

THE UNIVERSITY OF HONG KONG
School of Business
ACCT2105 Introduction to Management Accounting
Subclass D, E, F
Syllabus – 2017 Spring Term

Instructor: Dr. Tracy GU
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Course Time: Subclass D: Tue 10:30-12:20, Fri 11:30-12:20
Subclass E: Tue 13:30-15:20, Fri 14:30-15:20
Subclass F: Tue 16:30-18:20, Fri 17:30-18:20
Classroom: KK 101 (Subclass D), KK LG103 (Subclass E), KK LG109 (Subclass F)
Office hours: By appointment

Tutor: Christina HO
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Office: 609, KK Leung Building
Telephone: 3917-8341
Tutorial Time: **Mon** 11:30-12:20, 12:30-13:20, 13:30-14:20, 15:30-16:20, 16:30-17:20
Tutorial venue: 713, KK Leung Building
Office hours: TBD

Textbook: Managerial Accounting. Karen Wilken Braun and Wendy Tietz. Fourth Edition. Pearson.

Course materials: Lecture PowerPoint slides and assignment solutions are posted on the course Moodle for your reference. No hard copy of these materials will be distributed after the first class.

Prerequisite: BUSI1002 Introduction to Accounting; or ACCT1101 Introduction to Financial Accounting

COURSE DESCRIPTION

This course provides with a systematic framework for cost concepts, and demonstrates how to make budgets and how to apply cost analysis in business decisions. Managers do not make decisions in a vacuum. In order to run a business profitably in the competitive marketplace, it is essential to accurately identify and allocate costs to products & services and conduct sound cost-benefit analysis for corporate decisions. The course will emphasize basic concepts of management accounting, such as cost classification, cost behavior, cost-volume-profit analysis, costing, budgeting and variance analysis, and decision-making.

COURSE OBJECTIVES

The objective of this course is to develop your understanding of the basic concepts of management accounting, and shape your ability to apply the cost analysis techniques to make business decisions under various scenarios. While the development of the capability to make sound cost analysis for a complex business requires considerable practical experience, the course will provide you a sound framework to organize your thinking and strategy and help you perform well “on the job”. This knowledge will also help you pass professional examinations, such as those associated with the CMA designations.

The course emphasizes the concepts and techniques you need to determine unit product cost and to conduct cost-benefit analysis, and it also provides a platform for you to improve communication skills and develop professionalism through team work on real business cases. I believe that much can be learned from studying the problems encountered by managers in various real business scenarios.

INTENDED LEARNING OUTCOMES (ILOs)

On completion of this course, you should be able to:

- ILO1.* Explain cost management concepts, product costing techniques, and planning & control systems;
- ILO2.* Use relevant information for making decisions;
- ILO3.* Prepare a master budget and a flexible budget, compare the budgets with actual results, analyze and interpret variances;
- ILO4.* Apply Management Accountants’ Codes of Ethics to resolve an ethical situation;
- ILO5.* Develop verbal and writing communication skills.

ALIGNMENTS OF PROGRAM AND COURSE ILOs

Program ILOs	Course ILOs
1. Acquisition and internalization of knowledge of accounting, business and economics	ILO 1 & 2
2. Application and integration of knowledge	ILO 3 & 4
3. Inculcating professionalism and leadership	ILO 4 & 5
4. Mastering communication skills	ILO 5

TEACHING AND LEARNING ACTIVITIES (TLAs)

TLA1. Situation: Interactive lectures

Basic knowledge of cost accounting and management accounting is presented with PowerPoint slides.

- In-class exercises: I will illustrate basic concepts and techniques by using examples.
- In-class discussions: I will raise discussion questions sometimes. Discussion with your peers will deepen your impression on the underlying concepts and principles involved.
- Video clips are shown for selected topics followed by in-class discussion so that you can apply basic concepts and techniques to specific real-world scenarios.

Major focus: ILOs 1, 2, 3 and 5;

Minor focus: ILO4.

TLA2. Situation: Tutorials

Practice questions and selective assignments are covered.

- Weekly tutorial assignments: assignments that reflect concepts and techniques learned are assigned to you every week. You are expected to complete these assignments on an individual basis.
- In-class interactive activities: you are required to attend all tutorials, participate in discussions, and present your answers to peers, etc.

Major focus: ILOs 1 and 5;

Minor focus: ILOs 2 and 4.

TLA3. Situation: Outside-classroom activities

- Group discussions: you are divided into groups to finish the team projects. Group members meet to discuss the projects, contribute jointly to the written reports and prepare for in-class presentation.
- Lecturer and demonstrator consultations: by appointment, lecturer (demonstrator) provides consultation weekly to address your questions and concerns.

Major focus: ILOs 1, 2 and 3;

Minor focus: ILO 4.

ASSESSMENT TASKS (ATs)

Tutorial participation and assignments	10%
Group presentation	10%
Midterm Test	35%
<u>Final exam</u>	<u>45%</u>
Total	100%

* Note that there are two mini quizzes. They will not be graded, and the solution will be given after the quiz. Participation in *one* of the two quizzes will be enough to guarantee the 2% allocated to this part.

AT1. Tutorial Participation and Assignments (10%)

You are encouraged to participate actively in tutorials. Absenteeism from class will negatively affect the performance. You will be evaluated on the quality and quantity of your participation. You need to complete selected assignments before tutorials and the tutor will collect them for grading then. The objective of the tutorials is to help you digest and apply the knowledge you have learned from the classes.

Focus: ILOs 1, 2, 4, & 5.

Grading Criteria

A+ A A-	B+ B B-	C+ C C-	D+ D	F
Extremely well prepared for class discussion, active in sharing views, attended at least 90% of classes. Submitted all homework with 90% accuracy.	Partially prepared for class discussion, quite active in sharing views and attended at least 80% of classes. Submitted at least 80% of homework with 80% accuracy.	Not well prepared for class discussion, limited active in sharing views and attended at least 70% of classes. Submitted at least 70% of homework with 70% accuracy.	Not well prepared for class discussion, no sharing of views and attended at least 60% of classes. Submitted at least 60% of homework with 60% accuracy.	Poorly prepared for class discussion and no sharing of views and experience and attended less than 60% of classes. Submitted less than 60% of the homework with less than 60% accuracy.

AT2. Group Presentation (8%)

For group presentation evaluation details, please see attached document “Presentation Guidelines” at the end of the syllabus.

Focus: ILOs 1, 2, & 5.

AT3. Midterm Test (35%) and Final Exam (45%)

Mid-term test is arranged at 9:30 am – 11:30 am, 19 Mar (Saturday), 2016 (Chapter 1 to Chapter 5), in T1, Meng Wah Complex. The final examination will be held in the normal exam period. Both are closed-book. The objective of these assessments is to further enhance your understanding of the basic concepts and theories and develop your ability to apply the knowledge in business situations.

NO makeup midterm test will be offered. Absence from the midterm test with valid reason and documentations must seek my permission and approval IN ADVANCE in order to shift weightings to the final exam. A Makeup Final exam will be offered if you are absent from the final exam with valid reason and supporting documentations. Please follow the application procedures described in this link: <http://www0.hku.hk/exam/B.htm>

Multiple choice and calculation problems are graded according to the marks assigned to each question. Essay questions are graded according to the following criteria:

Focus: ILOs 1, 2, 3, 4, & 5.

Grading Criteria

A+ A A-	B+ B B-	C+ C C-	D+ D	F
Idea development is insightful and sophisticated; Supporting evidence is convincing, accurate and detailed. Well written with clear focus.	Idea development is clear and thoughtful; Supporting evidence is sufficient and accurate. Well written.	Idea development is simplistic and lacking in relevance; Supporting evidence insufficient but accurate. Somewhat well written.	Idea development is superficial and ineffective; Supporting evidence is insufficient and inaccurate. Writing is unclear.	Idea development is absent; Supporting evidence is vague or missing. Poorly written.

STUDY LOAD

Course Teaching and Learning Activities	Expected contact hour	Study Load (% of study)
T&L1. Interactive lectures	36	30%
T&L2. Tutorials	10	8.33%
T&L3. Group project, case analysis and homework	30	25%
T&L4. Self-study	44	36.67%
Total	120	100%

ACADEMIC CONDUCT AND IMPORTANT POLICIES

- a) Plagiarism and copying of copyright materials are serious offences and may lead to disciplinary actions. You should read the chapters on “Plagiarism” and “Copyright” in the Undergraduate/Postgraduate Handbook for details. You are strongly advised to read the booklet entitled “What is Plagiarism” which was distributed to you upon your admission into the University, a copy of which can be found at www.hku.hk/plagiarism. A booklet entitled “Plagiarism and How to Avoid it” is also available from the Main Library.

- b) The course enrollment is fully handled and managed by the faculty office. Please approach the staff in the faculty office (4/F KK Leung Building) for any queries about course enrollment, class quota, etc. Lecturers have no control on the course enrollment issue under all circumstances.

Course Outline		
Topic	Coverage	Reading
<i>Part 1: Basic cost concepts</i>		
Week 1: Beginning 18 Jan 2017 Introduction to Managerial Accounting	<ul style="list-style-type: none"> • Understand the role of management accountants • Compare management accounting and financial accounting • Understand today's business environment 	Chapter 1
Week 2: Beginning 25 Jan 2017 Building Blocks of Managerial Accounting	<ul style="list-style-type: none"> • Basic cost concepts: cost object, direct cost vs. indirect cost, variable cost vs. fixed cost • Three business sectors, value chain, and inventoriable cost & period cost • Prepare external reporting 	Chapter 2
Week 3: Beginning 1 Feb 2017 Job Costing	<ul style="list-style-type: none"> • Distinguish job costing from process costing • Assigning costs under job costing method • Prepare journal entries for job order costing 	Chapter 3, Appendix 3A
Beginning 8 Feb 2016	<ul style="list-style-type: none"> • <i>Class Suspension Period for the Lunar New Year: Feb 8 – Feb 13, 2016 Happy Lunar New Year!</i> 	
Week 4: Beginning 15 Feb 2017 Activity-Based Costing	<ul style="list-style-type: none"> • <i>No class for Feb 16, 2016</i> • Assigning costs under activity-based costing (ABC) • Understand the benefits and limitations of ABC/ABM systems Distinguish activities based costing from traditional volume based job costing • Lean production 	Chapter 4
Week 5: Beginning 22 Feb 2017 Activity-Based Costing	<ul style="list-style-type: none"> • Assigning costs under activity-based Costing (ABC) • Understand the benefits and limitations of ABC/ABM systems Distinguish activities based costing from traditional volume based job costing • Lean production 	Chapter 4

	<ul style="list-style-type: none"> • Mini Quiz on Feb 26, 2016 (20 mins, will not be graded, but can affect course participation evaluation) 	
Week 6: Beginning 29 Feb 2017 Process Costing	<ul style="list-style-type: none"> • Assigning costs under process costing (weight average method) • Distinguish job costing from process costing • Prepare journal entries for process costing 	Chapter 5
Week 7: Beginning 7 March 2017	<ul style="list-style-type: none"> • Reading/Field Trip Week: Mar 7 – Mar 12, 2016 	
Week 8: Beginning 14 Mar 2017 Cost Behavior	<ul style="list-style-type: none"> • Cost behavior and how to determine cost behavior • Contribution margin income statement • Variable costing and absorption costing 	Chapter 6, Appendix 6A
Mid-term test at 9:30 am – 11:30 am, 19 Mar (Saturday), 2016 (Chapter 1 to Chapter 5) in T1 Meng Wah Complex		
Part 2: Planning, Budgets, and Evaluation		
Week 9: Beginning 21 Mar 2017 Cost-Volume-Profit (CVP) Analysis	<ul style="list-style-type: none"> • No class on March 25 • CVP analysis and its application • Break-even and targeted profit analysis • Product mix & multiple cost drivers in CVP 	Chapter 7
Week 10: Beginning 28 Mar 2016 The Master Budget	<ul style="list-style-type: none"> • Understand basic concepts of master budget • How to prepare master budget 	Chapter 9
Week 11: Beginning 4 Apr 2017 The Master Budget	<ul style="list-style-type: none"> • Understand basic concepts of master budget • How to prepare master budget • Mini Quiz on April 8, 2016 (20 mins, will not be graded, but can affect course participation evaluation) 	Chapter 9
Week 12: Beginning 11 Apr 2017 Standard Costs and Variances	<ul style="list-style-type: none"> • Standard costs • Flexible budget • Variance analysis 	Chapter 11
Week 13: Beginning 18 Apr 2017	<ul style="list-style-type: none"> • Case presentation 	
Week 14: Beginning 25 Apr 2017	<ul style="list-style-type: none"> • Case presentation <p>Depending on the size of groups, case presentation may end in the week beginning 18 April</p>	