MBA-612
Managing Costs and Measuring Performance
Spring 2011, Sec 002

Instructor: Massood Yahya-Zadeh, PHD, CPA.
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Office Hours: Mon. 4-5 PM
            Tues. 3-4 PM.
            Wed. 4-5 PM.
            Thur. 3-4 PM.

Dates/Times: Mondays 12 PM- 2:45 PM, RB 113

Course Objective: This course introduces management accounting concepts to provide students with an understanding of how management accounting helps organizations create value through improved decision making and control of organizational members. As such, management accountants play a strategic role in the business, developing and presenting the financial and nonfinancial information that is critical for the firm’s success. Special topics concerning issues in management accounting and ethics are incorporated throughout the course. This is accomplished through a combination of lecture, case study analysis, and discussion.

Course Material


Required Case Studies: Two selected cases from Cases in Cost Management, a Strategic Emphasis, by John Shank, Thompson Learning.

Additional handouts, Lecture slides, additional problems, examples, and exercises will be posted on blackboard. Please visit blackboard regularly.

Grading Points
Midterm Exam………………………… 30%
Final Examination .......................... 40%
Assignments (3) .............................. 15%
Case write-ups (2) ......................... 10%
Participation ............................... 5%

100%

Grade cutoffs:

A: 93.3-100   A-: 90-93.3   B+: 86.7-90   B: 83.3-86.7   B-: 80-83.3   C+: 75-80
C: 70-75      D: 60-70      F: BELOW 60

Email

Email messages will be sent to update you on changes or to reinforce announcements made during class. It is imperative you check your email account daily. Please make sure your email account is not over quota.

Assignments, Cases, and Optional Homework

What you gain from this course will depend on your effort and enthusiasm in completing the homework problems and assignments.

Assignments

There will be a total of three assignments. Assignments will be available on Blackboard. The assignments should be prepared in teams of two and turned in on due dates. They will not be accepted late. You will bring a hard copy of the assignment to class.

Cases

We will use cases for in-class instruction. You will be expected to read the cases and have a general understanding of the problems presented in the case prior to class. Each team will prepare and submit a case write up. Case prep questions requiring short answers will be given to guide you with this expectation. These preps will be completed in teams of two students and collected and graded.

Homework Problems

Homework problems are practice opportunities. More practice is better in understanding accounting concepts, and you do not have to limit yourself to the assigned problems. I will not collect or grade the homework. Solutions are available on Bb. If you are having difficulty in the course, you are encouraged to practice additional problems at the end of each chapter of the assigned textbook.

Exams
You are expected to take the midterm and final examinations at the scheduled times. The only exception is by notification prior to the exam/quiz of a medical emergency which is to be verified by documentation from a physician within one week.

Participation

The class participation component of your grade is based on your discussions in class of the lecture concepts and cases.

Academic Integrity Code

Standards of academic conduct are set forth in the University’s Academic Honor Code. By registering you have acknowledged your awareness of the Code, and you are obliged to become familiar with your rights and responsibilities as defined by the Code. Violations of the Honor Code will be forwarded to the Academic Integrity Office for resolution. The recommended sanction for a violation will be an F in the course for a first offense and suspension or expulsion for a repeated offense.

Policy on Class Attendance

Students are responsible for adhering to all course procedures and policies, including class attendance. Absence from class, for whatever reason, carries with it the obligation of making up missed work.

MBA-612
Spring 2011 Schedule

Part I: Cost concepts and decision making based on cost information.

Jan 24:
Chapter 1. Introduction to management accounting. (pp. 3-14)
Chapter 5. The nature of costs and cost estimation. (pp. 141-168, except appendix 5.1)
Assign Case: Baldwin Bicycle.

Jan 31:
Chapter 6. Break-even analysis. (pp. 183-200)
Chapter 7. Decision making using cost information. (pp. 219-227, 235-238).
Assignment 1 is due in class.
Discuss Baldwin Bicycle. (case write-ups are due in class).
Suggested exercises:
   Chapter 6: E18-32.
   Chapter 7: E 23, 25, 27,29-30, 33-38, 46, 50

Part II: Measuring product costs

Feb. 7:
Chapter 2: Job-order and process costing (pp. 33-45)
Chapter 3: Activity-based costing (pp. 77-93).
Assignment 2 is due in class.
Readings:
Kaplan “Measure costs right; Make the right decisions”
Kaplan and Anderson “Time-driven ABC”
Suggested exercises:
   - Chapter 2: E23,27,32,33,34,47
   - Chapter 3: E 26-33.

Part III: Planning and Control

Feb. 14:

MIDTERM 1 (Chapters 1, 2, 5, 6, 7) Time: 12 PM to 1:20 PM.
Second half of the class (1:30 PM – 2:45 PM)

Chapter 9: Budgeting (pp.303-330).
Assign: Kinkead Equipment Case.
Stewart “Why budgets are bad for business?”
Hope and Fraser “Beyond Budgeting”
Suggested exercises:
   - Chapter 9: E18-26

Feb. 21:
Chapter 10, Variance analysis (pp 349-371)
Readings:
Shank and Churchill “Variance analysis, a management oriented approach”
Discuss: Kinkead Equipment Case.
Suggested exercises:
   - Chapter 10: E 25,26, 28, 32-35,43,43,47

Feb. 28:
Chapter 11, Investment center and performance evaluation (pp.396-410, pp.330-331)
Assignment 3 is due in class.
Readings:
Jensen’ Paying people to lie: the truth about the budgeting process”
Alternative reading:
Jensen “Budgeting is broken, let’s fix it”
Suggested exercises:
   - Chapter 11: E 21-32.

March 7, Final examination, Chapters 2, 3, 9, 10, 11. (7:20 PM – 9:20 PM).