

MANAGERIAL ACCOUNTING FOR BUSINESS SOLUTIONS
EMBA 5330

COURSE DESCRIPTION, LEARNING OUTCOMES AND OBJECTIVES:

This course introduces principles and concepts of management accounting for strategic decision making and focuses on the use of internal accounting information and its impact on business efficiency and effectiveness. The course will describe how organizations articulate their “*value proposition strategy*” through their capital structure and operating leverage. Also, we will examine how cost structure informs and affects: outsourcing, production, capital budgeting, make or buy and expansion decisions. We will use advanced data-analytics and statistics to evaluate cost functions for planning, budgeting and performance evaluation.

At some point in your careers you will use accounting information. At times you will use this information to make decisions - decide which equipment to buy, how to compensate an employee or how to price a service. At other times, accounting information might be used to measure, benchmark, motivate or control the behavior of employees; like: designing a budget, creating a standard, evaluating a unit performance or determining a compensation bonus. In any event, by its nature, the organization’s internal accounting information provides managers with essential information for planning, decision making, evaluation and control. This course will teach you how to generate, use and analyze accounting information in order to plan, design and evaluate business operations, so that your decisions will ultimately create value.

This course addresses the following program learning outcomes:

- Students will demonstrate **strategic decision-making** capacity;
- Students will enhance their capacity to **perform rigorous analysis of data** and stakeholders concerns;
- Students will demonstrate the ability to **articulate a vision** that will have significant and positive leadership impact (i.e., leading change).

This course has the following specific course objectives:

1. Students will learn how managers can use accounting information to assist them in **decision-making**; as well as how this information can be used **to motivate, manage and control** the actions of other members of the firm;
2. Students will learn to **recognize how structural and organizational activities are associated with costs in an organization.**
3. Students will learn how to **analyze cost behavior** patterns and cost functions;
4. Students will learn how to **estimate costs** relationships using data driven analytics and statistical analysis;
5. Students will learn to **understand how product costs affect financial statements**;
6. Students will learn how to **analyze profitability through contribution margin and functional net margin**;
7. Students will learn how **cost-volume-profit and break-even analysis** is used;
8. Students will learn how to **interpret operational leverage**;
9. Students will learn how to **identify relevant, sunk and opportunity costs in differential analysis**;

10. Students will learn how to **apply differential analysis** in outsourcing, production, and make-or-buy decisions with capacity constraints;
11. Students will learn how inventory and product cost is measured;
12. Students will learn **how overhead is allocated** to products and services using activity based costing (ABC);
13. Students will learn **how budgets influence managers'** behavior;
14. Students will learn how to recognize the way by which economic and cost approaches influence **pricing** and product-mix decisions;

CLASS SCHEDULE & ASSIGNMENTS

Date & Time	Pre-Class Reading	Discussion topics	Due
SALISH Thu April 5 1:15 – 2:45 3:00 – 5:30	Syllabus, Modules 13 & 14	Accounting functional areas and value creation, cost drivers, cost behavior, estimation & analysis	Please bring: <ul style="list-style-type: none"> • calculators (no phones please) • Laptop: Note: If you have a MAC, please download Excel from SU at: https://www.seattleu.edu/support/support-articles/office-365-download-microsoft-office.html
ONLINE April 13-16	Online MBC Quiz Modules 13 & 14		
Sat Apr 20 1:45 – 3:30 3:45 – 5:30	Modules 15 & 16	CVP analysis, relevant costs	MBC Online HW Mod. 13 & 14 Group Project: 14-34: South Town Health Clinic and 14-35: Newport Table
ONLINE Apr26-April 30	Online MBC Quiz Module 15		
Fri May 11 8:15-9:30	Module 16 & 17	Indirect cost allocation	Online HW: Module 15 Group Project: P15-32: Melford Hospital
ONLINE May 18-21	Online MBC Quiz Module 16		
Friday, June 8 1:45-5:30		LEAN, Performance measures, Group reports	Online HW Module 16 Group Case Project: Fine Print Dinesh Dilemma Group reports due

COURSE REQUIREMENTS, STRUCTURE AND METHODOLOGY

The most important requirement for this course is that you prepare well for class. You must read the assigned theory from the text, you must thoroughly analyze the assigned cases and problems, and you must actively participate in class.

I will typically start class with a “lecture”, an overview and review of the theory and readings that you have previously completed. During this “lecture” period, you are encouraged to ask questions and clarify concepts related to the reading assignments. Please use the lecture times to ask questions. After the theory has been covered, you will have problem and case assignments that apply the theory discussed in class. Typically, this assignment should be completed for the subsequent class. In some instances, we will lecture the entire class period, but in most class meetings, we will have both lecture and problem/case discussions.

I will post all lecture slides in CANVAS *before* our class meetings and I will post the solutions and notes to problems and case assignments *after* our class meetings.

The **individual** course HW will be completed ONLINE in *mybusinesscourse* and it should serve as a way to practice your knowledge and skills. However the group exercises and problems will be completed by all members of the group and these should be handed in class. Both, the individual and group assignments should be a good practice to prepare you for the graded individual quizzes as well as for the Final Project Report.

REQUIRED READINGS & MATERIALS

- **FINANCIAL & MANAGERIAL ACCOUNTING FOR MBA'S with access to mybusinesscourse**
Easton, Halsey, McAnally, Hartgraves and Morse
5th Edition, Cambridge Publishing
- **CASE: Fine Print Company**
Examines cost behaviors and relevant costs in a special order decision and an outsourcing decision. *Cases in Managerial and Cost Accounting, Allen, Brownlee, Haskins & Lynch, 2010.*
- **CALCULATOR:** Please note that phones or laptops will not substitute for a calculator. Any basic calculator is fine for this class. However, you should consider buying a “financial” calculator since it will be useful for other courses.
- **BUSINESS NEWS:** You must keep abreast of the general business news and read the *Business Section* of the Seattle Times or your local newspaper as well as *The Wall Street Journal*, or *Financial Times*. Occasionally, I could assign additional readings of contemporary news if they relate to class such as: outsourcing announcements, pricing hikes, compensation package trends, restructuring, layoff plans, etc.

COURSE REQUIREMENTS & GRADING:

GRADING

Your grade will consist of four components: your class participation, written group exercises and problems, your individual ONLINE HW (*mybusinesscourse*), your grade in 3 individual ONLINE quizzes, the group case written report and your final group case presentation. The relative weighting of these components are as follows:

Class participation:	10 %
Group Cases & problems	20 (5% each)
ONLINE HW	5
Individual ONLINE Quizzes	30 (10% each)
June 8 Dinesh Dilemma	10
June 8 Group Final written report	10
June 8 Group Presentation	15

CLASS PARTICIPATION: 10%

Intelligent, **relevant** and **to-the-point** discussion is expected of each student and will be an important part of the general evaluation of the course. I view class participation as both an opportunity and a responsibility. Class participation provides an opportunity for students to practice important career skills in a low-cost environment. Among other skills, these include the ability to express and defend one's ideas. The cost of not having developed these skills will increase as you progress in your career (e.g., lost promotions). Class participation is also a responsibility, because students who attend class expect to learn from the viewpoints of their classmates. Non-participating students do not provide their classmates and instructor with this important benefit. Additionally: **I also expect to learn from you!** So, I encourage and expect active student participation in class. My experience is that most students typically tend to *under-estimate* - rather than *over-estimate* - the worth of what they have to say. Thus, if you are ever in doubt, I would encourage you to speak up instead of staying quiet.

The saying that "*You don't sell if you don't tell*" holds in this class. Since we won't have written examinations, what you have to say in class will weigh heavily in my assessment of your performance. My rationale is that at this stage of your careers, the vast majority of managers' communications are oral and not written. In today's business environment, managers generally spend very little time reading, and *even less time* writing reports. So, the classroom should be considered a laboratory in which you can test and develop your ability to convince your peers of the validity of your approach. On the other hand, I do recognize that some of you might learn more by listening to others than by engaging in discussions themselves, and that is fine too. Thus, while it is essential for the success of this course that we have excellent class discussions, it is not necessary that everybody actively participate at ALL times. The issue is one of *quality* not quantity or frequency. I am looking for truly insightful and persuasive contributions from you.

In terms of grading class participation, my expectation is that everyone should earn 100%. My expectation is that you will come to the class having already thought through and analyzed the assigned reading, problems and cases and that you will be able to demonstrate that knowledge.

GRADING CRITERION FOR CLASS PARTICIPATION

- 90% or more Extremely involved in almost all class discussions;
Helped create an exciting class discussion on a regular basis;
Was an effective leader in the group projects;
Occasionally provided relevant OUTSIDE of class reading material.
- 80% or more Involved in almost all class discussions;
Typically helped create an exciting class discussion;
Was a significant contributor in the group project;
Once provided relevant outside reading material with some comments;
- 70% or more Occasionally got involved in class discussions;
Did not detract from creating an exciting class discussion;
Was involved in the group process regarding projects;

1. GROUP WRITTEN CASES: 30% (20% + 10% DINESH'S DILEMMA)

Groups should work on all the assigned problems and exercises together. A hard-copy of these must be handed-in on April 22, May 13 and June 10 as per the schedule above. Please remember to **include a "cover page" indicating which problems and exercises** you worked on as well as the names of the members of your group who participated in this effort. Of course, I expect everyone in the group to participate, but in the event that someone does not participate, please just omit that person's name in the cover page. Remember that all Group cases must be printed and handed in class.

Please bear in mind that your case analysis and recommendation should **state your reasoning by defending it with proof, facts and backup material** (Exhibits, graphs, etc). In terms of audience, you should assume that the reader is familiar with the facts in the case. It may be helpful to think of your reader as your boss or client and as **an executive who is very busy** and is not likely to spend a lot of time trying to decipher your report. **Be strategic!** Use visual cues and format to emphasize your main points in order to increase their impact. Use exhibits and make sure to mention the exhibits in the text, explaining what you want the reader to take away from any given exhibit. Do not just add exhibits at the end without mentioning them in the text.

Regarding the case and problem assignments, please be aware that the cases included in this course represent broad organizational situations that might include concepts that you are currently covering in your Financial Accounting, Economics or Statistics courses. In some instances, the cases may represent "good" processes or systems, and in these instances, you are expected to learn what is it that makes these systems work well. In other instances, a case may present a system that has failed and in these cases the objective is for you to learn from those failures. Most cases – as in the real world - don't present examples of absolutely perfect or of totally flawed systems, since - as you are probably aware - there are always some weaknesses in the best organizations. In this course we will stress the concept that the evaluation of management "weaknesses" has to be framed considering the resources required to "correct" the weaknesses within the relative constraints of the organization. Throughout this course you will develop an appreciation of the fact that it may be costly to remove all flaws and that therefore organizations need to deal with them, albeit recognizing that they exist. Therefore, please remember that when analyzing cases, any recommendation for changes should carefully weigh the organizational costs involved in managing them and that you must always try to use a sensible approach that considers the cost-benefit of your recommendations.

- **FINE PRINT, SOUTH TOWN HEALTH CLINIC (14-34), NEWPORT TABLE (14-35), MELFORD CASE (15-32) AND DINESH'S DILEMMA**
 - a. Each case written report is to be a maximum of **three pages** of text **plus exhibits**. It should be handed in on or before the scheduled due date. Please do not email your case. Your report should be a comprehensive and fluid analysis; so please, do not just answer the questions at the end of the case exercise. The questions at the end of the case should be a guide for your analysis that in some way should be incorporated in your report. The case report should be a well-written and well thought out managerial recommendation. This recommendation must be well supported by **specific** arguments that identify the advantages and disadvantages of your recommendation.
 - b. **MELFORD HOSPITAL CASE:** In this analysis I want you to:
 - i. Calculate the break-even point for the PEDIATRICS unit. Express this in “patient-days”. You can use regular linear equations or a contribution margin approach. Assume no additional facilities (beds) are rented.
 - ii. Determine the total fixed costs (include the salaries)
 - 1. Revenues per patient per day=\$300
 - iii. Variable costs per patient per day: Please note that you need to calculate how many “patient days” occurred in 2009 in order to find this.
 - iv. Contribution margin per patient per day
 - v. break even in patient-days
 - vi. What level of revenues will break even?
 - vii. If they rent additional beds (facilities) what will be the increase or decrease in earnings?
 - 1. Calculate increase in revenues: # of beds x # of days x \$300 per day
 - 2. Calculate increase in expenses: Increase in fixed charges + increase in variable charges
 - viii. You can use linear cost analysis as well (or any other) to find the solution.
2. **ONLINE HW: 5%**

You must complete the individual assigned HW through the online tool *mybusinesscourse*. Please note that since we have limited time, most assigned problems *will not* be discussed during the class sessions. Completing your HW will prove beneficial for the graded individual quizzes. HW should help you “practice” skills as well as prepare you for the graded Quizzes. Your performance in HW will not be graded. Rather, it is the completion of the HW which will be the base of your grade. Please note that the HW problems are very similar to the quizzes’ problems.

This is a rigorous and demanding course, and you should plan to spend some time per week in advance preparation. **Working assigned problems is a critical factor** in successful completion of this course. Collaborative or group learning to deal with assignments is encouraged. However, please

note that each student **MUST** complete the HW since individual effort is an integral part of your grade. Assignment exercises and problems could require two to three hours for completion, in addition to the regular time required to read the theory. **The importance of homework is highly emphasized.** You **MUST** practice as much as possible.

3. **ONLINE QUIZZES: 30%**

Five quizzes will be posted ONLINE in *mybusinesscourse* during the days and times noted in the schedule above. All quizzes will be timed, so please plan accordingly. Quizzes should be completed by each student **INDIVIDUALLY** without any collaborative effort.

4. **GROUP FINAL WRITTEN REPORT AND PRESENTATION 25%**

Instructions: Each group will choose to analyze a business problem. The business problem could be an issue faced currently, or in the past, by a member of your group using concepts and techniques discussed in the course. The objective for these projects is to learn more about how managerial accounting can help solve business problems.

Please feel free to consult with me about your project over the course of the term. A list of potential projects is presented below but you may choose another topic.

Some Group Project themes and suggestions:

1. **Budgets** in your organization. How are they created? Who is involved in the budgeting process? Are they flexible? How are they used to evaluate performance?

2. **Pricing:** Assuming that your organization prices products or services, explain their pricing methodology. Is it a cost-based or cost-plus? What impact – if any – do health-care insurance companies payment on this pricing? Analysis of cost information used in new product or service development

3. **Cost Analysis:** Does your organization compare their costs with similar organizations delivering similar services? How do they use this information? What improvements if any resulted with regards to cost control?

4. **Cost drivers and ABC:** Describe the cost drivers in your organization and explain how this information is used.

5. **Cost Objects:** Is your organization a multi-cost center? Describe the mission and service centers and how these costs are allocated.

6. **“Lean” “Six Sigma” or TQM** Has your organization adopted any of these? If such, please describe its implementation.

7. **Capital Budgeting:** How does your organization decide on CAPEX investments? Do they consider environmental impacts?

8. **Capital Structure and operational leverage:** What is the structure of you organization in terms of cost behavior? Is it variable or fixed-cost based? How does it compare with the industry?

9. **Sensitivity Analysis:** The new federal administration is making significant changes in regulations and legislation: Affordable Care Act, immigration, tax policies, tariffs, etc. Do you foresee any impact to your organization? If such, please identify any risks (or benefits) and articulate any revenue/cost/expense and profit impact.

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- **GROUP FINAL PRESENTATION 15%:** You must present your report in class and your presentation must be 10-15 minutes (no more than 15 minutes!). You must supply a one page Executive summary to all students. The group case presentation will occur on Friday **June 10**.
 - **GROUP WRITTEN REPORT 10%:** The group written report should be a maximum of **TEN pages** of text **plus exhibits**. Due on June 10.

The final grade will be assigned according to the following scale:

A	92-100 %	4.00
A-	90-91	3.70
B+	88-89	3.33
B	83-87	3.00
B-	80-81	2.70
C+	78-79	2.30
C	72-77	2.00

COMMUNICATION

I will communicate through e-mail, and I'll make announcements in CANVAS as well as email frequent announcements, so please check your e-mail and CANVAS regularly. I also check my e-mail many times during the day, so PLEASE use e-mail to communicate with me. Please do not leave phone messages on my voice mail. If you need to talk to me, outside of office hours, send an e-mail with your phone number and I'll respond as soon as possible and we can arrange a telephone call or a meeting outside of office hours.

ACADEMIC HONESTY STANDARDS

I expect that you will abide by the University's Academic Honesty Code.

"Seattle University is committed to the principle that academic honesty and integrity are important values in the educational process and that violations in this area should be dealt with in the appropriate manner."

Link: <https://www.seattleu.edu/registrar/Policies.aspx>

If you are not sure about whether a particular action is acceptable according to the Academic Honesty Code, you should check with me *before* engaging in it. Verified instances of plagiarism, cheating and the usage of unauthorized sources in exams, papers and other academic projects will lead to a severe penalty.

All written work must be your own except when an assignment explicitly states that teamwork is acceptable or required. Moreover, all your work must be original to this class. To avoid plagiarism, you must correctly cite the source of any idea that is not your own (from books, magazines, newspapers, Internet sites, etc.) using APA reference style, or other similar citation styles. You may reference the APA style online at:

<http://www.apastyle.org/elecref.html> and at
<http://humanities.byu.edu/linguistics/Henrichsen/APA/APA01.html>

UNIVERSITY RESOURCES AND POLICIES

Academic Resources

- Accounting Lab: The Accounting department offers limited free tutoring services. Please refer to the Tutoring schedule which will be posted in CANVAS or contact the Administrator of the Accounting Department: Jani Medeiros at:
Medeirj@seattleu.edu, 206-296-5723, Pigott 515A
- Library and Learning Commons (<http://www.seattleu.edu/learningcommons/>)
(This includes: Learning Assistance Programs, Research [Library] Services, Writing Center, Math Lab)
- Academic Integrity Tutorial (*found on Angel and SU Online*)

Academic Policies on Registrar website (<https://www.seattleu.edu/registrar/academics/performance/>)

- Academic Integrity Policy
- Academic Grading Grievance Policy
- Professional Conduct Policy (*only for those professional programs to which it applies*)

STUDENTS WITH DISABILITIES

If you have, or think you may have, a disability (including 'invisible disability' such as a learning disability, a chronic health problem, or mental health condition) that interferes with your performance as a student in this class, you are encouraged to arrange support services and/or accommodations through Disabilities Services staff located in Loyola 100: (206) 296-5740. Disability based adjustments to course expectations can be arranged ONLY through this process.

Seattle University is committed to providing students with disabilities an equal opportunity to participate in all its classes and activities.

Title IX

Title IX of the Education Amendments of 1972 (Title IX) prohibits discrimination based on sex in educational programs or activities that receive Federal financial assistance. This prohibition includes sexual misconduct, which encompasses sexual harassment and sexual violence. Seattle U remains committed to providing a safe and equitable learning, living, and working environment. Seattle U offers emergency, medical, and other support resources, as well as assistance with safety and support measures, to community members who have experienced or been impacted by sexual misconduct.

Seattle U requires all faculty and staff to notify the University's Title IX Coordinator if they become aware of any incident of sexual misconduct experienced by a student.

For more information, please visit <https://www.seattleu.edu/equity/>. If you have any questions or concerns, you may also directly contact the Title IX Coordinator in the Office of Institutional Equity (email: oi@seattleu.edu; phone: 206.296.2824)

Appendix

myBusinessCourse

Required: You will be required to complete and submit assignments online, using a homework system called myBusinessCourse.

COURSE INFORMATION

Course Name Course ID Student Link

EMBA 5330:01 - ManagerialAccounting for Business Solutions 6873-25322

<https://mybusinesscourse.com/?code=6873-25322>

ACCESS OPTIONS

Option 1 - Enter Access Code

Locate the access code inside your new textbook OR if you've purchased an eBook check your email

Option 2 - Purchase eBook (w/Course)

Access to myBusinessCourse is free with the purchase of an eBook.

Option 3 - Purchase Course Only

If you do not have an access code from a new textbook or eBook purchase, you can purchase access to your course here.

REGISTRATION WITH STUDENT ENROLLMENT LINK

Use the information below to register for your Instructor-led section:

1. Follow or copy & paste the Student Enrollment Link into your browser
2. Select "Enroll"
3. Create an account, or login with an existing account
4. Choose the appropriate Access Option

STUDENT SUPPORT

View the user guide: https://mybusinesscourse.com/user_guide/student

To contact support directly, please visit: <https://mybusinesscourse.com/support>