

Governors State University  
College of Business and Public Administration

Course Number & Title: ACCT 801 Accounting for Administrative Control

Session: Spring/Summer 1995

Instructor: Dr. Aida Shekib

Phone No.: (708) 534-4969  
(Voice mail on 4th or 5th ring)

Office Hours: Monday: 5:30 - 7:30 P.M.  
Wednesday: 6:30 - 7:30 P.M.  
Saturday: 9:00 - 10:00 A.M.



Textbook: Cost Accounting, A Managerial Emphasis  
7th Edition. Charles Horngren and George Foster, Prentice Hall Publishers, 1994.

Revelance Lost The Rise and Fall of Managerial Accounting H. Thomas Johnson and Robert S. Kaplan, Harvard Business School Press, 1987

Optional Texts: Cost Accounting, A Managerial Emphasis 7th Edition Study guide Charles Horngren and George Foster, Prentice Hall Publishers, 1994.

Prerequisites: ACCT 301 or equivalent

Grading:

<u>Item</u>	<u>Points</u>
Class Project I	100
Class Project II	200
Exam I	200
Total points	500

Late Policy: The only assignments that will be accepted late are the term paper proposals and the term papers. 10 points are subtracted for each week or part thereof either assignment is late. You may turn in either of these assignments at any class prior to the due date. Assignments are only accepted in class. DO NOT leave assignments in the mail box, under my door or on my desk. They will not be accepted.

### Course Description:

A semester of accounting for M.B.A. students interested in learning how managerial accounting is used in business organizations. The perspective of the course is that obtaining a "defensive" knowledge of managerial accounting is important to those who hope to climb the corporate ladder. The output of the managerial accounting system pervade most organizations. Budgets, price schedules, performance reports, bonuses, decisions to out-source, move, expand, contract, sellout, etc. are often greatly swayed by managerial accounting reports. By gaining an understanding of how these reports are prepared it is hoped that "better" decision making will result. This class will require 4 to 6 hours of your time per week in addition to class time, please carefully evaluate your other commitments to determine whether you will be able to devote the time that is necessary to successfully complete this class.

### Topics Include:

1. Cost accounting for production and decision making.
2. Information accumulation and analysis for short run decision making.
3. nonmanufacturing and Service Industry performance Measures.
4. Analysis of costs/benefits for performance evaluation, pricing, inventory management.
5. Transfer Pricing in decentralized organizations.
6. Information accumulation and analysis for long run decision making.
7. A variety of other topics relevant to the understanding of cost accumulation, allocation and analysis.

### Homework:

For each class session read the assigned chapter(s). You should allow 3-4 hours for each weeks reading assignment. Be sure to work through the example problems in the chapters. It is often necessary to read the chapters several times. For the date indicated prepare the assigned problems. Homework assignments must adhere to the following standards in order to receive individual in-office assistance from the instructor. The purpose of these requirements is to assure that both student and instructor time is efficiently used.

1. Start each assignment on a separate sheet of paper.
2. Clearly PRINT your first and last name in the upper right hand corner of each page.
3. Clearly identify each homework assignment chapter, problem number and date in the upper right hand corner of each page.

4. For any assignment requiring more than one page, number the pages.
5. Clearly show and label all supporting schedules.
6. Use only the front of each page.

**Class Sessions:** Class sessions will follow a lecture and discussion format. We will review chapter materials, analyze homework problems, work through additional problems and discuss contemporary issues that pertain to administrative control topics.

**Test Form:** The test will consist of some combination of problems, multiple choice questions and short essays. Make-up exams will not be given. If you find that you must miss an exam, the instructor must be notified in advance.

**Objectives:**

1. Demonstrate familiarity with management accounting terms, concepts, models and methods.
2. Demonstrate ability to apply management accounting methods to achieve appropriate solutions for common management accounting problems.
3. Show how to determine the economic, reporting, and behavioral consequences of accounting based analyses.
4. Explain the nature of the differences in short run and long run perspectives in the use of management accounting methods.
5. Demonstrate familiarity with quantitative techniques of analysis that are used to compare alternative courses of action.

**Syllabus Statement for Persons with Disabilities:**

It is the intention of the institution to support full participation of all students, regardless of physical ability level. Therefore, if any student needs consideration of his/her physical abilities in order to complete the course, please notify the instructor as soon as possible.

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Class Activity Schedule

<u>Week</u>	<u>Topic</u>	<u>Chapter</u>
1	The accountants Role in the Organization Introduction to Cost Terms and Purposes	1 2
2	Cost-Volume-Profit Relationships	3
3	Determining How Costs Behave	10
4	Cost Behavior and Regression Analysis	25
5	Master Budgeting and Responsibility Accounting *Project Proposal Due Today *	6
6	Activity Based Costing	
7	Just in Time Inventory	
8	Relevance, Costs, and the Decision Process Pricing Decisions, Product Profitability and Cost Information	11 12
9	Capital Budgeting and Cost Analysis	21 & 22
10	Cost Accounting for Health Care Organization	
11	Operations Management and the Accountant: Materials and Inventory	23
12	Management Control Systems: Choice and Application Systems Choice: Decentralization and Transfer Pricing *2nd Paper Due Proposal Due Today	13 27
13	Systems Choice: Performance Measurement and Executive Compensation Student Presentations	28
14	Student Presentations and Review for Exam II	
15	<b>FINAL EXAMINATION</b>	

Your reports must be your own original work written specifically and exclusively for this class.

Your written project proposal must be submitted on the scheduled date. The proposal must be typed and should be in the following format:

1. Your Name
2. Title of your report
3. The scope of the report
4. Materials/resources to be used (persons for interviews, bibliography, companies for study, etc.)
5. Explanation of how the study clearly relates to this course.

Class reports that do not conform to the proposal will not be accepted.

The reports must be double-spaced and type-written. In general the length of the report should be in the 7-10 page range. Papers must reflect a professional standard and be free of spelling and grammatical errors. Your grade will be reduced if spelling and grammatical errors are found. A class presentation of no more than 5 minutes is required.

The objective of the class project is to present a significant report on one or more topics covered in this class. There are several approaches that may be taken. Below are a few suggestions. Please see me as soon as possible if you want to propose a different type of project.

Ideas:

1. Identify a firm or Not-For-Profit Organization that will allow you to do a management accounting study. The study should clearly relate to a topic in the course. The study should include an in-depth analysis of some aspect of the firms' management system at the current time. The study should include a complete description of the current system under study, an analysis of strengths and weaknesses, and your proposed changes or additions to the system.
2. Complete a series of interviews with management accounting professionals. Arrange to interview 3 or 4 cost accounting managers, assistant controllers, budget directors or similar individuals. Prepare a list of questions that pertain to one or two topics covered in the class. Write up the questions, responses and your analysis of the interviews. Your analysis of the interviews must comprise at least 50% of the report.
3. Locate 8-10 current articles, (published within last 5 years) concerning a class topic, in practical or academic journals. The Business Periodicals Index and The Accountants Index are good places to start searching. Very briefly summarize the major points of each article. Critically evaluate the major arguments raised by the articles. Point out benefits and limitations of each. Indicate what the significance is of the articles taken as a whole. Your analysis must comprise at least 60% of the report.