

Macao Polytechnic Institute

School of Business

Bachelor of Accounting

Module Outline

Academic Year 2020 / 2021

Semester 1

Learning Module	Advanced Management Accounting			Class Code	ACCT4120-411
Pre-requisite(s)	Nil				
Medium of instruction	English			Credit	3
Lecture Hours	36 hrs	Lab/Practice Hours	9 hrs	Total Hours	45 hrs
Instructor	Dr Steve Fong		E-mail	ccfong@ipm.edu.mo	
Office	M552, Meng Tak Building, Main Campus		Telephone	85993345	

Description

This course introduces students to the strategic role of management accounting for planning and controlling performance so that strategic objectives can be achieved through planning and control. Topics covered include: (i) Strategic planning and control; (ii) Economic, fiscal and environmental factors; (iii) Performance measurement systems and design; (iv) Strategic performance measurement; (v) Performance evaluation and corporate failure; (vi) Current developments and emerging issues in management accounting and performance management.

Learning Outcomes (CILOs)

After completing the learning module, the students will be able to base on strategic management accounting framework to:

1. Explain and identify appropriate Management Accounting Systems for Decision Making.
2. Use costs in decision making and performance measurement.
3. Measure customer relationships for performance improvement.
4. Organize non-financial measures, such as balanced scorecard, for performance evaluation.
5. Utilize behavioural and organizational issues in Management Accounting and Control Systems.
6. Apply financial control in performance management.

After exposing to the various concepts and topics covered under this course, students are expected to gain an understanding of the impact of strategic decision, and the role of accounting information to achieve those learning outcomes.

**Students' due diligence, time commitment before and after class lectures, and their genuine participation are critical to the understanding of course material, and successful achievement of the desired learning outcomes.*

Alignment of Program and Course Intended Outcomes

(See attachment)

Content

Topics	Duration
1. Identify Management Accounting Information in Decision Making (Chapter 1) 1.1 Value framework of global Management Accounting principles 1.2 Management Accounting information for strategic and operational decision making 1.3 Strategy- Plan-Execute-Review system, plan-do-check-act cycle and the role for management accounting information 1.4 Behavioural issues of new measurement and management systems	3 hrs
2 Evaluate Costs in Decision Making (Chapter 3) 2.1 Cost information to support management activities 2.2 Effect of volume changes on cost and profits in organizations 2.3 The important role of the relevant cost concept in make-or-buy, product and department abandonment, costing orders, and product mix decisions	3 hrs

<p>3 Demonstrate Activity-Based Costs Systems (Chapter 5)</p> <p>3.1 Volume-based systems in product cost setting</p> <p>3.2 Activity-based cost system that traces resource costs to products</p> <p>3.3 Use of ABC system to improve operations and product decisions</p> <p>3.4 Measure of the practical capacity of resources and the cost of unused capacity.</p>	<p>3 hrs</p>
<p>4 Measure and Manage Life-Cycle Costs (Chapter 8)</p> <p>4.1 Total-life-cycle costing approach for managing product costs.</p> <p>4.2 Target costing.</p> <p>4.3 Breakeven time analysis for product development project.</p> <p>4.4 Nonfinancial measures for product development.</p>	<p>3 hrs</p>
<p>5 Measure and Manage Customer Relationships (Chapter 6)</p> <p>5.2 Customer profitability for service companies</p> <p>5.2 Value of the pricing waterfall in tracing discounts and allowances to customers.</p> <p>5.3 Alignment of salespersons' incentives for achieving customer profitability and loyalty.</p> <p>5.4 Nonfinancial measures of customer satisfaction and loyalty.</p>	<p>3 hrs</p>
<p>6 Measure and Manage Process Performance (Chapter 7)</p> <p>6.2 Theory of constraints measurement</p> <p>6.2 Different types of facilities layouts: process, product, and group technology</p> <p>6.3 Lean manufacturing and the cost of quality</p> <p>6.4 Value of JIT manufacturing systems</p> <p>6.5 Kaizen costing</p> <p>6.6 Cost savings resulting from process improvement</p>	<p>3 hrs</p>
<p>7 Plan and Coordinate Budgets (Chapter 10)</p> <p>6.3 Role of budgets and budgeting in organizations.</p> <p>7.2 Organizations use and interpretation of budgets.</p> <p>7.3 Role of budgets in service organizations and not-for-profit organizations.</p> <p>7.4 Criticisms against traditional budgeting and the "beyond budgeting" approach.</p>	<p>3 hrs</p>

8	Evaluate Balanced Scorecard and Strategy Map (Chapter 2) 8.1 Balanced Scorecard for representing cause-and-effect hypotheses of a company's strategy. 8.2 Role for a strategy map to translate company strategy. 8.3 Measures for the strategic objectives in company's balanced scorecard and strategy map. 8.4 Extension of the balanced scorecard framework to non-profit and public-sector organizations.	3 hrs
9	Appraise Behavioural and Organizational Issues in Management Accounting and Control Systems (MACS)(Chapter 9) 9.1 Behavioural considerations in the design of MACS. 9.2 Human resources management model of motivation. 9.3 Ethical control framework to decisions. 9.4 Motivation and dysfunctional behaviour in MACS. 9.5 Employee empowerment in the design of MACS.	3 hrs
10	Evaluate Financial Control (Chapter 11) 10.1 Financial control and its important roles in business. 10.2 Decentralization of decision-making responsibility. 10.3 Uses and limitations of responsibility centres. 10.4 Design and interpretation of performance measures. 10.5 Applications of Transfer pricing. 10.6 Return on investment, residual income measure and economic value added approaches to evaluate performance	3 hrs
<u>Class Practice</u> Presentation of Cases Analysis & Review		9 hrs
Mid-term Test & Revision		3 hrs
Final Examination		3 hrs
Total:		45 hrs

**The preliminary time assignment for each topic is distributed evenly, and will be modified together with topics to be covered in accordance with the actual progress in class in the light of students' performance and their progress of understanding under the instructor's discretion.*

Note:

1. According to IPM regulations, students must attend at least 70% of their classes before they could be allowed to sit for the final exam.
2. Class schedule dates are **TENTATIVE** in nature and are subject to change according to the teaching progress of the class.

Teaching Method

This course is primarily conducted by means of class lectures and discussion of factors and issues affecting management performance in the management accounting literature. In addition to reading materials in the text, students are asked to perform analysis of case materials for in-class discussion, with the submission of a formal report for instructor's evaluation. Mid-term test is used to monitor students' progress and commitment of knowledge acquisition throughout the course. A comprehensive final examination is used to assess students' overall performance at the end of the course.

Teaching & Learning activities (TLAs):

TLA1: Management Accounting knowledge is delivered primarily by lectures with the aid of slides on concepts of accounting methodologies, with the technical skills and techniques illustrated by solving problems.

TLA2: Short formative quizzes will be given at the end of the lessons. Discussions are part of the class activities in which teamwork will be encouraged. Current events with financial, accounting, and socio-economic implications will be raised in class to help students think and understand the linkage of the course learning with the current news events, the importance of the need of ongoing learning as well as to monitor progress of students' knowledge acquisition in Management Accounting.

TLA3: Students must prepare for assignments besides class attendance, as they will be asked to work on problems or respond to conceptual issues in the readings.

TLA4: Group project with presentation is used to assess students' ability to analyze and interpret the information of Management Accounting cases.

In order to achieve the outcomes of this course, students are expected to perform the following learning tasks:

- Read and prepare assigned materials before class
- Review and work on exercises after class to evaluate understanding
- Attend seminars and meetings that help to expand the knowledge horizon
- Prepare and collect project information
- Prepare for test and final examination
- Seek advice from instructor for difficulties encountered
- Form study group to learn and practise skills and knowledge

Alignment of CILOS with TLAs

TLAs	Brief Description	CILO No.					
		1	2	3	4	5	6
TLA1: Interactive lectures	Lectures: in-depth coverage of management accounting is presented with PowerPoint slides and other additional illustration materials as necessary Q&A: time allowed to raise questions from both instructor and students	√	√	√	√	√	√
TLA2: In-class discussion exercises and formative Q&As	In-class exercises and Q&As will be discussed to direct student attention to the issues. Formative Quizzes: students will take short oral or written quizzes at the end of the class to review what they learn.	√	√	√	√	√	√
TLA3: Assignments	Students are required to complete assigned questions and problems. At least one major problem will be assigned from a list of questions after each chapter at specific time. No late submission will be accepted.	√	√	√	√	√	√
TLA4: Group Project and Presentation	Students are required to form a small group to present certain Cost Accounting issues or cases. This provides students opportunities to integrate and apply their knowledge of cost accounting in the course. Team work and communication: In addition to reinforcing their knowledge of accounting through group interactive discussion, students can learn to coordinate their task and develop their presentation skills.	√	√	√	√	√	√

Attendance

Attendance during the course must meet the attendance requirements as stated in the “Academic Regulations Governing Bachelor’s Degree Programmes of Macao Polytechnic Institute”. Students who have less than the required attendance for the enrolled subject are not eligible to attend the final or re-sit examinations and will be given “F” as their final grade.

Assessment

The following activities and tasks (i.e. coursework components and examinations) are designed to give students experience of a broad range of approaches aimed at developing and assessing their learning. Assessment will be both formative and summative and will involve in-class Q&As, quizzes, assignments, group case reports, case presentation, mid-term test and final examination. There are

desirable skills or qualities developed through this course experience, these optional or enhanced learning outcomes are not explicitly and individually assessed (e.g. lifelong learning habits).

Students' understanding of course material and their performance is assessed through presentation of case analysis and reports, assignments, mid-term test, and comprehensive final examination, the weighting of which is shown below:

Item and Description	CILO No.						Percentage	Remarks
	1	2	3	4	5	6		
Q&As (in class)	√	√	√	√	√	√	-	Formative assessment
Quizzes (verbal and written)	√	√	√	√	√	√	-	Formative assessment
Group Case Analysis Report and Presentation	√	√	√	√	√	√	20%	Summative assessment
Participation (including exercise and case discussion)	√	√	√	√	√	√	5%	Formative assessment
Homework Assignment	√	√	√	√	√	√	5%	Formative assessment
Mid-term test	√	√	√	√			20%	Summative assessment
Final examination	√	√	√	√	√	√	50%	Summative assessment
Total							<u>100%</u>	

There will be NO make-up arrangement for mid-term test and/or final examination owing to student's absence.

Plagiarism Policy

When a student submits an assignment, he has a duty to ensure that his assignment has been checked by Turnitin software, and the similarity score given by Turnitin software cannot be higher than 30%. However, a special case can be determined by the instructor.

Teaching Material(s)

Textbook

Atkinson, A.A., Kaplan, R.S., Matsumura, E.M., Young, S.M., 2012, *Management Accounting: Information for Decision Making and Strategy Execution - Readings and Cases*, 6th edition, Pearson, ISBN-13: 978-0-273-76998-9, ISBN-10: 0-273-76998-7

References

- CIMA, 2019, The Global Management Accounting Principles,
<https://www.cimaglobal.com/Research--Insight/Global-Management-Accounting-Principles/>
- Hoque, Z., 2006, *Strategic Management Accounting*, 2nd edition, Prentice Hall,
ISBN 13:978-0-7339-8445-7
- Blocher, E., Stout, D., Juras, P., Cokins, G., 2012, *Cost Management : A Strategic Emphasis*, 6th edition, McGraw Hill, ISBN-10: 0078025532, ISBN-13: 978-0078025532
- Drury, C., 2012, *Management and Cost Accounting*, 8th revised edition, South-Western Cengage Learning,
ISBN-10: 1408064316, ISBN-13: 9781408064313
- Langfield-Smith, K., Thorne, H., Hilton, R., 2012, *Management Accounting: Information for Managing and Creating Value*, 6th edition, McGraw Hill Australia and New Zealand,
ISBN: 9780070997608
- Young, S.M., 2012, *Readings in Management Accounting*, 6th edition, Pearson,
ISBN 10:0-13-402503-3, ISBN 13:978-0-13-702503-9
- Zimmerman, J.L., 2017, *Accounting for Decision Making and Control*, 9th edition, McGraw Hill,
ISBN: 978-1-259-25500-7.

Alignment of Program and Course Intended Outcomes

PILO	CILO	1	2	3	4	5	6
	1. Integrate the contemporary theories, principles of accounting and business disciplines relevant to general business practice.	√	√	√	√	√	√
	2. Assess general business scenarios with mathematical and statistical skills.		√	√			√
	3. Apply critical thinking and logical analysis skills and techniques to solve business problems.	√	√	√	√	√	√
	4. Interpret and analyze accounting information for internal control, planning, performance evaluation, and coordination to continuously improve business process.	√	√	√	√	√	√
	5. Apply accounting or business software for business analysis.						
	6. Develop queries to assess management information from database to improve efficiency and effectiveness.						
	7. Synthesize the latest requirement of international accounting and auditing standards in preparing financial statements and auditing reports.						
	8. Utilize appropriate written and spoken forms to communicate effectively with stakeholders in various cultural environment.	√	√	√	√	√	√
	9. Recommend an appropriate course of action by ethically examining the economic, environmental, political, legal and regulatory contexts of global business practice .	√	√	√	√	√	√
	10. Utilize the latest empirical findings and academic studies to support the recommendation of business projects.	√	√	√	√	√	√