



A POLYTECHNIC INSTITUTION

School of Business

Program: Financial Management

Option: Accounting Degree

FMGT 7210**Advanced Management Accounting****Start Date:** September 7, 2004**End Date:** December 7, 2004**Total Hours:** 45 **Total Weeks:** 14**Term/Level:** Deg **Course Credits:** 3**Hours/Week:** 45 **Lecture:** 3.25 **Lab:** 0**Shop:** **Seminar:** **Other:****Prerequisites****Course No. Course Name**

FMGT 4210 Cost and Managerial Accounting 2

FMGT 7210 is a Prerequisite for:**Course No. Course Name**

FMGT 8910 Integrative Business Management Practices

v Course Description

This course will examine, in depth, topical areas from the discipline of management accounting with reference to and synthesis of applicable case material and videos. Topical areas include cost behaviour, short-term budgeting, resource allocations, capacity cost, assigning resource costs to production cost centres, activity-based cost systems, activity-based management, cost based decision making, decentralization, the balanced scorecard, measuring total business unit performance, financial measures of performance, measuring customer, internal process and employee performance, investing to develop future capabilities technology, incentive and compensation systems, formal models in budgeting and incentive contracts, constraints, budgets, cost-benefit analysis, goal congruence, management control systems, transfer pricing, total quality management, Excel's Solver algorithm, regression analysis, and ethical decision making.

v Detailed Course Description

- Develop analytical and critical thinking skills by understanding and exploring relationships between management accounting systems and other aspects of the organization.
- Apply management accounting concepts to varying types and sizes of organizations including small to medium-sized businesses.
- Develop communication and teamwork skills.
- Assess the importance of ethical decisions/behaviour as they relate to all aspects of an organization.
- Integrate the major topics of advanced management accounting.
- Understand the behavioural aspects of management accounting.
- Perform analyses relevant to specific managerial decisions.
- Enhance awareness of current issues in designing and implementing effective management control systems.

v **Evaluation**

- **Each week there will be assignment material due.**

** There is also a project to be completed and presented by the students, integrating the major topics of advanced management accounting by researching how management accounting concepts are applied in specific medium-sized businesses.

| | | |
|-----------------------------------|-------------|-----------|
| Final Examination | 40% | Comments: |
| Mid-term Examination | 35% | |
| Term Project and Presentation | 20% | |
| Discussion Paper and Presentation | 5% | |
| TOTAL | 100% | |

v **Course Learning Outcomes/Competencies**

Upon successful completion, the student will be able to:

1. Explain the management accountant's role in general and with specific reference to internal departments as well as different types of organizations.
2. Understand cost definitions and cost classifications.
3. Understand short-term budgeting and decision making with the existing supply of resources.
4. Make decisions under difficult and unique environmental circumstances, either internal or external.
5. Plan for constraints placed on organizations, such as competition, economies of scale, limited resources, out-sourcing, and factors affecting pricing decisions.
6. Discuss the conceptual framework of activity-based costing.
7. Understand how operational and strategic decisions are better informed by the more accurate information drawn from activity-based cost system.
8. Understand activity-based management actions that include, in addition to re-pricing, decisions about product, customer mix, product design, process improvements, operations strategy and technology investments.
9. Analyze the role of budgets both for the organization as a whole and for specific projects.
10. Evaluate net present value comparisons, cash flows and the respective tax implications, as well as the effects of inflation and sensitivity analysis.
11. Understand the challenges of motivating, controlling and evaluating decentralized organizational units.
12. Discuss how the balanced scorecard provides a comprehensive framework for strategic and operational control.
13. Discuss the advances in the 1990s of translating strategy into an integrated set of financial and non-financial measures tied to customers, innovation and operational processes, and enhanced employee and system capabilities.
14. Examine the nature of organizational planning, the establishment of goals and goal congruence.
15. Evaluate management control systems for an organization.
16. Measure performance in relation to controls and assess the importance of self-regulating systems and employee involvement.
17. Evaluate alternative transfer pricing mechanisms, the effects on performance and the complexity in organizations.
18. Design and evaluate performance measure in budgeting, return on investment and activity based management.
19. Discuss the difficulties of measurement and evaluation using "Total Quality Management" (TQM).

20. Discuss how decisions are made for investments in new technologies by determining investment payoffs, which also include enhanced performance for customers, for critical internal processes and for enhancing organizational capabilities.
21. Analyze the effects of various pay incentive schemes on performance.
22. Identify production constraints and develop a structural approach to linear programming and planning.
23. Use regression analysis including multiple regression to design a complex model to be applied in an assigned business simulation.

v **Verification**

I verify that the content of this course outline is current.

Paul Jeyakumar, M.Sc., C.G.A.

September 7, 2004

Authoring Instructor

Date

I verify that this course outline has been reviewed.

Allan Cobbett, Dipl.T., LL.B., MBA, CMA

Program Head/Chief Instructor

Date

I verify that this course outline complies with BCIT policy.

Tim Edwards, Dipl.T., MBA, CMA

Dean/Associate Dean

Date

Note: Should changes be required to the content of this course outline, students will be given reasonable notice.

▼ **Instructor(s)**

| | | |
|----------------|---------------------------|----------------------------------|
| Paul Jeyakumar | Office Location: SE 6 333 | Office Phone: 604-451-6937 |
| | | Fax: 604-439-6700 |
| | Office Hrs.: | E-mail Address: pjeyakum@bcit.ca |

▼ **Learning Resources**

Required:

Advanced Management Accounting, 3rd Edition, Robert S. Kaplan and Anthony Atkinson

Recommended:

MS Office Software and Access to Computer.

▼ **Information for Students**

I.D. Required In Exam Halls: Effective December 2000, students will be required to produce photo-identification for admittance to examination halls. Photo I.D. must be placed on the desk while writing the exam, for inspection by invigilators. Students should bring a BCIT OneCard or alternatively two pieces of identification, one of which must be government photo I.D. such as a driver's license. Please see BCIT Policy #5300, Formal Invigilation Procedures.

Attendance: If a student is absent for any cause, other than illness (Dr's note may be required); for more than 10% of the time prescribed for the course, the student may be prohibited from completing the course. Please see BCIT Policy #5201, Attendance.

Makeup Tests, Exams or Quizzes: There will be **no** makeup tests, exams or quizzes. If you miss a test, exam or quiz, you will receive zero marks. Exceptions may be made for **documented** medical reasons or extenuating circumstances. In such a case, it is the responsibility of the student to inform the instructor **immediately**. If an exam is missed due to medical reasons, supported by medical certificate, at the discretion of the instructor, you may be permitted to write the exam at the time of the next course offering.

Ethics: BCIT assumes that all students attending the Institute will follow a high standard of ethics. Incidents of cheating or plagiarism may, therefore, result in a grade of zero for the assignment, quiz, test, exam, or project for all parties involved and/or expulsion from the course.

Illness: A doctor's note is required for any illness causing you to miss assignments, quizzes, tests, projects, or exam. At the discretion of the instructor, you may complete the work missed or have the work prorated. (i.e., an average is given according to your performance throughout the course). If an exam is missed due to medical reasons, supported by medical certificate, at the discretion of the instructor, you may be permitted to write the exam at the time of the next course offering.

Attempts: Students must successfully complete a course within a maximum of three attempts at the course. Students with two attempts in a single course will be allowed to repeat the course only upon special written permission from the Associate Dean. Students who have not successfully completed a course within three attempts will not be eligible to graduate from the appropriate program.

Course Outline Changes: The material or schedule specified in this course outline may be changed by the instructor. If changes are required, they will be announced in class.

Schedule

| Week of/ Number | Topics | Reference/ Reading |
|--------------------|--|------------------------|
| 1 | Advanced Management Accounting – Topic Overview Understanding cost behaviour | Chapter 1 |
| 2 | Short-term budgeting, Resource allocations, and capacity Volvo Video – The Torslanda Plant | Chapter 2 |
| 3 | Assigning resource costs to production cost centres Team 1 – Presentation – Activity based Costing | Chapter 3 |
| 4 | Activity-based cost systems Activity-based management Team 2 – Presentation – Performance Evaluation | Chapter 4 Chapter 5 |
| 5 | Cost-based decision making | Chapter 6 |
| 6 | Mid-term | Mid-term |
| 7 | Decentralization Yellow Freight – Video – Keep on trucking | Chapter 7 |
| 8 | Team 3: Presentation: The Balanced Scorecard The balanced scorecard: Measuring total business unit performance Financial measures of performance | Chapter 8 Chapter 9 |
| 9 | Financial measures of performance: Return on Investment and Economic Value Added | Chapter 10 |
| 10 | Measuring customer, internal process, and employee performance Bethlehem Steel – Video – The Big Deal Team 4: Presentation: Capital Budgeting | Chapter 11 |
| 11 | Investing to develop futures capabilities technology | Chapter 12 |

| Week of/ Number | Topics | Reference/ Reading |
|--------------------|---|------------------------------|
| 12 | Incentive and compensation systems Project Presentation | Chapter 13 Project |
| 13 | Formal models in budgeting and incentive contracts Project Presentations | Chapter 14 Project |
| 14 | Final Exam | Exam |

* This schedule is subject to change at the discretion of the instructor