

**The University of Hong Kong  
School of Business  
BUSI0027 Management Accounting I  
Course Syllabus and Outline  
SEM1, 2009/10  
Subclasses A & B**

**I. COURSE INFORMATION**

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**Prerequisite:** BUSI 1002 Introduction to Accounting

**Textbook:** Bamber, L. S., K. W. Braun, and W. T. Harrison, Jr. 2008. *Managerial Accounting*. Pearson-Prentice Hall.

**II. COURSE DESCRIPTIONS**

This course covers basic topics of management accounting and introduces a business-management approach to the development and use of accounting information. In today's competitive marketplace, an excellent internal accounting system is essential for organizations to make better decisions. This course covers firms' internal accounting systems and their use in decision-making, planning and control. Major topics include cost classification, cost behavior, cost-volume-profit analysis, budget and variance analysis, and decision-making.

### III. COURSE OBJECTIVES

1. Provide students with basic concepts of management accounting and the usefulness of internal accounting system;
2. Provide students with the capability to apply knowledge in decision-making scenarios;
3. Inculcate professionalism;
4. Develop students' communication skills.

### IV. INTENDED LEARNING OUTCOMES (ILOs)

On completion of this course, students will be able to:

- ILO1.* Explain cost management concepts, product costing techniques, and planning & control systems;
- ILO2.* Use relevant information for making decisions;
- ILO3.* Prepare a master budget and a flexible budget, compare the budgets with actual results, analyze and interpret variances;
- ILO4.* Apply Management Accountants' Codes of Ethics to resolve an ethical situation;
- ILO5.* Develop verbal and writing communication skills and teamwork ability.

### V. ALIGNMENTS OF PROGRAM AND COURSE ILOs

<b>Program ILOs</b>	<b>Course ILOs</b>
1. Acquisition and internalization of knowledge of accounting, business and economics	ILOs 1 & 2
2. Application and integration of knowledge	ILOs 3 & 4
3. Inculcating professionalism and leadership	ILOs 4 & 5
5. Mastering communication skills	ILO 5

### VI. TEACHING AND LEARNING ACTIVITIES (TLAs)

*TLA1. Situation: Interactive lectures*

Basic knowledge of cost accounting and management accounting is presented with Powerpoint slides.

- In-class exercises: basic concepts and techniques are illustrated using examples. These exercises help students follow the lecturer closely and actively.
- In-class discussions: sometimes discussion questions are raised by the lecturer. Students are encouraged to participate in discussions and share opinions with their peers.

- Concept map: at the end of some sessions, the lecturer uses concept maps to provide an overview of the various topics covered and to demonstrate the inter-chapter links.

Major focus: ILOs 1, 2, 3 and 5;

Minor focus: ILO4.

*TLA2. Situation: Tutorials*

Practice questions and selective assignments are covered.

- Weekly tutorial assignments: assignments that reflect concepts and techniques learned are assigned to students every week. Students are expected to complete these assignments on an individual basis. These assignments give students practice opportunities.
- In-class interactive activities: students are required to attend all tutorials, participate in discussions, and present their answers to peers, etc.

Major focus: ILOs 1 and 5;

Minor focus: ILOs 2 and 4.

*TLA3. Situation: Outside-classroom activities*

- Group discussions: students are divided into groups to finish the case projects. Group members meet to discuss the case, work on the case as a team and contribute jointly to the written report for timely submission.
- Lecturer and tutor consultations: the lecturer provides three to four hours of consultation weekly. Consultation should be made by appointment.

Major focus: ILOs 1, 2 and 3;

Minor focus: ILO 4.

**VII. ASSESSMENT TASKS/ACTIVITIES (ATs)**

Tutorial attendance and assignments	10%
Group-based case analysis	20%
Mid-term test	25%
<u>Final exam</u>	<u>45%</u>
Total	100%

*AT1. Tutorial Attendance and Assignments (10%)*

Students are required to attempt selected assignments and submit them to your demonstrator. She/He will mark them accordingly. You are also expected to participate actively in tutorials. Quietly sitting in the tutorials does not count, but of course absenteeism from class will negatively affect the performance. Participation and

assignments are evaluated per student by the demonstrator. The objective of the tutorials is to help you digest and apply the knowledge you have learned from the classes.

**Focus:** ILOs 1, 2, 4, & 5.

**Grading Criteria**

A+ A A-	B+ B B-	C+ C C-	D+ D	F
Extremely well prepared for class discussion, active in sharing views, attended at least 90% of classes.	Partially prepared for class discussion, quite active in sharing views and attended at least 80% of classes.	Not well prepared for class discussion, limited active in sharing views and attended at least 70% of classes.	Not well prepared for class discussion, no sharing of views and attended at least 60% of classes.	Never prepared for class discussion and no sharing of views and experience and attended less than 50% of classes.

*AT2. Group-Based Case Analysis (20%)*

Two cases will be distributed to students. Four students form a group, and the cases are done on a group basis (Same group for both cases). The evaluation is based on the written report submitted by each group. Any reports missing the deadline will not be accepted, hence no marks are earned. The objective of the group-based case analysis is to help you develop the ability of teamwork and apply knowledge to real world scenarios.

**Focus:** ILOs 1, 2, & 5.

**Grading Criteria**

Grade	<b>Depth and breadth of Coverage, critical elements, structure, language and conventions</b>
A+,A, A-	<p>All aspects were addressed and researched in great depth.</p> <p>Demonstrated a clear understanding of and the ability to apply the theory, concepts and issues relating to the topic.</p> <p>Clearly identified the most critical aspects of the task and adopted a critical perspective.</p> <p>Developed excellent argument and offered a logically consistent and well-articulated analysis and insight into the subject.</p> <p>Drew widely from the academic literature and elsewhere whilst maintaining relevance.</p> <p>All aspects conformed to a high academic / professional standard.</p>

B+, B, B-	<p>Most aspects were addressed and researched in depth.</p> <p>Demonstrated a good understanding and some application of the theory and issues relating to the topic.</p> <p>Identified critical aspects of the task and adopted a critical perspective.</p> <p>Showed some evidence of analysis, supported by logical argument and insight into the subject.</p> <p>Drew on relevant academic and other material.</p> <p>Most aspects conformed to a high academic / professional standard.</p>
C+, C, C-	<p>Most aspects were addressed and researched adequately.</p> <p>Demonstrated a good understanding of the theory, concepts and issues relating to the topic but limited application relating to the topic.</p> <p>Some presented argument showed some insight but not always consistent and logical.</p> <p>Drew upon an adequate range of academic and other material.</p> <p>Most aspects conformed to an acceptable academic / professional standard.</p>
D+, D	<p>Basic aspects were addressed and researched adequately.</p> <p>Demonstrated mainly description, showing basic understanding of the topic but no application.</p> <p>Showed little evidence of analysis but no clear and logical argument relating to the subject.</p> <p>Drew primarily upon course materials.</p> <p>Limited aspects conformed to academic / professional standards.</p>
F Fail	<p>Basic aspects were superficial, inadequate or absent.</p> <p>Demonstrated limited understanding of the topic and drew conclusions unrelated to the topic.</p> <p>The written work was not of an academic / professional standard.</p>

### *AT3.Mid-term Test (25%)*

The one-and-a-half-hour mid-term test is closed-book and covers the contents from the first five sessions. The exact time of the mid-term test is to be announced later. The objective of the mid-term test is to encourage students to review the knowledge they have learned on a timely basis, and help students digest and apply it.

**Focus:** ILOs 1, 2, & 5.

### Grading Criteria

A+ A A-	B+ B B-	C+ C C-	D+ D	F
Provided accurate solutions to all problems, gave detailed and insightful responses to essay questions and scored correctly on more than 90% of the multiple choice questions.	Provided accurate solutions to some problems, gave detailed responses to some essay questions and scored correctly on less than 90% of the multiple choice questions.	Provided accurate solutions to a few problems, gave limited responses to some essay questions and scored correctly on less than 80% of the multiple choice questions.	Provided inaccurate solutions to a few problems, gave unclear responses to most essay questions and scored correctly on less than 70% of the multiple choice questions.	Skipped some problems or provided inaccurate solutions to most problems, gave poor responses to most essay questions and scored correctly on less than 60% of the multiple choice questions.

#### AT4. Final Exam (45%)

The final examination will be held in the normal exam period. It is closed-book, comprehensive and covers all the chapters on the course syllabus. The objective of the final exam is to further enhance your understanding of the basic concepts and theories and develop your ability to apply the knowledge in business situations.

**Focus:** ILOs 1, 2, 3, 4, & 5.

### Grading Criteria

A+ A A-	B+ B B-	C+ C C-	D+ D	F
Provided accurate solutions to all problems, gave detailed and insightful responses to essay questions and scored correctly on more than 90% of the multiple choice questions.	Provided accurate solutions to some problems, gave detailed responses to some essay questions and scored correctly on less than 90% of the multiple choice questions.	Provided accurate solutions to a few problems, gave limited responses to some essay questions and scored correctly on less than 80% of the multiple choice questions.	Provided inaccurate solutions to a few problems, gave unclear responses to most essay questions and scored correctly on less than 70% of the multiple choice questions.	Skipped some problems or provided inaccurate solutions to most problems, gave poor responses to most essay questions and scored correctly on less than 60% of the multiple choice questions.

### VIII. ACADEMIC CONDUCT AND IMPORTANT POLICIES

- a) Plagiarism and copying of copyright materials are serious offences and may lead to disciplinary actions. You should read the chapters on “Plagiarism” and “Copyright” in the Undergraduate/Postgraduate Handbook for details. You are strongly advised to read the booklet entitled “What is Plagiarism” which was distributed to you upon your admission into the University, a copy of which can be found at [www.hku.hk/plagiarism](http://www.hku.hk/plagiarism). A booklet entitled “Plagiarism and How to Avoid it” is also available from the Main Library.
- b) The course enrollment is charged by the faculty office. Please approach the staff in the faculty office for any queries about course enrollment, class quota, etc. In no circumstances should you approach the lecturers who have no control on this.
- c) There is no make-up test for the mid-term test. If you are absent from the mid-term test without eligible reasons/documents, you will not earn any marks on the mid-term test. If you are absent from the mid-term test with eligible reasons/documents, your score on the final exam will be applied higher weight (including weight on final exam and mid-term test).
- d) By the end of the third week (18 Sep 09), students should have formed groups to do the two case analyses. Each group should be of 4 members. Depending on the class size, one or two groups may have 5 members. Tutor has discretion on group formation policies. Groups can be formed across sub-class A & B.
- e) A make-up exam will be given if you miss the final exam with valid reasons/documents.

## IX. COURSE OUTLINE

Topic	Learning Objectives and/or Logistics	Reading	Assignments
Week1: Beginning 01 Sep 09 <b>Introduction to Management Accounting</b>	<ul style="list-style-type: none"> <li>Compare and contrast management accounting and financial accounting</li> <li>Understand the role of management accountant</li> <li>Understand today's business environment</li> </ul>	Chapter 1	E1-15 E1-17 P1-20A P1-23A
Week 2: Beginning 07 Sep 09 <b>Building Blocks of Managerial Accounting</b>	<ul style="list-style-type: none"> <li>Three business sectors and the value chain</li> <li>Define cost object, direct vs. indirect cost, variable vs. fixed cost, inventoriable vs. period cost</li> <li>Other cost terms</li> </ul>	Chapter 2	E2-22 E2-33 P2-36A P2-43B
Week 3: Beginning 14 Sep 09 <b>Job Costing &amp; Process Costing</b>  <b>Make-Up Class:</b> <b>16 Sep 09, 630pm to 830pm, T6</b>	<ul style="list-style-type: none"> <li>Distinguish job costing from process costing</li> <li>Job costing</li> <li>Process Costing</li> </ul>	Chapters 3  Chapter 4	E3-19 P3-35A P3-39B  E4-25 P4-40A Issue 4-47*
Week 5: Beginning 21 Sep 09 <b>Activity-Based Costing and Other Cost Management Tools</b>	<ul style="list-style-type: none"> <li>Activity-Based Costing (ABC)</li> <li>Activity-Based Management (ABM)</li> <li>Just-In-Time Systems</li> <li>Total Quality Management</li> </ul>	Chapter 5	E5-24 P5-41B P5-44B
Week 6: Beginning 28 Sep 09 <b>Cost Behavior—(1)</b>  <b>Public Holiday: 1 Oct 09</b>	<ul style="list-style-type: none"> <li>Cost behavior and how to determine cost behavior</li> </ul> <i>Distribution of the first case "Zauner Ornaments"</i>	Chapter 6	E6-26 E6-27 P6-36A P6-42B*
Week 7: Beginning 5 Oct 09 <b>Cost Behavior—(2)</b> <b>Cost-Volume-Profit (CVP) Analysis</b> <b>Make-Up Class:</b> <b>07 Oct 09, 630pm to 830pm, M167</b>	<ul style="list-style-type: none"> <li>Contribution margin income statement</li> <li>Variable costing and absorption costing</li> <li>CVP analysis and its application</li> </ul> <i>Mid-term Test: Oct 10<sup>th</sup>, 1030am to 1200pm, T6</i>	Chapter 7	E7-35 P7-38A P7-41B

<b>Reading/ Field Trip Week</b>			
Week 8: Beginning 19 Oct 09  <b>Short-Term Business Decisions</b>	<ul style="list-style-type: none"> <li>• Short-term business decisions rules and scenarios</li> </ul> Deadline for the first case: 19 Oct 09	Chapter 8	8-28A 8-29A* 8-32A 8-33A
Week 9: Beginning 26 Oct 09  <b>The Master-Budget and Responsibility Accounting</b>	<ul style="list-style-type: none"> <li>• How to prepare master budget</li> <li>• Rolling budget</li> <li>• Sensitivity analysis</li> <li>• Responsibility accounting</li> </ul> Distribution of the second case "Sparta Glass Products"	Chapter 10	P10-29A P10-37B P10-39B
Week 10: Beginning 02 Nov 09  <b>Flexible-Budgets and Standard Costs</b>	<ul style="list-style-type: none"> <li>• Flexible budget</li> <li>• Variance analysis</li> <li>• Standard costs</li> </ul>	Chapter 11	P11-40A P11-42A P11-51B*
Week 11: Beginning 09 Nov 09  <b>Performance Evaluation and the Balanced Scorecard</b>	<ul style="list-style-type: none"> <li>• Performance measurement using BSC</li> <li>• Measuring financial performance for cost, revenue, profit, and investment centers</li> <li>• Allocating service department costs</li> </ul> Deadline for the second case: 9 Nov 09	Chapter 12	P12-28B P12-29B P12-30B

\* Assignments to be submitted to your tutor.