



**BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY**  
**School of Business**  
**Program: Bachelor of Technology in Accounting**  
**Option:**

**Taught to: Degree Students**

**Course Outline for:**  
**FMGT 7210**  
**Advanced Management**  
**Accounting**  
**Date: Spring 2002**

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<b>Hours/Week:</b>	3.25	<b>Total Hours:</b>	45	<b>Term/Level:</b>	Degree
<b>Lecture:</b>		<b>Total Weeks:</b>	14	<b>Credits:</b>	3
<b>Lab:</b>					
<b>Other:</b>					

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Office Hours	Monday	Tuesday	Wednesday	Thursday	Friday
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### **Prerequisites**

FMGT 4210 Cost and Managerial Accounting 2

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### **Course Description and Goals**

#### **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.

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## Course Description and Goals, continued

### Goals;

- 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/behavior as they relate to all aspects of an organization.
- Integrate the major topics of advanced management accounting.
- Understand the behavioral aspects of management accounting.
- Perform analyses relevant to specific managerial decisions.
- Enhance awareness of current issues in designing and implementing effective management control systems.

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### Evaluation

- Each week there will be assignment material due.
- Each week there will be quizzes on the assigned reading material.
- \* 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.

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Final Examination	35	%
Midterm	30	%
Term Project & Presentation	20	%
Assignments & Quizzes	10	%
Discussions, papers, videos	<u>5</u>	%
	<u>100</u>	

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### Course Learning Outcomes

At the end of this course, the student should 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.

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## Course Learning Outcomes, continued

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.



**BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY**  
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**Program: Financial Management Technology**  
**Option: Bachelor of Technology in Accounting**

**Schedule for:**  
**January 2002**

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

Week	Topics	Reference /Reading
1	Advanced Management Accounting – Topic Overview Understanding cost behaviour,  Chrysler Video – Maintaining the Momentum/discussion	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 Bethlehem Steel – Video – Rolling on Rails from PST	Chapter 3
4	Activity-based cost systems Activity-based management Yellow Freight – Video – Keep on trucking	Chapter 4 Chapter 5
5	Cost-based decision making Jostens – Video – Making of the Ring	Chapter 6
6	Mid-term	Mid-term
7	Decentralization	Chapter 7

Week	Topics	Reference /Reading
8	The balanced score card: 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	Chapter 11
11	Investing to develop futures capabilities technology	Chapter 12
12	Incentive and compensation systems Formal models in budgeting and incentive contracts	Chapter 13 Chapter 14
13	<b>Project Presentations</b>	Project
14	Final Exam	Exam