Managerial Accounting

Spring 2021

Instructor

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ONLINE LEARNING

All classes will be held online using Canvas and Zoom. Working together, I’m confident we will have a successful learning experience and accomplish our learning objectives.

COURSE DESCRIPTION

Managerial accounting is concerned with using information to effectively plan and control operations and make good business decisions (skills needed by all successful managers). The overall objective of this course is to provide you with the concepts and tools needed in planning, control, and decision making. Two key ideas are stressed throughout the course:

1. There is no one "true" cost number that is applicable to all decisions. Only incremental revenue and incremental costs are relevant for decision making, and incremental analysis is fundamental to all significant business decisions. Cost information that is prepared for financial accounting purposes will not provide incremental cost information needed for managers’ decisions.

2. Performance measures used in planning and control must be carefully assessed to ensure they are creating appropriate incentives. Remember—you get what you measure! In general, the performance measures used in planning and control should be related to a company’s strategy for success.
Key learning objectives include:

- Understand the differences between financial and managerial accounting
- Have the ability to use common cost terminology
- Know how to calculate the cost of a job in a manufacturing company and in a service company setting
- Know the role of a predetermined overhead rate and how to treat differences in actual and applied overhead
- Have the ability to apply cost-volume-profit analysis to analyze single and multiple products
- Understand the effect of operating leverage on fluctuations in profit
- Understand how fixed costs can be buried in inventory by overproduction and how this problem is solved by variable costing
- Understand the various ways that costs are allocated including the use of activity-based costing
- Know how to apply incremental analysis to decisions
- Understand how to assess customer profitability
- Have the ability to prepare a budget and understand the role of budgets in planning and control
- Understand how to calculate and interpret variances from a standard costing system
- Understand the limitations inherent in financial performance measures
- Have the ability to prepare a balanced scorecard linking performance measures to a company's strategy for success

COURSE MATERIALS

Textbook: James Jiambalvo, Managerial Accounting, Seventh Edition (John Wiley 2020). This book is available at the UW Bookstore. I believe you can call and they will ship the book free in one or two days. Or, you can pick it up via drive through (call first). We all know that textbooks have become quite expensive. In an effort to reduce costs and price, the publisher is issuing the book in a three-ring binder edition.

Cases: Cases we discuss are either in the textbook or they are cases I’ve written that are not in the textbook. I’ll post them to the Canvas site. Additionally, we will use two cases from the Harvard Business School. To purchase these cases, please go to:

https://hbsp.harvard.edu/import/807866
The cost is $8.50. You **do not** need to purchase the optional audio versions.

**Class Slides:** Class slides will be posted to Canvas in the files section. The slides uploaded before class will be the only slides posted to Canvas, meaning there will not be before class and after class versions.

**GRADING**

Your course grade will be based on the following:

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<tr>
<th>Component</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Individual problem sets</td>
<td>20%</td>
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<tr>
<td>Team problem sets</td>
<td>30%</td>
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<tr>
<td>Midterm</td>
<td>25%</td>
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<tr>
<td>Final</td>
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There are 5 individual problems sets worth 20 points each. Individual problem sets are graded as satisfactory (receive full 20 points) or unsatisfactory (receive zero points). A satisfactory submission should reflect a good faith effort to address the problem. It does not have to be correct. You may discuss the problems with your fellow classmates before submission, but you should not copy and paste their work into your submission. Please submit your problem set answer on Canvas by the stated due date.

After your individual submissions, you should meet virtually with your team and prepare a single team submission. Take this time to ensure that each team member understands all aspects of the joint effort. Please select one team member to submit the problem set on Canvas by the stated due date. The group submissions are graded based on whether they are complete and accurate. There will be 4 team problem set submissions worth 20 points each.

The midterm and final exams are open book/open notes. Both exams must be completed individually, without assistance from any other person, and without the use of materials on the internet (other than the class Canvas site).

**ACADEMIC INTEGRITY AND THE MBA HONOR CODE**

By being a student in this course you acknowledge that you are a part of a learning community at the Foster School of Business that is committed to the highest academic standards. As a part of this community, you pledge to uphold the fundamental standards of honesty, respect, and integrity, and accept the responsibility to encourage others to adhere to these standards.
RELIGIOUS AND DISABILITY ACCOMMODATIONS

The UW’s policy related to religious accommodations is available at: (https://registrar.washington.edu/staffandfaculty/religious-accommodations-policy/). Accommodations should be requested within the first two weeks of the course using the Religious Accommodations Request form (https://registrar.washington.edu/students/religious-accommodations-request/).”

Please contact Disability Resource for Students as early as possible in the quarter to request accommodation for either temporary or permanent physical, health, learning, sensory, or psychological disabilities. (http://depts.washington.edu/uwdrs/)

PREPARATION FOR CLASS

Prior to class, please read the assigned chapter and cases as indicated below. You should pre-read the problems and cases that will be discussed in the breakout rooms. However, you do not need to solve them before meeting with your breakout team.