorecard
* Capital Investment Analysis
* Budgeting
* Sustainability (Corporate Social Responsibility) Reporting
* Dashboards

**Use of Technology:**

We will be taking advantage of the potential of information technology in different ways:

* Collaborative learning problems and cases will require you to use word processor programs, spreadsheets, and other information/computer technologies.
* My website <http://wweb.uta.edu/faculty/mtaylor/> and the textbook website

<http://highered.mcgraw-hill.com/sites/0078025427/student_view0/index.html>

* The website contains information that you will need for class. It will provide you the opportunity to access new information as the semester progresses. For example, I will be posting announcements, lecture notes, class handouts, and other important course materials. All of these will be downloadable to enable you to print them out if you wish.
* My email address and phone number are listed at the top of this syllabus. I encourage you to use it to give me feedback and suggestions, and also to get my help.

**Guest Speakers:**

During the semester, guest speakers will make presentations on their experiences relative to the topics we cover in class. This is a valuable opportunity to hear how what you learn in class is being applied in practice.

**Important Information**

* **Each day, before coming to class, read and study the assigned chapter. Check my website FREQUENTLY for any new additions.**
* **Complete the assigned homework for that chapter before coming to class**
* **Bring your textbook to each class**
* **Print, or download to your portable device, the PowerPoint slides from each chapter and bring to 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**

**WEBSITE:** <http://wweb.uta.edu/faculty/mtaylor>

Please visit my website to access information on the following topics:

* Course Syllabus and Assignments
* Solutions to Exercises, Problems and Cases
* Hard copies of PowerPoint presentations
* Quizzes and Exams found on the textbook website
* Additional items will be added during semester (**check website every few days**).

**December 18, 2015**

Topic: **Basic Management Accounting and Control Concepts**

* Cost Estimation – (a) Cost Behavior Patterns, (b) Cost Estimation, (c) Analysis of Mixed Costs, (d) The Contribution Format Income Statement.

Readings: Noreen, Brewer and Garrison 3e (NBG) textbook Chapters 1 and 2

PPT Slides: Basic Management Accounting and Control Concepts - Supplementary Slides

Short Case: Cost Behavior Analysis – ABC Company

 Cost Behavior Analysis – Central Valley Company

Homework: Exercises: 2-1,2,4 Problems: 2-17,18 (textbook, Chapter 2)

Topic: **Cost-Volume-Profit Analysis**

* Cost-Volume-Profit Analysis – (a) Break-Even Point, (b) Target Net Profit

Readings: NBG textbook Chapter 3

Student Presentations: Cost Estimation and C-V-P analysis at a student’s company

Short Cases: C-V-P Analysis, Basic CVP Relationships – Vince’s Pizza

 C-V-P Analysis, Basic CVP Relationships – Blue Water Escape

 C-V-P Analysis, Basic CVP Relationships – Braggs and Struttin’

 C-V-P Analysis, Basic CVP Relationships – Parkins Company

Homework: Exercises: 3-4,5,6,7

 Problems: 3-21,22

**December 19, 2015**

Topic: **Job Costing and Activity-Based Costing**

Readings: NBG textbook Chapters 4 and 6

PPT Slides: Activity Based Costing - Supplementary Slides

Student Presentations: Activity-Based Costing at a student’s company

## Short Case: Cost of Goods Manufactured and Cost of Goods Sold – Larsen Corporation

Short Case: Job Order Costing - Granite Company

Short Case: Activity Based Costing – Cosgrove Company

Additional Case 1 Job Order Costing - Greetings, Inc.

Cases: Case 2 Activity Based Costing - Greetings, Inc.

Homework: Exercises: 4-2,3,4,5

 Problems: 4-17, 4A-3 and 6-18

Topic: **Variable Costing and Segment Reporting**

Readings: NBG textbook Chapter 5

Short Cases: Variable Costing - The Hadfield Company

 Segment Reporting – Berry, Inc.

 Segment Reporting – Licuado Juice Company

 Segment Reporting – O’Mara’s, Inc.

Homework: Exercises: 5-7,11

 Problems: 5-16, 19

**JANUARY 8, 2016**

Topic: **Budgeting, Profit Planning and Control**

* Preparation and Behavioral Aspects

Readings: NBG textbook Chapter 9

PPT Slides: Budget Games - Supplementary Slides

Short Case: Evaluating a Company’s Budget Procedure – Springfield Corporation

Master Budget Case: Frame-It [requires Case and Template – see website]

Student Presentations: The Budgetary Process at a student’s company

Homework: Exercises: 9-1,2,3,4,5,6,7,8,9 Problems: 9-29 (Case)

Topic: **Flexible Budgets**

Readings: NBG textbook Chapter 10

Short Case: Flexible Budgets - Alto Clinic

Homework: Exercises: 10-1,2,3,4

Topic: **Standard Costs and Variances**

* Analysis of Variances

Readings: NBG textbook Chapter 11

Short Cases: Variance Analysis – Bronfenner Company

 Material and Labor Variances – Dawson Toys, Ltd.

 Effects of Performance Measures

 Unbalanced Performance Measures

Student Presentations: Using Standard Costs at a student’s company

**JANUARY 9, 2016**

Topic: **Performance Measurement in Decentralized Organizations**

* Revenue Centers
* Expense Centers
* Profit Centers
* Investment Centers
* EVA vs. ROI

Readings: NBG textbook Chapter 12

Short Cases: Cost vs. Profit Centers: Analysis of Operations, Manager Behavior – Wireless, Inc.

 Segmented Income Statement Relationships, Cost Allocation, Responsibility Accounting – Wow!

 ROI and Residual Income, Investment Evaluation – Ningbo Construction

Student Presentations: Performance Evaluation at a student’s company

Homework: Exercises: 12-1,2,7

Topic: **Transfer Pricing**

Readings: NBG textbook Chapter 12

Short Cases: Basic Transfer Pricing: General Rule – Fedori Corporation

Cases: Harvard Business Review – Birch Paper Company

 Case 3 Transfer Pricing Issues - Greetings, Inc.

Homework: Problems: 12 A-1, 12A-3

Topic: **The Balanced Scorecard**

Readings: NBG textbook Chapter 12

Short Case: The Balanced Scorecard – Dong Yuan Jing Ji Paper Company

**January 22, 2016**

Topic: **Strategic Planning**

* Benefits and Limitations
* Capital Investment Analysis
* Value Chain Analysis

Readings: NBG textbook Chapter 8

Short Cases: Capital Investment Analysis – Mercy Hospital

 Capital Investment Analysis – Hai Dian Clinic

 Capital Investment Analysis – Renmin Clinic

Case: Case 4 Capital Budgeting - Greetings, Inc.

Student Presentations: Capital Investment Analysis at a student’s company

Homework: Exercises: 8-1,2,3,4,5,6

 Problems: 8-21,26

**January 23, 2016**

Topic: **Differential Analysis: The Key to Decision Making**

* Relevant Costs for Decision Making

Readings: NBG textbook Chapter 7

Short Cases: Make or Buy Decision - Jumonville Company

 Utilization of Constrained Resources – Wu Han Paint Company

Homework: Exercises: 7-2,3,4,5

Topic: **Topic Review, Case Presentations, Final Exam**

Harvard Business Review Case Presentations:

**Danshui Plant No. 2 –** Flexible budget variances; Breakeven analysis; Costing

**Destin Brass –** Activity-based costing; Cost accounting; Cost allocation; Cost analysis; Cost systems; Management; Pricing; Profitability analysis; Value chains

**Wendy’s Chili –** Accounting, Control systems, Profit planning, Profitability

**Hola Kola** **–** Capital budgeting

**Pfizer** **–** Green chemistry; Environmental management; Pharmaceuticals