

————— **Managerial Accounting** —————
Evening MBA - Spring 2020
MW 6:00-7:40 / 7:50-9:30

Instructor: Sarah Shaikh
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Course Objective: This course will provide you with the concepts and tools needed to understand and use accounting information for planning, decision-making and control purposes in an organization. As operations have become increasingly complex, global and competitive, the task of gathering, understanding and using relevant financial information is more challenging but crucial to the long-term success of any organization.

Class Format: This class will be taught using a case-based approach. I use this approach for two reasons. First, cases illustrate the application of concepts in relevant “real-world” organizational settings. Because cases are incomplete summaries of “real-world” situations, you will have to make reasonable assumptions given the details in a case and your knowledge about the business world. This process will sharpen your ability to deal with financial and non-financial data in addressing business problems that are all too often “messy”. Second, case-based learning requires that you are an active participant in class discussions. To facilitate such, you will need to prepare for class by reading the case and answering a set of questions. Often you may feel frustrated because you are unsure about your answers or go down a “wrong” path. These frustrations will, however, lead to a higher level of insight and retention. In addition, class discussions will allow you the opportunity to share your experiences as they relate to the concepts we are covering in class.

While I will introduce the fundamentals of concepts prior to us applying such in the framework of a case, I encourage you to deepen your understanding by referring to a managerial accounting textbook and working through practice problems. We learn best through repetition and a comprehensive understanding of concepts will aid you in preparing case solutions and contributing to class discussions.

Course Materials:

- Canvas Site: <https://canvas.uw.edu/courses/1371055>
- Harvard Business Case Pack (Required): <https://hbsp.harvard.edu/import/715261>
- Textbook (Recommended): *Introduction to Management Accounting*, 16th Edition (2014), Charles T. Horngren, Gary L. Sundem, David Burgstahler, and Jeff Schatzberg (there is both a rental option and an electronic textbook option available on Amazon). There are other management accounting textbooks available for rent on Amazon for as little as \$15. I note this because any reference guide can help you become more familiar with the content.

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

	Option 1	Option 2
Individual case polls	5%	5%
Participation and professionalism	10%	10%
Team case write-ups	15%	15%
Team project and presentation	20%	0%
Midterm exam	20%	30%
Final exam	30%	40%
Total	100%	100%

- Individual Case Polls:** To encourage you to prepare for class, I will ask a few straightforward questions on some cases via an online Canvas “poll”. You will be required to submit your responses to the case poll by 3:00pm on the day of the case discussion. I will grade your responses based on whether you made a *good faith* effort to answer the questions. Full credit does not require you to identify the “right” answers, but it does require you to formulate relevant, thoughtful and complete answers. I will compile your responses prior to class for use in our discussion of the case.
- Team Case Write-ups:** For cases that are longer and/or more complex, I will provide you the opportunity to work with your classmates to answer discussion questions via a case write-up. This write-up should be in the form of a one page memo plus any supporting tables and calculations (pasted into the same document and which are explicitly referred to in the memo). Please list the names of all team members in the memo (e.g., in the header). One team member will be required to electronically submit your team case write-up by 3:00pm on the day of the case discussion. Because cases will be the primary method through which we learn concepts, careful preparation of these assignments is essential to understanding the material and to facilitate valuable classroom discussion. I will grade these write-ups based on whether your team made a *good faith* effort to address the assigned case questions. At minimum, your memo must address the specific question(s) that I have assigned for each case. Full credit does not require you to identify the “right” answers, but it does require you to formulate relevant, thoughtful and complete answers to case questions. I also expect your write-up to be clear and concise with recommendations detailed and assumptions embedded in your analyses stated explicitly.
- Participation and Professionalism:** I will evaluate your professionalism and participation based on multiple factors. First, I expect you to come to class and be on time. If you are not able to attend a particular class session, please email me *in advance* to let me know of your absence. Second, I expect that you will come to class having completed the assigned readings, thought through the relevant issues and worked through necessary quantitative analyses. This preparation will facilitate your active involvement in class discussions, including asking questions and sharing your knowledge and experience with

the class. When voluntarily engaging in class discussions, please note that you will be evaluated based on the *quality* of your contributions rather than solely on the *quantity* of your comments. I will also call on you randomly to participate in discussions throughout the quarter. If you feel unprepared for a particular class session, please let me know before the class begins via email. This notice will save both you and me discomfort (as I do not enjoy calling on students who are not prepared). When evaluating your class contribution (whether volunteering or cold calling), I will use a three-level scale to assess your contributions (+, check, -). A “+” indicates instances when it is clear that you were prepared, thought about the issues and communicated your position very well. A “check” indicates instances when it is clear that you had put some thought into the issues and communicated your position effectively. A “-” indicates instances when it is clear that you were not prepared (i.e., you are not able to recall relevant information/analyses from the case, not able to clearly communicate your position, or ask to be excused from a cold call) or instances when you were called on but were not in attendance. On average, responses tend to receive a “check.” Please note that, based on this system, you have an incentive to come to class as prepared as possible, but even when unprepared, you have an incentive to come to class. Finally, I ask that you use your laptop only for class-related activities during class. Online activities (surfing the Web, checking email, texting, etc.) inhibit your ability to learn.

- **Team Project and Presentation:** I will provide you the *option* of working with your classmates to identify and solve a “live” business case. Given the current economic environment which poses extraordinary challenges to small businesses, non-profit organizations, entrepreneurs and artists (among others), this project provides you an excellent opportunity to have a positive impact in our local community. In particular, the concepts that we cover in this class directly inform operational and strategic decision-making (e.g., we will discuss factors to consider when choosing the appropriate cost structure, different methods of allocating costs, how to use cost information to inform product mix and pricing decisions, how to identify the optimal product mix when there are constraints on production/service delivery, how to use the budget process to plan, control and evaluate operations, and the role of performance metrics in incentivizing behavior that maximizes the value of the organization). When selecting a project, please note that it must offer the opportunity to apply at least some of these concepts and make tactical (and possibly, strategic) recommendations to an organization. You can follow any of the following approaches to identify a team project:
 1. Find a client that is struggling with how to cope in the current economic environment and facing one or more business decisions.
 2. Be an entrepreneur: you or one of your classmates might have a start-up idea with the strategic objective to have positive societal impact in the current economic environment.
 3. Ask me for ideas.

To help ensure that your project offers the opportunity to apply the concepts we cover in class and make constructive recommendations to an organization, I will require you to

submit a one page document outlining your project by Monday, April 20th. Specifically, include in this document the following:

1. The client (the company can go unnamed if the owner desires to keep shared information confidential, but I would like a contact person's email).
2. The overall business context (e.g., this context can describe the unique operational constraints or problems facing the business in the current economic environment).
3. Define the specific business decision you intend to help the client make by gathering and analyzing relevant data – financial and non-financial.
4. Describe how you will approach better understanding this decision, the part of it you will tackle, and the decision choices available.
5. Describe the research you plan to undertake (e.g., interviews, observation, primary data, secondary data) to perform the necessary qualitative and quantitative analyses.
6. Describe what the agreed-upon (and ideal) deliverable will be for the client.

During the final week of classes, you will make a presentation about your project (the length of the presentation will depend on the number of individuals that choose this project option and who need to present). I will grade your project based on my evaluation of the degree to which you worked with a client to identify a relevant business decision and performed analyses to explicitly inform that decision. Evidence that will inform my evaluation will include your one page document, your presentation, and possibly, an independent assessment by your client.

- **Midterm and Final Exams:** These will be take-home exams. Although the final is inherently cumulative, it will focus mainly on materials covered after the midterm. If an emergency or unavoidable obligation prevents you from taking the exam during the assigned time interval, you should contact me as soon as possible *before* the exam so that we can arrange an alternate time interval.

Review Sessions: Samantha, a third year PhD student, will hold a mix of periodic review sessions (on Sundays from 1-3pm) and virtual office hours. The review sessions will provide you the opportunity to work through questions from prior exams and have time for Q&A on concepts covered in class. These sessions are optional but you are strongly encouraged to attend if you are struggling with the material.

Code of Conduct: By being a student in this class you acknowledge that you are a member of a learning community in the Foster School of Business that is committed to the highest academic standards. The Honor Code of the Foster School expressly prohibits cheating, attempted cheating, plagiarism, and lying to administration or faculty as it pertains to academic work.

Accommodations: To request academic accommodations due to disability, please contact Disabled Student Services, 448 Schmitz, 206-543-8924. If you have a letter from Disabled

Student Services indicating that you have a disability that requires academic accommodations, please present the letter to me so that we can discuss the accommodations you might need in this class.

Washington state law requires that UW develop a policy for accommodation of student absences or significant hardship due to reasons of faith or conscience, or for organized religious activities. The UW's policy, including more information about how to request an accommodation, is available at <https://registrar.washington.edu/staffandfaculty/religious-accommodations-policy/>). Accommodations must be requested within the first two weeks of this course using the Religious Accommodations Request form (<https://registrar.washington.edu/students/religious-accommodations-request/>).

DATE	TOPICS	DELIVERABLES	TEXTBOOK CHAPTERS	PRACTICE PROBLEMS	ADDITIONAL READINGS
<i>Class 1 - Mon: 3/30</i>	<ul style="list-style-type: none"> Intro. to managerial accounting Cost terms and behavior 	Read Ned's New Wave Barbershop	Chap 1: 1-12 Chap 2: 36-60 Chap 3: 86-101 Chap 5: 184-186	2-A2, 2-A4	GM's Volt: The Ugly Math of Low Sales, High Costs
<i>Class 2 - Wed: 4/1</i>	<ul style="list-style-type: none"> Cost terms and behavior 	Read Foxy Originals: The Online Expansion			
<i>Class 3 - Mon: 4/6</i>	<ul style="list-style-type: none"> Traditional cost allocation 	Submit Oleo Software poll	Chap 4	4-B1, 4-B2 4-41, 4-48	
<i>Class 4 - Wed: 4/8</i>	<ul style="list-style-type: none"> Activity-based costing and management 	Submit Midwest Office Products write-up			
<i>Class 5 - Mon: 4/13</i>	<ul style="list-style-type: none"> Relevant costs for decision-making 	Submit Anagene poll	Chapters 5 and 6	5-30, 5-36, 5-57, 6-B3 6-A1, 6-48, 6-51, 6-61	
<i>Class 6 - Wed: 4/15</i>	<ul style="list-style-type: none"> Relevant costs for decision-making 	Submit Giberson's Glass Studio write-up			
<i>Class 7 - Mon: 4/20*</i>	<ul style="list-style-type: none"> Relevant costs for decision-making 	Submit Western Components poll			
<i>Class 8 - Wed: 4/22</i>	<ul style="list-style-type: none"> Wrap-up and review for exam 				
<i>Class 9 - Mon: 4/27</i>	Midterm Exam due at 10pm				
<i>Class 10 - Wed: 4/29</i>	<ul style="list-style-type: none"> Intro. to responsibility accounting 	Submit ATH A & B poll	Chap 9: 352-363		
<i>Class 11 - Mon: 5/4*</i>	<ul style="list-style-type: none"> Transfer pricing 	Submit Birch Paper Co. write-up	Chap 10: 390-394; Chap 10: 404-412	10-34, 10-35	
<i>Class 12 - Wed: 5/6</i>	<ul style="list-style-type: none"> Transfer pricing/make-buy decisions 				
<i>Class 13 - Mon: 5/11</i>	<ul style="list-style-type: none"> Budgets/variance analysis 	Submit Waltham Motors Division poll	Chap 7: 270-277 Chapter 8	8-26, 8-28, 8-35, 8-43	
<i>Class 14 - Wed: 5/13</i>	<ul style="list-style-type: none"> Budgets/variance analysis 	Submit Berkshire Toy write-up			
<i>Class 15 - Mon: 5/18</i>	<ul style="list-style-type: none"> Perf. measurement (financial measures) 	Submit Vyaderm write-up	Chap 10: 396-403	10-41, 10-42	Value Creation
<i>Class 16 - Wed: 5/20</i>	<ul style="list-style-type: none"> Perf. measurement (broader measures) 	Submit Wells Fargo Online poll	Chap 9: 370-371		Coming up Short on Non-Financial Perf. Measurement
<i>Mon: 5/25</i>	Holiday				
<i>Class 17 - Wed: 5/27*</i>	<ul style="list-style-type: none"> Issues with perf. measurement 	Submit 7 deadly sins of perf. measurement write-up			
<i>Class 18 - Mon: 6/1</i>	<ul style="list-style-type: none"> Team presentations 				
<i>Class 19 - Wed: 6/3</i>	<ul style="list-style-type: none"> Team presentations / review for exam 				
<i>Class 20 - Mon: 6/8</i>	Final Exam due at 10pm				

*Coffee break days (first evening session ends at 7:30pm and second evening session begins at 8:00pm)