



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: May 2001**

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Hours/Week:	3.25	Total Hours:	45	Term/Level:	Degree
Lecture:	1	Total Weeks:	14	Credits:	3
Lab:	2				
Other:					

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**Instructor Paul Jeyakumar**

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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	40 %
Midterm	35 %
Term Project & Presentation	15 %
Assignments, Quizzes	<u>10 %</u>

100

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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.
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Course Learning Outcomes, continued

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.
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Course Learning Outcomes, continued

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.



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**Course Record**

Developed by:	<u>Paul Jeyakumar</u> Instructor	Date:	<u>July, 2000</u>
Revised by:	<u>Same as above</u> Instructor	Date:	<u>May, 2001</u>
Approved by:	<u>R. Dolan</u> Associate Dean	Date:	<u>July, 2000</u>

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**Text(s) and Equipment****Required:**

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

**Reference or Recommended:**

MS Office Software and Access to Computer.

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### Course Notes (Policies and Procedures)

- *Assignments:* Late assignments or projects will not be accepted for marking. Assignments must be done on an individual basis unless otherwise specified by the instructor. All assignments are to be completed using computers, and submitted as computer printouts. Hand written submissions will not be accepted.
- *Attendance:* The attendance policy as outlined in the current BCIT Calendar will be enforced.
- *Course Outline Changes:* The material specified in this course outline may be changed by the instructor. If changes are required, they will be announced in class.
- *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 or projects. 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 next course offering.
- *Makeup Tests, Project presentation, Exams or Quizzes:* There will be no makeup tests, project presentation, 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. 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 next course offering.
- *Labs:* Lab attendance is mandatory. Lab exercises are due at the end of the lab period.

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### Assignment Details;

To be announced.

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

Week	Topics	Reference /Reading
1	Management Accounting – Topic Overview Understanding cost behaviour, Chrysler Video – Maintaining the Momentum/discussion  Short-term budgeting, Resource allocations, and capacity Volvo Video – The Torslanda Plant	Chapter 1  Chapter 2
2	Assigning resource costs to production cost centers Bethlehem Steel – Video – Rolling on Rails from PST  Activity-based cost systems Activity-based management Yellow Freight – Video – Keep on Trucking	Chapter 3  Chapter 4 Chapter 5
3	Cost-based decision making Jostens – Video – Making of the Ring  Decentralization	Chapter 6  Chapter 7
4	Midterm Examination  The balanced score card: Measuring total business unit performance. Financial measures of performance	Chapters 1-6 Chapter 8 Chapter 9

Week	Topics	Reference /Reading
5	Financial measures of performance: Return on Investment and Economic Value Added	Chapter 10
6	Measuring customer, internal process, and employee performance Bethlehem Steel – Video – The Big Computer	Chapter 11
7	Investing to develop futures capabilities technology	Chapter 12
8	Incentive and compensation systems	Chapter 13
7	Formal models in budgeting and incentive contracts	Chapter 14
8	Project Presentations	Project
8	Final Exam	Exam