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Office hours MW 4:30 to 5:30 and by appointment

David Parkinson, Teaching Assistant
tadavidparkinson@gmail.com

Resources at a glance

<table>
<thead>
<tr>
<th>Resource</th>
<th>Location</th>
<th>Content</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canvas website</td>
<td><a href="https://canvas.uw.edu/courses/962781">https://canvas.uw.edu/courses/962781</a></td>
<td>Slides, assignments, readings, links to cases and HBS articles</td>
</tr>
<tr>
<td>HBP course pack</td>
<td><a href="https://cb.hbsp.harvard.edu/cbmp/access/35784235">https://cb.hbsp.harvard.edu/cbmp/access/35784235</a></td>
<td>Cases and HBS articles</td>
</tr>
<tr>
<td>Textbook (optional)</td>
<td>Introduction to Management Accounting, 16th Edition by Charles D. Horngren, Gary L. Sundem, David Burgstahler, and Jeff Schatzberg</td>
<td>Background content, practice problems</td>
</tr>
</tbody>
</table>

Course objectives
In this course we will focus on information and decision-making within an organization (as opposed to financial accounting, which focuses on accounting information for decision-makers outside the firm). The overall objective of the course is to provide you with the concepts and tools you need to understand, apply, and explain accounting information for managerial decisions.

Upon completion of the course, you will be able to:

1. Define the terms and concepts used by management to aid in costing, planning, controlling, and decision-making activities.
2. Apply analytical tools and technical skills in a variety of management decisions such as costing, pricing, product mix, improving productivity, and performance measurement.
3. Use accounting data to identify and analyze alternatives with the purpose of making managerial choices to maximize economic benefits to a firm.
4. Evaluate important characteristics of effective performance measurement and management systems such as budgets, variance analysis, and incentive systems.
5. Apply concepts from the broader frameworks of governance and control.
Course materials, preparation, and grading

Course materials
This course is based primarily on cases I have chosen to demonstrate the core concepts of managerial accounting. We will supplement these cases with articles to illustrate both “real world” examples of managerial accounting, and to raise higher-level issues in managerial accounting. In addition to cases and articles, we will utilize the textbook *Introduction to Management Accounting*, 16th Edition by Charles D. Horngren, Gary L. Sundem, David Burgstahler, and Jeff Schatzberg (“HSBS”). The textbook is optional.

The Canvas website will be your primary course resource ([https://canvas.uw.edu/courses/962781](https://canvas.uw.edu/courses/962781)). I have linked the Canvas page to a Harvard Business Publishing course pack ([https://cb.hbsp.harvard.edu/cbmp/access/35784235](https://cb.hbsp.harvard.edu/cbmp/access/35784235)) where you will find cases and articles published by Harvard.

Preparation
Your class attendance and participation in class discussions are essential. A great deal of learning takes place when you articulate your views on issues and cases; very little learning takes place when you listen passively. In class, I will assume that you have thoughtfully attempted case assignments, read any assigned articles and suggested readings from HSBS, and that you have attempted recommended practice problems.

Class discussions will focus on cases and articles, but I encourage you to prepare by reading suggested content from HSBS and by working suggested practice problems before class. We learn best through repetition, and a basic understanding of the topics will aid you in preparing case solutions and contributing to class discussions.

Grading
Your grade will be based on the higher of the two following options:

<table>
<thead>
<tr>
<th>Component</th>
<th>Option 1</th>
<th>Option 2</th>
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</thead>
<tbody>
<tr>
<td>Case assignments</td>
<td>20%</td>
<td>0%</td>
</tr>
<tr>
<td>Take-home exam 1</td>
<td>40%</td>
<td>50%</td>
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<tr>
<td>Take-home exam 2</td>
<td>40%</td>
<td>50%</td>
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<tr>
<td>Total</td>
<td>100%</td>
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I believe that careful preparation of case assignments will assist in your learning, but I understand that case preparations can be lengthy, and that your time is limited. Thus, I have made case preparation optional. When I determine final grades, I will use the grading option above which results in your highest score. You do not need to select a grading option in advance.

I will post case assignments to our Canvas website, and all case assignments are due immediately before class begins. To encourage your thoughtful preparation of case assignments, I will grade case assignments based on whether you made a *good faith effort* to address the issues in the case. I
encourage you to work in teams to develop your case solutions, but each individual must submit a write-up individually to receive a grade.

**Review sessions**

Review sessions are optional, and will be held each Sunday by David Parkinson, with a few exceptions. There will be no review session on Sunday, May 10th or Sunday, May 24th. In Week 10 I will hold a review session on Wednesday, 6/3 from 6:00 until 8:00.

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<tr>
<th>Review session schedule</th>
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<td><strong>Day</strong></td>
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<td>Wednesday</td>
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**The fine print: Academic misconduct**

Admission to the University and the Technology Management MBA program carries with it the presumption that students conduct themselves as responsible members of the academic community and observe standards of conduct that are appropriate to the pursuit of academic goals. The standards include, but are not limited to, cheating, plagiarism and stealing. Breaches of this standard of conduct make students subject to disciplinary action, including expulsion from the program.
# Course schedule

## Class 1: 3/30 or 4/1

**Modules:** Introduction to managerial accounting  
Module 1: Cost basics

**Case discussion:** Ned’s New Wave†

**Additional readings:** Real story on GM’s Volt costs  
GM’s Volt – The ugly math of low sales, high costs

**HSBS readings (Ch: pp):**  
1: 1-12  
2: 36-60  
5: 184-186

**Practice problems:**  
2-A2, 2-A4

## Class 2: 4/6 or 4/8

**Module:** Module 2: Cost systems

**Case discussion:** Oleo Software†

**Additional readings:** Why the Big Three put too many cars on the lot  
Cost-cutting activity

**HSBS readings (Ch: pp):**  
4: 122-144

**Practice problems:**  
4-B1, 4-B2

## Class 3: 4/13 or 4/15

**Modules:**  
Module 2: Cost systems  
Module 3: Costs for decision-making

**Case discussion:** Wilkerson Company†  
Precision Worldwide*

**Additional readings:** Waste disposal - Turning garbage into gas

**HSBS readings (Ch: pp):**  
4: 134-144, 147-151  
5: 180-183, 195-204

**Practice problems:**  
4-41, 4-48, 5-30

## Class 4: 4/20 or 4/22

**Modules:**  
Module 3: Costs for decision-making  
Introduction to responsibility accounting

**Case discussion:** Performance Motors†

**Additional readings:** Closer Look - Trust as control system

**HSBS readings (Ch: pp):**  
5: 186-190  
6: 226-245  
9: 352-363

**Practice problems:**  
5-36, 6-A1, 6-B3, 6-51
Course schedule (cont.)

**Class 5: 4/27 or 4/29**

<table>
<thead>
<tr>
<th>Modules:</th>
<th>Module 4: Budgeting</th>
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<tbody>
<tr>
<td>Case discussion:</td>
<td>Danshui Plant No. 2†</td>
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<tr>
<td>Additional readings:</td>
<td>Managing in the fog</td>
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<td>Corporate budgeting is broken - Let's fix it</td>
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<td>Zero-base budgeting</td>
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<td>Unease brewing at Anheuser as new owners slash costs</td>
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</table>

**HSBS readings (Ch: pp):**

- 7: 270-277
- 8: 310-331

**Practice problems:**

- 8-26, 8-28, 8-35, 8-43

**EXAM 1: Distribute 4/29 after class; due 11:59 p.m. 5/3 (Modules 1 - 3)**

**Class 6: 5/4 or 5/6**

<table>
<thead>
<tr>
<th>Modules:</th>
<th>Module 5: Transfer pricing</th>
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<tbody>
<tr>
<td>Case discussion:</td>
<td>Module 6: Performance measurement</td>
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<tr>
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<td>Birch Paper*</td>
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<td>ATH (A) &amp; (B)*</td>
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</table>

**Additional readings:**

- Value creation

**HSBS readings (Ch: pp):**

- 10: 404-414
- 10: 390-394

**Practice problems:**

- 10-34, 10-36

**Class 7: 5/11 or 5/13**

<table>
<thead>
<tr>
<th>Modules:</th>
<th>Module 6: Performance measurement</th>
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<tbody>
<tr>
<td>Case discussion:</td>
<td>Vyaderm†</td>
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</table>

**Additional readings:**

- Value Maximization, Stakeholder Theory, and the Corporate Objective Function
- 7 Deadly Sins of Performance Measurement

**HSBS readings (Ch: pp):**

- 10: 396-403

**Practice problems:**

- 10-41, 10-42
Course schedule (cont.)

Class 8: 5/18 or 5/20

<table>
<thead>
<tr>
<th>Modules:</th>
<th>Module 6: Performance measurement</th>
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<tbody>
<tr>
<td>Case discussion:</td>
<td>Citibank†</td>
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<td>Executive Pay and the Credit Crisis of 2008*</td>
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<tr>
<td>Additional readings:</td>
<td>Linking the Balanced Scorecard to Strategy</td>
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<td></td>
<td>Closer Look - What is CEO Talent Worth</td>
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<td></td>
<td>Closer Look - Seven Myths of Executive Compensation</td>
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<tr>
<td>HSBS readings (Ch: pp):</td>
<td>9: 370-371</td>
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<tr>
<td></td>
<td>10: 394-396</td>
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<tr>
<td>Practice problems:</td>
<td>9-45</td>
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Class 9: 5/27 or 6/1

<table>
<thead>
<tr>
<th>Modules:</th>
<th>Module 7: Corporate governance</th>
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</thead>
<tbody>
<tr>
<td>Case discussion:</td>
<td>Corporate Governance at Martha Stewart Living Omnimedia†</td>
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<tr>
<td>Additional readings:</td>
<td>Closer Look - Seven Myths of Corporate Governance</td>
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<tr>
<td>HSBS readings (Ch: pp):</td>
<td>None</td>
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<tr>
<td>Practice problems:</td>
<td>None</td>
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</table>

EXAM 2: Distribute 6/3 after review session; due 11:59 p.m. 6/10 (Modules 4-7)

†Case assignment provided on Canvas.
*We will work through the solution to this case in detail in class. Please familiarize yourself with the setting using questions provided in the Canvas assignment, but do not submit case solutions.
<table>
<thead>
<tr>
<th>Module</th>
<th>Sub-topic(s)</th>
<th>Case discussion</th>
<th>Case assignment</th>
<th>HSBS readings (Chapter: Pages)</th>
<th>Additional readings</th>
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</thead>
<tbody>
<tr>
<td>Class 1: 3/30 or 4/1</td>
<td>Introduction to managerial accounting 1: Cost basics</td>
<td>Cost terms and concepts Introduction to cost behavior Cost-volume-profit analysis</td>
<td>Ned's New Wave Canvas assignment</td>
<td>1: 1-12</td>
<td>Real story on GM's Volt costs GM's Volt - The ugly math of low sales high costs</td>
<td>2-A2, 2-A4</td>
</tr>
<tr>
<td>Class 2: 4/6 or 4/8</td>
<td>2: Cost systems</td>
<td>Traditional overhead allocation Introduction to ABC</td>
<td>Oleo Software Canvas assignment</td>
<td>4: 122-134, 134-144</td>
<td>Why the Big Three put too many cars on the lot Cost-cutting activity</td>
<td>4-B1, 4-B2</td>
</tr>
<tr>
<td>Class 3: 4/13 or 4/15</td>
<td>2: Cost systems</td>
<td>Activity-based costing Wilkerson Company Canvas assignment</td>
<td>4: 134-144, 147-151</td>
<td>4-41, 4-48</td>
<td>Waste disposal - Turning garbage into gas</td>
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<td></td>
<td>3: Costs for decision-making</td>
<td>Introduction Identifying relevant costs</td>
<td>Precision Worldwide Carefully read case*</td>
<td>5: 180-183, 195-204</td>
<td>5-30</td>
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<td>Constrained resources Performance Motors Canvas assignment</td>
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Managerial Accounting (ACCTG 501): Course Summary

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<thead>
<tr>
<th>Module</th>
<th>Sub-topic(s)</th>
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<th>Case assignment</th>
<th>HSBS readings (Chapter: Pages)</th>
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<tr>
<td>Class 5: 4/27 or 4/29</td>
<td>4: Budgeting</td>
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<td>7: 270-277</td>
<td>Managing in the fog</td>
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<td>Variance analysis</td>
<td>Canvas assignment</td>
<td>8: 310-331</td>
<td>Corporate budgeting is broken - Let's fix it</td>
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<td></td>
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<td>Financial measures (EVA preview)</td>
<td>Carefully read case*</td>
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<tr>
<td>Class 7: 5/11 or 5/13</td>
<td>6: Performance measurement</td>
<td>Financial measures</td>
<td>Vyaderm</td>
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<td>7 Deadly Sins of Performance Measurement</td>
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Managerial Accounting (ACCTG 501): Course Summary

<table>
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<tr>
<th>Module</th>
<th>Sub-topic(s)</th>
<th>Case discussion</th>
<th>Case assignment</th>
<th>HSBS readings (Chapter: Pages)</th>
<th>Additional readings</th>
<th>Practice problems</th>
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<tr>
<td>Class 8: 5/18 or 5/20</td>
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<tr>
<td>6: Performance</td>
<td>Multiple measures</td>
<td>Citibank</td>
<td>Canvas assignment</td>
<td>9: 370-371</td>
<td>Linking the Balanced Scorecard to Strategy</td>
<td>9-45</td>
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<td>Closer Look - What is CEO Talent Worth</td>
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<td>Executive compensation</td>
<td>Executive Pay</td>
<td>Carefully read case*</td>
<td>10: 394-396</td>
<td>Closer Look - Seven Myths of Executive Compensation</td>
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<td>and the Credit Crisis of 2008 (A)</td>
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<td>7: Corporate governance</td>
<td>Big picture</td>
<td>Corporate Governance at Martha Stewart Living Omnimedia</td>
<td>Canvas assignment</td>
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