

Syllabus
ACC 359/ ACC 387.1
Managerial/Cost Accounting
Spring 2011

The University of Texas at Austin
McCombs School of Business
Department of Accounting

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Sections:	02460 and 02745 TTH 9:30 - 11:00 a.m., GSB 2.122 02465 and 02750 TTH 11:00 - 12:30 p.m., GSB 2.122 02470 and 02755 TTH 12:30 - 2:00 p.m., GSB 2.122
Course web page:	http://courses.utexas.edu
Teaching assistant:	TBA
TA office hours:	TBA

Course Material

Required materials include a calculator, the course packet, and the textbook. Optional other materials are available.

- Cost Management: Strategies for Business Decisions, 4/e
Ronald W. Hilton, Michael Maher, and Frank Selto, McGraw-Hill Irwin
- Course Package, available from GSB Copy Center

Course Description

Cost accounting systems provide valuable information for management planning and control. Organizations rely on accurate cost information to decide on which products to keep and which products to discontinue, for assessing productivity improvements and for performance evaluation and control. An improperly designed cost accounting system can lead to costly errors in decision-making.

Intense competition in product markets has forced firms to look inward to become more cost-efficient. Tracing various resource costs accurately to products has become increasingly important as product margins are squeezed. Manufacturing environments have also undergone significant changes. To support decision-making in these environments, costs accounting systems also need to be redesigned.

Through a number of case studies supplemented by some lectures, this course exposes students to recent advances in cost accounting, and highlights important inputs into the design of cost systems. The cases cover a variety of decision-making settings and illustrate the role of cost information in these settings.

Course objectives are:

1. To develop an understanding for the important characteristics of good cost systems.
2. To analyze the role of cost information in a variety of management decisions such as pricing, product mix, improving productivity, product design, and performance measurement.

Grading

Your performance in this course will be evaluated under the following model:

Exam 1	75 points
Exam 2	75 points
Exam 3	75 points
Homework Case Reports	30 points
Participation	15 points
Total	270 points

There will be no opportunity to raise your course average or grade by doing "extra credit" work during or after the semester.

Beginning in Fall 2009, The University of Texas at Austin permits plus/minus grading—that is, A-, A, B+, B, B-, C+, etc., for all courses in which grades are awarded, including undergraduate as well as graduate courses. To foster consistency in grading across sections of ACC 359/ACC 387.1, the faculty have adopted plus/minus grading as the standard for all sections of the course. We believe that plus/minus grading permits us to better distinguish gradations in performance and provide better feedback to students on their performance.

In accordance with the Accounting Department Grade Policy/Guideline for the Core PPA courses, Final Course Grades will be assigned to achieve a final class average GPA between 3.2 and 3.4, inclusive.

Policy on Scholastic Dishonesty

The McCombs School of Business has no tolerance for acts of scholastic dishonesty. The responsibilities of both students and faculty with regard to scholastic dishonesty are described in detail in the Policy Statement on Scholastic Dishonesty for the McCombs School of Business:

By teaching this course, I have agreed to observe all of the faculty responsibilities described in that document. By enrolling in this class, you have agreed to observe all of the student responsibilities described in that document. If the application of that Policy Statement to this class and its assignments is unclear in any way, it is your responsibility to ask me for clarification. Policy on Scholastic Dishonesty: Students who violate University rules on scholastic dishonesty are subject to disciplinary penalties, including the possibility of failure in the course and/or dismissal from the University. Since dishonesty harms the individual, all students, and the integrity of the University, policies on scholastic dishonesty will be strictly enforced. You should refer to the Student Judicial Services website at <http://deanofstudents.utexas.edu/sjs/> or the General Information Catalog to access the official University policies and procedures on scholastic dishonesty as well as further elaboration on what constitutes scholastic dishonesty.

Questions about scholastic dishonesty procedures should be referred to Paul Murray, Associate Dean for Undergraduate Program Office.

Assistance for Students with Disabilities

The University of Texas at Austin provides upon request appropriate academic accommodations for qualified students with disabilities. For more information, contact the Office of the Dean of Students at 471-6259, 471-4641 TTY.

Use of Blackboard and Student Privacy

This course will use Blackboard, a web-based class site sponsored and maintained by UT. This site is accessible as indicated on the first page of the syllabus, and is password-protected through the UT-EID system.

Password-protected class sites will be available for all accredited courses taught at The University. Syllabi, handouts, assignments and other resources are types of information that may be available within these sites. Site activities could include exchanging e-mail, engaging in class discussions and chats, and exchanging files. In addition, class e-mail rosters will be a component of the sites. Students who do not want their names included in these electronic class rosters must restrict their directory information in the Office of the Registrar, Main Building, Room 1. For information on restricting directory information see: <http://www.utexas.edu/student/registrar/catalogs/gi02-03/app/appc09.html>.

Individual Case Homework

Every student is required to produce a short report for each case (not longer than one page). The reports should address the following questions: "What are the main issues in the case and how can these issues be addressed?" The goal of the homework reports is to ensure that students have read each case and understand the problems studied in the case.

The homework case reports will be collected at the **beginning** of the class in which the case is discussed. Late assignments will not be accepted (that means if you are late for class you will not be able to hand in your homework). Homework will be graded on a scale of 2 (reasonable effort – most parts correct), 1 (not a good effort), and 0 (not turned in). Your lowest two homework scores will be dropped. Verbal collaboration (i.e., talking about the assignment) on homework is allowed. However, the prepared assignment should be your own work (do not borrow, copy or transfer answers or files from anyone else). For classes in which there is no case discussion, you do not need to prepare a case report.

Class participation

Evaluating class participation is necessarily a subjective exercise. If you add to the discussion or ask relevant questions about the material, I will evaluate you generously. If you never participate, I will evaluate you accordingly. Any exceptional participation will be rewarded through this portion of your grade. Any unprofessional or disruptive behavior in class will result in a reduction of this portion of your grade.

Exams

All the exams are closed-book exams and will be given in the regular class. You may bring a non-programmable calculator to the exams. No make-up exams will be given. Medical emergencies and family emergencies are the only valid reasons for missing an exam. In such instances, you must provide supporting documentation (e.g., signed note from your physician). If you miss an exam and you have a valid and documented reason for missing it, your grade will be determined by increased weight on the other exams. If you do not have a valid and documented reason for missing an exam, you will receive a zero on the exam.

Regrade requests for the exams must be submitted to me in writing within 3 work days of the day the exams are returned. After the regrade period, only totaling errors will be adjusted for.

Text and Problems

The Hilton, Maher, and Selto book is an excellent textbook and I recommend that you read it to guide your understanding of this material. You are responsible for all text chapters assigned.

I will sometimes suggest homework problems from the textbook in class. I do not collect or grade these problems. The solutions to the suggested problems will be made available on the class Blackboard site. If you are having trouble understanding a homework problem or solution, please discuss it with the TA.

Practical Guidance: If it is in the text but I don't assign it in a problem or cover it in class, odds are very slim that it will be a significant component of the exam. Budget your time accordingly.

Course Schedule

Date	Topics	Cases	Text
T – Jan. 18	Course Introduction	None	None
Th – Jan. 20	Basics in Cost Behavior and Cost Allocation	Narnia, Inc. (no case homework)	Chapter 2, 3
T – Jan. 25	Cost Behavior, Product Costing, Relevant Costs	Giberson's Glass Studio	Chapter 2
Th – Jan. 27	Incremental Cost Analysis, Cost Volume Profit Analysis	Skyview Manor	Chapter 2, 12
T – Feb. 1	Cost Allocation	Seligram, Inc	Chapter 3
Th – Feb. 3	Activity-Based Costing and Customer Profitability	None	Chapter 4,6
T – Feb. 8	Activity-Based Costing and Corporate Strategy	Siemens Electric Motor Works (A)	Chapter 4
Th – Feb. 10	Capacity Analysis	Anagene, Inc.	Chapter 5
T – Feb. 15	Activity-Based Costing	Wilkerson Company	Chapter 4

Th – Feb. 17	Exam 1 (in class)		
T – Feb. 22	Capacity Continued and Cost Volume Profit Analysis	None	Chapter 12
Th – Feb. 24	Opportunity Costs, Linear Programming	Problem: Product Mix, relevant costs (no case homework)	Chapter 12 (especially Appendix A and B)
T – March 1	Relevant Costs, Make or Buy, Pricing	Problem: ACE Moped Company (no case homework)	Chapter 13
Th – March 3	Product Profitability and Sunk Costs	Reichard Maschinen, GmbH	Chapter 13
T – March 8	Variance Analysis	Boston Creamery, Inc.	Chapter 16, 17
Th – March 10	Joint Production Costing	None	Chapter 9
T – March 15	Spring Break		
Th – March 17	Spring Break		
T – March 22	Product and Customer Profitability and Strategy	Wendy's Chili	Chapter 9
Th – March 24	Product Costing, Strategic Positioning, Pricing Decisions	Sheridan Carpet Company	Chapter 13
T – March 29	Strategic Competition and Market Entry	Dogfight over Europe: Ryanair (A)	None
Th – March 31	Thinking Strategically and Game Theory	None	None
T – April 5	Exam 2 (in class)		
Th – April 7	Performance Measurement	None	Chapter 18
T – April 12	Labor Costs and Learning	Jones Iron Work	App. B to Chapter 11
Th – April 14	Franchising and Performance Measurement	Case of Big Mac's Pay Plans Roy Rogers Restaurants	Chapter 18, 20
T – April 19	Performance Measurement	Performance Pay at Safelite Auto Glass (A)	Chapter 20
Th – April 21	Transfer Pricing	None	Chapter 19
T – April 26	Decentralization and Transfer Pricing	Sub Micron Devices Inc.	Chapter 19
Th – April 28	Design of Internal Performance Measurement Systems and Transfer Pricing	San Francisco Bay Consulting	Chapter 19
T – May 3	Wrap-up and Review	None	none
Th – May 5	Exam 3 (in class)		

The course schedule, if need arises, may be changed. These changes will be announced beforehand.