The University of New South Wales

SCHOOL OF ACCOUNTING

ACCT 2522 Management Accounting: Process Improvement and Innovation
ACCT 2532 Management Accounting: Process Improvement and Innovation (Honours)

Session 1, 2001

SUBJECT OUTLINE

Introduction

Management Accounting is directed towards the effective use of organisational resources. Organisations create value through the use of resources, and can enhance such value by focusing and reconfiguring their internal processes in various ways; that is, by changing the ways in which they conduct business and perform work. It is argued that, in world class organisations, the management of time, cost, and quality is critical in order for the organisation to sustain value generation. This subject explains how management accounting supports such value generation within changing organisational processes.

Three main themes will be:

(a) The technical operation and design of management accounting technologies;

(b) The evaluation of the role of such technologies in supporting the effective use of organisational resources, and continuous and radical process-focused improvement; and

(c) The manner in which management accounting technologies affect and are affected by human (e.g. social, political) processes within organisations.

Objectives

The major objectives of the subject are:

1. To develop analytic and imaginative skills, in exploring the use of resources in organisational processes under conditions of change.
2. To develop an appreciation of the thinking and practice that underlies the drive towards world class organisational performance.
3. To develop evaluative skills through a critical assessment of relevant literatures.
4. To develop communicative and leadership skills through team based project work, presentations and interactive learning approaches.

Subject Website

Details of the subject website will be provided in a separate handout.

Subject Structure

The subject consists of one two-hour tutorial and a one-hour lecture per week.

Tutorials constitute the core learning experience for this subject. A highly participatory teaching strategy, involving group work and presentations will be adopted for these sessions. To support this approach, class participation will be assessed as 5% of the marks for the subject as a whole. It is essential, therefore, to read and prepare assigned material prior to class. Additional questions and quizzes will be set for completion during tutorials. Some tutorial assignments will be collected for assessment at the end of class. Tutorials will be held on Monday, Tuesday and Wednesday of each week, except during week commencing 23 April when research workshops will be held.

Lectures will play a major support function for tutorials by reflecting upon concepts, issues and techniques addressed in the current week's tutorial stream and introducing the following week's tutorial stream. In addition, they will provide frameworks that will highlight connections among the parts of the subject. Lectures will also provide the opportunity to clarify difficulties that have arisen in the tutorials. Lectures will be held on Thursday of each week. The overheads for these lectures will be posted on the subject web-site.

Research Workshop

All students in AFM2A are asked to participate in one 90-minute research workshop to be held during the week commencing 23 April in lieu of tutorials. Details of the location and time of this workshop will be announced at a later date. Staff teaching in this subject consciously aim for high standards of teaching effort and effectiveness. We would be very appreciative of high levels of participation in the research workshop (as well as in tutorials), in return.

Assessment

	Pass Group	Honours Group
Final Examination	60%	50%
Tutorial Quizzes	15%	15%
Class Participation	5%	5%
Honours Assessment Tasks		10%
Case Study	20%	20%
	100%	100%

All forms of continuous assessment must be submitted by the due dates. Failure to do so will attract a penalty calculated as follows. The penalty for being one day late is 10% of the possible mark. The penalties for being two, three, four, or five (or more) days late are 20%, 40%, 60%, and 100%, respectively. Your tutorial facilitator will grant extensions in exceptional circumstances, only. The onus is on students to plan their academic and professional workloads to meet the subject deadlines.

Tutorial Quizzes

A short quiz may be held during each tutorial class on the topic covered in that class. This in-class activity aims to provide you with on going and timely feedback as well as to consolidate some of the key learning outcomes for each tutorial. Four of these quizzes will be assessable and your best three results will form 15% of the total assessment for this subject. The timing of the four assessable quizzes is indicated on the weekly tutorial program.

Case Study

You will be required to participate in preparation and presentation of an in-depth assessment of an organisation's resources and processes. This assessment will involve the application of various concepts and techniques covered in the subject. Each team will comprise **four** or **five** students from your tutorial. The case study is worth 20% of the marks for the subject as a whole and the case details will be distributed by Week 4. Team presentations are scheduled for Week 13.

Honours

If you are enrolled in ACCT 2532 Management Accounting: Process Improvement and Innovation (Honours), you will be required to do extra tutorial preparation in addition to that expected of Pass students. In addition, you will be required to complete honours assessment tasks worth 10% of the total assessment for the subject.

Participation

Participation is an essential feature of a successful tutorial program. Staff will use the following guide when assigning participation marks. Fractional marks are allowed.

Mark	Guide
0	Has attended less than eight tutorials over Weeks 2 to 12.
1	Has made almost no contribution to general class discussions.
2	Has made some, but only infrequent contributions to class discussions.
3	Has made more than infrequent contributions to class discussions.
4	Has made frequent contributions to class discussions.
5	Has made frequent contributions to class discussions, often of above average quality.

The quality and frequency of voluntary participation in class debates and in *ad hoc* presentations will be taken into account in making the above assessment.

Photographs

You are required to provide your class facilitator with a passport size photograph of yourself, no later than tutorial 3 (week commencing 12 March).

End Of Session Examinations

There will be one paper, of 3 hours duration, to be sat during the end of session examination period. The paper will contain both calculative and discursive questions, based on key themes of the subject.

A satisfactory result in the final examinations is necessary for you to gain an overall pass in the subject. Note: students with an aggregate mark of 50% or more, but an unsatisfactory result in the final examinations will be awarded UF (Unsatisfactory Fail). Failure to attend eight of the first twelve tutorials (Weeks 2 to 12, inclusive) or to complete assignments may result in a failure for the entire subject through failure in an essential component.

Self and Peer Assessment

Separate notices will be issued by Week 4 detailing this year's system of self and peer (S&P) assessment. In essence, members of a team are given the opportunity to rate their own and their team mates' contributions to the work of the team. Each team's work comprises the major case assignment. Median group ratings are then used to allocate a portion (50%) of the total team score. This system has been introduced to reward and encourage active participation by all members of a team. Educational research indicates that, when given the opportunity, students' self and peer ratings often indicate unequal contributions to group work. The use of medians nullifies the effects of any extreme ratings by a minority of team members.

Special Consideration

You should consult the University Regulations for details of the relevant procedures when applying for special consideration. If you believe that sickness, misadventure or other circumstances beyond your control have adversely affected your performance, you may apply for special consideration for affected assessments. Such applications should be submitted to the Registrar and Deputy Principal (at the Student Centre) as soon as practicable after the occurrence and in any event not later than seven days after the final assessment in the subject.

The following **additional** Special Consideration procedures will apply for **this subject**:

First, a written application for extensions and other forms of special consideration must be made to the **Lecturer in Charge**. This should give full details of the circumstances surrounding the case (in most cases this will be confidential between the Lecturer in Charge and the student). This application is **in addition** to any written application made under University Regulations. Extensions on the case studies and honours assignment will only be given under extreme circumstances. You will be given adequate advance warning of the deadlines for submission of all continuing assessment items and should plan your workload accordingly.

Second, supplementary Tutorial Quizzes will not be given. Special consideration for incomplete marks on Tutorial Quizzes will be given where necessary when the composite mark for the subject is determined.

Supplementary Examinations

Lodging an application for special consideration does not guarantee that a supplementary exam will be granted. If held, the supplementary examination will take place during the two weeks prior to the commencement of Session 2. In general this opportunity will only be offered to a student who has been prevented from taking the end of session examination or who has been placed at a serious disadvantage during the examination, and whose circumstances have improved considerably in the period since the examination was held. If you apply for special consideration it is your responsibility to be available for supplementary assessments during the above specified period (holiday plans are not sufficient reason for non-availability). For administrative and organisational reasons, it may not be possible to announce the venue and time of the supplementary examination until after the Faculty Assessment Meeting.

Teaching Staff

Lecturer in Charge: John Macmullen, QUAD3100, 9385-5839, <j.macmullen@unsw.edu.au>

Tutorial Facilitators:

Mandy Cheng	QUAD 3125	9385-6343	<m.cheng@unsw.edu.au>
Paul Andon	QUAD 3129	9385-6141	<p.andon@unsw.edu.au>
Monte Wynder	QUAD3113	9385-5907	<mwynder@mail.newcastle.edu.au>
Dan Bowden	QUAD3113	9385-5907	<d.bowden@student.unsw.edu.au>
Mahreen Hasan	QUAD3113,	9385-5907	<mahreen@student.unsw.edu.au>
Linus Li	QUAD3113	9385-5907	<linus.li@unsw.edu.au>

During Weeks 1 and 2 enquiries over changing tutorials should be directed to Paul Andon, Room 3129, Ph. 9385 6141, P.Andon@unsw.edu.au. Thereafter notices will be posted of which tutorials are full and which have vacancies; students will then have to approach the relevant Tutorial Facilitator for permission to join a particular tutorial.

Textbook

School of Accounting, UNSW, *Management Accounting for Change: Process Improvement and Innovation* (2nd Ed). Please note that the 1st edition (2000) will not suffice. You will need to buy the 2nd edition.

This textbook written by various staff of the School of Accounting is available from the UNSW Bookshop.

Useful Reference Books

Atkinson A., R.D. Banker, R.S. Kaplan & S.M. Young, *Management Accounting*, 2nd ed., Prentice-Hall, 1997.

Burch, J.G., *Cost and Management Accounting: A Modern Approach*, West Publishing Company, 1994.

Cooper, R., and Kaplan, R., *The Design of Cost Management Systems: Text, Cases, and Readings*, Prentice-Hall, 1991.

Dilworth, B.D., *Production and Operations Management: Manufacturing and Nonmanufacturing*, 5th ed., Random House, 1993.

Emmanuel, C., D. Otley, & K. Merchant, *Accounting for Management Control*, 2nd. ed., Chapman & Hall, 1993.

Hansen, D & Mowen, M, *Cost Management: Accounting and Control*, 2nd ed., South-Western, 1996.

Horngren, C.T., G. Foster, & S.M. Datar, *Cost Accounting: A Managerial Emphasis*, 9th. ed., Prentice-Hall, 1997.

Kaplan, R.S. and Atkinson, A.A., *Advanced Management Accounting*, Prentice-Hall, 1989.

Langfield-Smith, K., Thorne, H., & Hilton, R.W., *Managerial Accounting: An Australian Perspective*, McGraw-Hill, Inc., 1995.

Moores, K. and P. Booth, *Strategic Management Accounting: Australasian Cases*, John Wiley, 1994.

Shank, J.K. and Govindarajan, V., *Strategic Cost Analysis: The Evolution from Managerial to Strategic Accounting*, Irwin, 1989.

Umble, M.M. and Srikanth, M.L., *Synchronous Manufacturing: Principles for World Class Excellence*, South-Western, 1990.

John Macmullen
February 2001

ACCT 2522/2532 MA:PII

TUTORIAL PROGRAM

Session 1, 2001

WEEK	TUTORIAL TOPIC	ASSESSMENT TASKS
L1 (1/3); T2 J Macmullen	**Introduction to Management Accounting: Process Improvement and Innovation** The discipline of management accounting. Resourcing and resource use; value generation over time; the management of change; process improvement and innovation; improvement/learning cycles, analysis tools. Organisations as processes: workflow versus projects. Management accounting practice in transition. Management accounting education at UNSW: experiential, problem-based and co-operative learning approaches.	
L2 (8/3); T3 M. Cheng	**Workflow Analysis** Organisational workflows as processes. Customer and supplier interfaces. Operational and administrative processes. Manufacturing and non-manufacturing operations. The value system/chain as an integrating notion. The systemic context: root cause and activity value analysis. Assigning value to processes; establishing value criteria. Identifying value drivers in activities; value added and non-value added activities and processes. Process measures.	
L3 (15/3), T4 M.Cheng	**Quality** Statistical quality control. Resource related dimensions; eliminating waste. Value generation; opportunity costs. Costs of quality analysis.	**Assessable class QUIZ ONE this week**
L4 (22/3); T5 J. Macmullen	**Managing Constraining Resources** The theory of constraints. Constraint analysis and the management of "bottle-neck" resources; optimising throughput; time frame issues (short- and long-term measures); elevating; global versus local performance indicators; throughput-based profit.	
L5 (29/3); T6 J. Macmullen	**Project Planning and Analysis** Projects as processes. Project planning and analysis: time management and critical path analysis. Resource availability versus resource requirements; loading and leveling project/activity resources.	**Assessable class QUIZ TWO this week**
L6 (5/4); T7 P. Andon	**Resource Provision and Consumption** Time horizons: resource acquisition and consumption patterns. Cost hierarchy (unit, batch, product, facility); activity and resource drivers.	
Week 7 No lecture		
	Mid-Session Recess	
Week 8	**Research workshop in Week 8 commencing 23 April**	

ACCT 2522/2532 MA:PII

TUTORIAL PROGRAM (continued)

Session 1, 2001

WEEK	TOPIC	ASSESSMENT TASKS
L8 (26/4); T9 P.Andon	**Cost Assignment** Resourcing of processes; resource drivers and activity drivers; Direct costs and activity cost assignment. Cost objects: activities, projects, services, and products. Predicting cost changes.	**Assessable class QUIZ THREE this week**
L9 (5/5); T10 J. Macmullen	**Planning Resource Provision: Budgeting** Planning resource provision for projects and routine/on-going operations. Master budgets: sales, operating and cash budgets; budgeted profit and loss and balance sheets. Choices, decisions and resource allocation.	
L10 (12/5); T11 J.Macmullen	**Standards and Target Setting** Standards and standard cost variance analysis. Ideal and practical standards. Process benchmarking. Responsibility accounting, management by exception and theories of motivation. Reporting performance.	**Assessable class QUIZ FOUR this week**
L11 (19/5); T12 M. Cheng	**Managing Interdependencies** The nature of interdependencies within organisations. Alternative ways of designing systems for recovering the cost of operating centralised service operations from users. The behavioural and economic effects of different charge-back systems. How interdependencies between organisational units and sequential work cells affect interpretation of standard cost variances.	
L12 (26/5) M. Cheng	Subject Review and Final Exam Outline.	
Week 13 No Lecture	**Assignment Presentations**	
Week 14 No Lecture	**Tutorial staff will be available for pre-examination consultation**	