

ACCT 3341
COST MANAGEMENT SYSTEMS
Fall 2017

Instructor

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Course Objective

This course is concerned with the use of accounting data by managers to plan and control (evaluate) the operations and personnel of the firms. It deals with planning, decision-making and control, and with the accounting systems managers have to assist them in their decisions about resource allocation, performance evaluation, etc. The focus is on how to use the information to support the attainment of corporate goals. The course builds upon the material from ACCT 2302, Introduction to Management Accounting, and has been designed to help individuals who will make business decisions, evaluate business units, and evaluate others (or be evaluated) through the use of accounting systems. The course will be roughly divided into two halves: product costing systems and planning and control systems.

The objective of the first part of the course on product costing systems is to provide information about the costs of goods and services sold by the firms. As opposed to financial accounting systems where these costs are accumulated for external reporting, the focus here will be on cost systems for decision-making. We will discuss current developments in the design of product costing systems and the strategic implications of having a high-quality product costing system.

The second half of the course covers the use of information in planning and control. We will discuss key issues such as budgeting and performance evaluation. We will examine systems in use and examine the motivation for that use. The emphasis in this part of the course will be on the inter-linkages between operational decisions made by managers and the control systems used to monitor them.

Learning Objectives

1. Learn about the use of basic type of costing systems used to assign costs to products or services. Understand the underlying mechanics of job and process costing systems.
2. Understand conceptual and practical issues related to the allocation of indirect costs. Recognize the advantages and drawbacks of simple, complex, and activity-based methods of relating overhead costs to products or services.
3. Understand how management accountants can enable management by exception. Identify and analyze different types of income and cost variances.
4. Understand the role of management control systems in organizations. Gain insights into transfer pricing issues, performance evaluation schemes and use of non-financial measures.

Instruction Method

The course, like all accounting courses, will rely on problem solving as the main pedagogical tool. A typical class session will involve discussion of concepts, numerically analyzing some illustrative situations and understanding the context-specific use of accounting information.

I will make chapter summaries available on Elearning before class so you can have a basic idea about the nature of discussion that will take place in class. These summaries are just outlines and not substitutes for the content actually discussed during the class sessions. It will greatly benefit you if you familiarize yourself with the assigned textbook chapters before every session. It has been my experience that students who do well in this course are those who, throughout the semester on a consistent basis, assiduously follow the routine of prepare (before class), listen (during class) and follow-up (after class). I cannot overemphasize this. Frequently, I will also post extra material on Elearning that will be discussed in class.

Detailed solutions to the practice problems will be made available after we discuss some of these problems in class and you have had a chance to try them on your own. It is your responsibility to go over the solutions and get your doubts clarified on an on-going basis. I encourage you to talk to me during office hours or correspond with me over e-mail or talk to me over phone whenever you feel that you are lagging behind. It is absolutely vital for you to keep up with the course material and have your questions on the assigned text book chapters and problems resolved on a consistent basis.

Required Materials

Text: Managerial Accounting for Undergraduates, **First Edition** by Theodore Christensen, Scott Hobson, and James Wallace, Cambridge Business Publishers

ISBN-13: 978-1-61853-112-4

Grading

Homework Assignments	10%
Test 1	20%
Test 2	20%
Test 3	20%
<u>Final Exam</u>	<u>30%</u>
Total	<u>100%</u>

A+ (97% ~ 100%),	A (93% ~ below 97%),	A- (90% ~ below 93%)
B+ (87% ~ below 90%),	B (83% ~ below 87%),	B- (80% ~ below 83%)
C+ (77% ~ below 80%),	C (73% ~ below 77%),	C- (70% ~ below 73%)
D+ (67% ~ below 70%),	D (63% ~ below 67%),	D- (60% ~ below 63%)
F (Below 60)		

Homework Assignments

There will be five homework assignments over the material discussed in class. These assignments are due on the dates identified in the course schedule below.

Exams

There will be three tests and one cumulative final exam at the end of the course. The tests and the exam will test your knowledge of the material covered in the textbook and lectures. They will be closed-book and notes. Each test will consist of multiple choice questions and many questions will require calculations. You will need an 882 Scantron for each exam. Calculators will be provided for the tests; you may not use your own calculator for exams. You may use one 3" x 5" handwritten, one-sided note card, with your notes for each test.

No make-up tests will be given except under extenuating circumstances arising from medical or family emergencies. Students will be required to provide proof of such emergencies. It is your responsibility to note the test and exam dates and let me know at the beginning of the semester if you want any of the exams rescheduled if you foresee any conflicts with religious holidays. It is also your responsibility to ensure that you do not schedule any job interviews or travel for official or personal reasons during exam days.

Supplemental Instruction (SI)

Supplemental Instruction (SI) is offered for this course. SI sessions are free group study opportunities, scheduled three times per week. Sessions are facilitated by an SI Leader, who has recently taken the course and received a high final grade. Attendance is voluntary. For information about the days, times, and locations for SI sessions, refer to www.utdallas.edu/studentsuccess/leaders/si.html.

Accounting 3341 Section 002, 003 SI Leader Information:

Emily Swofford	ews150030@utdallas.edu
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Attendance

The relevance and insight reflected in classroom questions, your contribution to the creation of a **positive** classroom learning environment, though not specifically graded, can impact your final grade in a positive way, if you happen to be close to the cut-off.

Field Trip Policies

Off-campus Instruction and Course Activities

Off-campus, out-of-state, and foreign instruction and activities are subject to state law and University policies and procedures regarding travel and risk-related activities. Information regarding these rules and regulations may be found at the website address http://www.utdallas.edu/BusinessAffairs/Travel_Risk_Activities.htm. Additional information is available from the office of the school dean. Below is a description of any travel and/or risk-related activity associated with this course.

Student Conduct & Discipline

The University of Texas System and The University of Texas at Dallas have rules and regulations for the orderly and efficient conduct of their business. It is the responsibility of each student and each student organization to be knowledgeable about the rules and regulations which govern student conduct and activities. General information on student conduct and discipline is contained in the UTD publication, *A to Z Guide*, which is provided to all registered students each academic year.

The University of Texas at Dallas administers student discipline within the procedures of recognized and established due process. Procedures are defined and described in the *Rules and Regulations, Board of Regents, The University of Texas System, Part 1, Chapter VI, Section 3*, and in Title V, Rules on Student Services and Activities of the university's *Handbook of Operating Procedures*. Copies of these rules and regulations are available to students in the Office of the Dean of Students, where staff members are available to assist students in interpreting the rules and regulations (SU 1.602, 972/883-6391).

A student at the university neither loses the rights nor escapes the responsibilities of citizenship. He or she is expected to obey federal, state, and local laws as well as the Regents' Rules, university regulations, and administrative rules. Students are subject to discipline for violating the standards of conduct whether such conduct takes place on or off campus, or whether civil or criminal penalties are also imposed for such conduct.

Academic Integrity

The faculty expects from its students a high level of responsibility and academic honesty. Because the value of an academic degree depends upon the absolute integrity of the work done by the student for that degree, it is imperative that a student demonstrate a high standard of individual honor in his or her scholastic work.

Scholastic dishonesty includes, but is not limited to, statements, acts or omissions related to applications for enrollment or the award of a degree, and/or the submission as one's own work or material that is not one's own. As a general rule, scholastic dishonesty involves one of the following acts: cheating, plagiarism, collusion and/or falsifying academic records. Students suspected of academic dishonesty are subject to disciplinary proceedings.

Plagiarism, especially from the web, from portions of papers for other classes, and from any other source is unacceptable and will be dealt with under the university's policy on plagiarism (see general catalog for details).

Cheating will not be tolerated in this class. Cheating includes plagiarism from others or plagiarism from your own papers, sharing information, talking during a test, taking additional time than allowed, falsifying documents or any other way of getting information from a source that is not allowed or is not cited or any other form of cheating listed under the University Policy (<http://www.utdallas.edu/judicialaffairs/index.html>). Any suspicion of cheating will be reported to Judicial Affairs and if you are found responsible, the recommendation will be to follow these guidelines:

- An infraction that a student is found responsible for but is minor AND was unintentional, the recommendation is one letter grade adjustment to the paper/exam.
- A moderate infraction will result in an F in the exam or project.
- Any student found responsible for a major infraction or a second infraction of any severity, will be disciplined with an F in this course.

Please note, that if you are suspected of cheating and your case is in Judicial Affairs at the time of reporting grades, your grade will be "NR". If an employer requires this course or the completion of a degree, this could delay the finalization of the grade by an undetermined amount of time and threaten that employment. In the case of an NR, the student will be responsible for ensuring the grade change is submitted.

Email Use

The University of Texas at Dallas recognizes the value and efficiency of communication between faculty/staff and students through electronic mail. At the same time, email raises some issues concerning security and the identity of each individual in an email exchange. The university encourages all official student email correspondence be sent only to a student's U.T. Dallas email address and that faculty and staff consider email from students official only if it originates from a UTD student account. This allows the university to maintain a high degree of confidence in the identity of all individual corresponding and the security of the transmitted information. UTD furnishes each student with a free email account that is to be used in all communication with university personnel. The Department of Information Resources at U.T. Dallas provides a method for students to have their U.T. Dallas mail forwarded to other accounts.

Withdrawal from Class

The administration of this institution has set deadlines for withdrawal of any college-level courses. These dates and times are published in that semester's course catalog. Administration procedures must be followed. It is the student's responsibility to handle withdrawal requirements from any class. In other words, I cannot drop or withdraw any student. You must do the proper paperwork to ensure that you will not receive a final grade of "F" in a course if you choose not to attend the class once you are enrolled.

Student Grievance Procedures

Procedures for student grievances are found in Title V, Rules on Student Services and Activities, of the university's *Handbook of Operating Procedures*.

In attempting to resolve any student grievance regarding grades, evaluations, or other fulfillments of academic responsibility, it is the obligation of the student first to make a serious effort to resolve the matter with the instructor, supervisor, administrator, or committee with whom the grievance originates (hereafter called "the respondent"). Individual faculty members retain primary responsibility for assigning grades and evaluations. If the matter cannot be resolved at that level, the grievance must be submitted in writing to the respondent with a copy of the respondent's School Dean. If the matter is not resolved by the written response provided by the respondent, the student may submit a written appeal to the School Dean. If the grievance is not resolved by the School Dean's decision, the student may make a written appeal to the Dean of Graduate or Undergraduate Education, and the dean will appoint and convene an Academic Appeals Panel. The decision of the Academic Appeals Panel is final. The results of the academic appeals process will be distributed to all involved parties.

Copies of these rules and regulations are available to students in the Office of the Dean of Students, where staff members are available to assist students in interpreting the rules and regulations.

Incomplete Grade Policy

As per university policy, incomplete grades will be granted only for work unavoidably missed at the semester's end and only if 70% of the course work has been completed. An incomplete grade must be resolved within eight (8) weeks from the first day of the subsequent long semester. If the required work to complete the course and to remove the incomplete grade is not submitted by the specified deadline, the incomplete grade is changed automatically to a grade of **F**

Disability Services

The goal of Disability Services is to provide students with disabilities educational opportunities equal to those of their non-disabled peers. Disability Services is located in room 1.610 in the Student Union. Office hours are Monday and Thursday, 8:30 a.m. to 6:30 p.m.; Tuesday and Wednesday, 8:30 a.m. to 7:30 p.m.; and Friday, 8:30 a.m. to 5:30 p.m.

The contact information for the Office of Disability Services is:

The University of Texas at Dallas, SU 22

PO Box 830688

Richardson, Texas 75083-0688

(972) 883-2098 (voice or TTY)

Essentially, the law requires that colleges and universities make those reasonable adjustments necessary to eliminate discrimination on the basis of disability. For example, it may be necessary to remove classroom prohibitions against tape recorders or animals (in the case of dog guides) for students who are blind. Occasionally an assignment requirement may be substituted (for example, a research paper versus an oral presentation for a student who is hearing impaired). Classes enrolled students with mobility impairments may have to be rescheduled in accessible facilities. The college or university may need to provide special services such as registration, note-taking, or mobility assistance.

It is the student's responsibility to notify his or her professors of the need for such an accommodation. Disability Services provides students with letters to present to faculty members to verify that the student has a disability and needs accommodations. Individuals requiring special accommodation should contact the professor after class or during office hours.

Religious Holy Days

The University of Texas at Dallas will excuse a student from class or other required activities for the travel to and observance of a religious holy day for a religion whose places of worship are exempt from property tax under Section 11.20, Tax Code, Texas Code Annotated.

The student is encouraged to notify the instructor or activity sponsor as soon as possible regarding the absence, preferably in advance of the assignment. The student, so excused, will be allowed to take the exam or complete the assignment within a reasonable time after the absence: a period equal to the length of the absence, up to a maximum of one week. A student who notifies the instructor and completes any missed exam or assignment may not be penalized for the absence. A student who fails to complete the exam or assignment within the prescribed period may receive a failing grade for that exam or assignment.

If a student or an instructor disagrees about the nature of the absence [i.e., for the purpose of observing a religious holy day] or if there is similar disagreement about whether the student has been given a reasonable time to complete any missed assignments or examinations, either the student or the instructor may request a ruling from the chief executive officer of the institution, or his or her designee. The chief executive officer or designee must take into account the legislative intent of TEC 51.911(b), and the student and instructor will abide by the decision of the chief executive officer or designee.

These descriptions and timelines are subject to change at the discretion of the Professor.

Course schedule

August 22

Topic: Introduction and Overview
Reading: Skim Chapter 1

August 24

Topic: Introduction to cost terms and purposes
Reading: Chapter 1 and Chapter 2

August 29

Topic: Cost Flows
Reading: Chapter 2

August 31

Topic: Job Order Costing
Reading: Chapter 3. **HW No. 1 due**

September 5

Topic: Job Order Costing
Reading: Chapter 3

September 7

Topic: Process Costing
Reading: Chapter 4

September 12

Topic: Process costing
Reading: Chapter 4. **HW No. 2 due**

September 14

Review for Exam #1

September 19

Exam #1 (In class). Covers chapters 1, 2, 3, and 4.

September 21

Topic: Activity Based Costing
Reading: Chapter 5

September 26

Topic: Activity Based Costing
Reading: Chapter 5

September 28

Topic: Activity Based Costing
Reading: Chapter 5

October 3

Topic: Activity-based Costing
Reading: Chapter 5. **HW No. 3 due**

October 5

Topic: Cost Volume Profit Relationships
Reading: Chapter 6

October 10

Topic: Cost Volume Profit Relationships
Reading: Chapter 6

October 12

Topic: Variable Costing
Reading: Chapter 7

October 17

Topic: Variable Costing
Reading: Chapter 7. **HW No. 4 due**

October 19

Topic: Relevant Costs and Short term decision making
Reading: Chapter 8

October 24

Topic: Relevant Costs and Short term decision making
Reading: Chapter 8

October 26

Review for Exam # 2

October 31

Exam 2: In-class. Covers chapters 5, 6, 7, and 8

November 2

Topic: Planning and Budgeting
Reading: Chapter 9

November 7

Topic: Planning and Budgeting
Reading: Chapter 9

November 9

Topic: Standard Costing and Variance Analysis
Reading: Chapter 10

November 14

Topic: Standard Costing and Variance Analysis
Reading: Chapter 10. **HW No. 5 due**

November 16

Topic: Flexible Budgets and Performance Analysis
Reading: Chapter 11

November 28

Topic: Capital Budgeting
Reading: Chapter 12

November 30

Review for Exam #3 and Final Review

December 5

Exam 3: In-class. Covers chapters 9,10, 11, and 12.

Week of December 11

Cumulative Final Exam (Date/Time per registrar's office)