



MACQUARIE
UNIVERSITY ~ SYDNEY
A U S T R A L I A

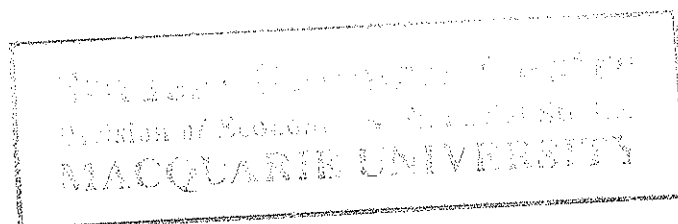
**ACCG201 - ORGANISATIONAL PLANNING
AND CONTROL**

UNIT OUTLINE

SEMESTER 1- 2004

DEPARTMENT OF ACCOUNTING AND FINANCE

DIVISION OF ECONOMIC AND FINANCIAL STUDIES



ACCG201 ORGANISATIONAL PLANNING AND CONTROL

SEMESTER 1 - 2004

GENERAL UNIT INFORMATION

INTRODUCTION

Organisational Planning and Control is the second of three undergraduate units in cost and management accounting (the first two of which are necessary for ICA and CPA Australia membership).

Organisational Planning and Control locates management accounting within the context of organisations, their systems of control and the people who work within them. The main focus of this unit is the control issues confronted by organisations. As such, different types of control mechanisms that co-exist with management accounting controls are discussed along with the behavioural effects and the use of financial and non-financial information for control purposes. To this end, theories of organisations and management as well as theories of individual behaviour and motivation are discussed. Students are also introduced to the way in which management accounting assists strategic management.

On completion of this unit, students should have developed an understanding of: different types of controls that co-exist with accounting controls and their behavioural effects; the importance of financial and non-financial information for control and decision making purposes; and the way in which management accounting assists in strategic management. They should also understand the main theories of organisations and theories of individual behaviour and motivation.

This unit allows students to develop their generic skills, particularly their writing, communication, analytical and interpersonal skills. Weekly assignments are required to be completed, submitted in written form and discussed in tutorial classes. These assignments often require students to find information from a variety of sources independent of the unit text and lecture material. As such, students have the opportunity to develop their ability to identify, evaluate and manage information, to think and act independently, and to present, discuss and defend views in tutorial classes.

PREREQUISITE

ACCG200 Fundamentals of Management Accounting

TEACHING STAFF

Hai Yap Teoh	(HY) Lecturer-in-charge (.....)	hteoh@efs.mq.edu.au
Kevin Baird	(KB) (C5C408) 9850 8532		kbaird@efs.mq.edu.au
Pamela Baker	(PM) (C5C 408) 9850 8518...	..	pbaker@efs.mq.edu.au
Indra Abeysekera	(IA) Assistant to Lecturer-in-charge	iabeysek@efs.mq.edu.au
	(C5C416) 98507848		

Students will be advised of arrangements for staff consultation during the first tutorial. All questions of an administrative nature in respect of tutorial allocation and course materials should be addressed to
XXXXXXXXXX.

TEACHING FORMAT

This unit is organised around a two-hour lecture and one hour tutorial per week. Regular class attendance, reading of prescribed references and assignment preparation are essential if satisfactory progress is to be made in this unit. Copies of lecture slides are available in the Economic & Financial Studies Resource and Information Centre (ERIC), and through the unit Web site. The url is:
www.accg.mq.edu.au/undergrad/accg201

PRESCRIBED TEXT BOOKS:

Samson, D. & Daft, R. L., **Management** (Pacific Rim Edition) Thomson, 2003.

Langfield-Smith, K., Thorne, H. & Hilton, R. W. **Management Accounting: An Australian Perspective** (3rd Edition) McGraw-Hill, 2003.

Any additional references/articles referred to throughout the course will be available through the ERIC and the Special Reserve section of the library.

METHOD OF ASSESSMENT

Tutorial attendance and participation	10%
Mid-semester Test	10%
Major Assignment	15%
Final Examination	65%

Tutorial Attendance and Participation mark will mainly be determined from the quality of individual participation in tutorials. A mark will also be given to written assignments collected in tutorials.

The **Mid-semester Test** will be held in **Week 7 tutorials, commencing 26 April**. It will cover all material up to, and including week 6 lecture.

The **Major Assignment** is to be completed and submitted in tutorial classes in week commencing 20th October. Students will be advised of the requirements for the major assignment in week 5 lecture.

The **Final Examination** will consist of a three- hour paper covering topics presented throughout the semester. Students will be advised of the format of the final exam during lectures in week 13. Please note that the use of a dictionary in the final examination is **not** permitted.

To pass the course a student's overall performance must be satisfactory, and additionally he/she must pass the final examination.

Note: Incidents of academic dishonesty will not be tolerated and university regulations regarding academic dishonesty will be strictly enforced. Please read the attached document on "The dangers of cheating and plagiarism and how to avoid them" on pp. 5-6.

CPA Australia Policy on Conceded Passes

The number of acceptable conceded/terminal passes in a three year Bachelor degree is restricted to three. Further, no more than one conceded/terminal pass is acceptable for subjects in the core curriculum in accounting and business related areas, unless a more advanced subject in the area is passed.

Information for transfer students

Students transferring to Macquarie University who wish to have qualifications obtained at other tertiary institutions considered for accreditation by the professional accounting bodies (CPA Australia and ICAA) are reminded that it is the students' responsibility to ensure that these qualifications are accepted by the professional bodies.

SPECIAL CONSIDERATION

It should be noted that special consideration is available only to students who are prevented by unavoidable disruption from completing this subject. Students who wish to apply for special consideration regarding their performance in the final examination must arrange for completion of the appropriate documentation, including, where necessary, a Professional Authority Form. Special consideration will **only** be given to those students who have satisfactory performance in the unit during the semester.

THE DANGERS OF CHEATING AND PLAGIARISM AND HOW TO AVOID THEM

To cheat in the context of university assignments, tests and examinations is to attempt to gain an unfair advantage by violating the principles of intellectual and scholarly integrity. Cheating also encompasses plagiarism, which is the appropriation or imitation of another person's ideas and manner of expressing them.

WHAT IS CHEATING?

You will be guilty of cheating if you do any of the following:

1. Copy from another student during a test or examination. This is cheating whether or not there is collusion between the students involved. Collusion with another student who wishes to cheat from you exposes both parties to penalties under University Regulations.
2. Use or paraphrase the work of others, including any document, audio-visual or computer-based material, when preparing an assignment or writing an examination, and pretend it is your own work by not acknowledging where it came from.
3. Copy from another student's coursework whether that copying be with or without the knowledge of that student. This includes:
 - copying all or part of someone else's assignment
 - allowing someone else to copy all or part of your assignment
 - having someone else do all or part of an assignment for you
 - doing all or part of someone else's assignment for them.
4. Make up data and fabricate results in research assignments.
5. Impersonate someone else in an examination or test, or arrange such impersonation.
6. Use forbidden material in a test or examination, whether in printed or electronic form, for example, attempting to use a non-standard calculator in a restricted calculator examination.

WHY IS IT WRONG?

If you take and use the work of another person without clearly stating or acknowledging your source, you are falsely claiming that material as your own work and committing an act of plagiarism. This is wrong because:

it violates the principle of intellectual and scholarly integrity.

it devalues the grades and qualifications gained legitimately by other students.

PREVENTING CHEATING

All students and staff have a responsibility to prevent, discourage and report cheating.

Typically students cheat because they are having difficulty with the unit content, the language of the unit, or both. Cheating and/or plagiarism can be a temptation when students are experiencing difficulty with a heavy workload in the unit and seek to save time by using others work.

To avoid having students resort to cheating, the University provides many services to help students with their course or to make thoughtful decisions about whether to continue. Within the Division of Economic and Financial Studies, students should first seek assistance from their tutor and/or lecturer. The University

also offers help through the Dean of Students or the University Health and Counselling Services.

There is a difference between getting help and cheating. You are encouraged to get help if you need assistance to understand the material and any set work so that you are in a better position to create your own answers.

HOW TO PLAY SAFE

To maintain good academic practice, so that you may be given credit for your own efforts, and so that your own contribution can be properly appreciated and evaluated, you should acknowledge your sources and you should ALWAYS:

- (i) State clearly in the appropriate form where you found the material on which you have based your work, using the system of reference specified by the Division in which your assignment was set;
- (ii) Acknowledge the people whose concepts, experiments or results you have extracted, developed or summarised, even if you put these ideas into your own words;
- (iii) Avoid excessive copying of passages by another author, even where the source is acknowledged. Find another form of words to show that you have thought about the material and understood it, but remember to state clearly where you found the ideas.

There is nothing wrong with working with other students in a group; indeed sometimes you will be encouraged to do so. But after a certain point, each student must work on their own to produce their own written answers. If no specific guidelines for group-work have been given, a reasonable interpretation is that it is acceptable for two or more students to discuss a problem among themselves or with a staff member. The group may then agree that the answer should include certain points. But then each member of the group must independently write their own answer to the problem.

PENALTIES

Students who are guilty of cheating and plagiarism will be penalised. Depending on the nature of the offence, the unit coordinator will determine the penalty. For example, extensive plagiarism may result in zero marks for an assignment. Repeat offences will be referred to the University Discipline Committee and may result in failure or exclusion from the university.

(This material has been compiled from the existing plagiarism documents of Macquarie University and University of Auckland.)

ACCG201 - ORGANISATIONAL PLANNING AND CONTROL

LECTURE PROGRAM - 2004

Week 1 (week commencing 1 Mar) (HY)

Lecture: Introduction and course overview
The changing paradigm of management

Readings: Samson & Daft, Ch. 1

Week 2 (week commencing 8 March) (HY)

Lecture: Historical foundations of the learning organisation

Readings: Samson & Daft, Ch. 2

Week 3 (week commencing 15 March) (IA)

Lecture: Performance measurements and evaluation

Readings: Langfield-Smith *et al.*, Ch.13 (pp. 630 - 642) & Ch.14

Week 4 (week commencing 22 March) (IA)

Lecture: Executive compensation and behavioural and ethical factors

Readings: Langfield-Smith *et al.*, Ch. 13 (pp. 642 - 649)
Samson & Daft, Ch. 5 (pp. 159 - 167)

Week 5 (week commencing 29 March) (IA)

Lecture: Motivation in organisations

Readings: Samson & Daft, Ch. 16
Langfield-Smith *et al.*, PP. 17; 643-644

Week 6 (week commencing 5 April) (IA)

Lecture: Structural design to achieve strategic goals

Readings: Samson & Daft, Ch. 11
Langfield-Smith *et al.*, pp. 584-592

Week 7 (week commencing 26 April) (KB)

Lecture: Financial performance reports and transfer pricing

Readings: Langfield-Smith *et al.*, pp. 592 - 609

Week 8 (week commencing 3 May) (KB)

Lecture: Managerial decision making

Readings: Samson & Daft, Ch. 9

Lecture: Strategy, Strategic management and Strategic management accounting

Week 9 (week commencing 10 May) (KB)

Lecture: Strategy, Strategic management, and strategic management accounting

Readings: Samson & Daft, ch. 8
Langfield-Smith *et al.*, Ch. 1 (pp. 10-12)

Week 10 (week commencing 17 May) (KB)

Lecture: Organisational environment and organisational change

Reading: Samson & Daft, Ch. 3 (pp. 75-94) & Ch. 12 (pp. 376-387)

Week 11 (Week commencing 24 May) (KB)

Lecture: Management controls in business organisations

Readings: Samson & Daft, Ch. 19
Emmanuel, Otley & Merchant, Ch. 5*

Week 12 (week commencing 31 May) (KB)

Lecture: Managing suppliers, customers and quality

Readings: Langfield-Smith *et al.*, Ch. 16

Week 13 (week commencing 7 June) (IA & HY)

Lecture: Revision

WEEKLY ASSIGNMENTS - 2004

Due week 2, commencing 8 March

Topic: *The changing paradigm of management*

1. Case for critical analysis: Electra- Quick (Samson & Daft, pp. 36-37)
Additional question for Electra Quick: (4) what is the single most important lesson that you have learnt from this case analysis?
2. Samson & Daft, Ch. 1 - Discussion questions (11)
3. Explain why an understanding of the changing paradigm of management is essential to the study of management accounting.

Due week 3, commencing 15 March

Topic: *Historical foundations of the learning organisation*

1. Case for critical analysis: OJuice (Samson & Daft, p. 68).
Additional question for OJuice: (4) what is the single most important lesson that you have learnt from this case analysis?
2. Samson & Daft, Ch.2 - Discussion questions (1), (3), (7) & (8)
3. Comment on the implications the scientific management and human-relations views have had on the design of management accounting systems (eg, standard costing, participation in budget setting).

Due week 4, commencing 22 March

Topic: *Performance Measurement and Evaluation.*

1. Langfield-Smith: Questions 13.3; 13.8; 13.19; 14.2; 14.7;14.12; 14.14
2. Langfield-Smith: Exercises 13.29; 14.22
3. Langfield-Smith: Problem 13.35

Due Week 5, commencing 29 March

Topic: *Executive compensation and behavioural and ethical issues*

1. Langfield-Smith: Case 13.41
2. Following are the four broad approaches to distributing the proceeds of a bonus pool in a profit-sharing plan:
 - (i) Each person's share is based on salary
 - (ii) Each person receives an equal share
 - (iii) Each person's share is based on position in the organization (larger payments to people at higher levels).

- (iv) Each person's share is based on individual performance relative to some target.
 - (a) For each of these alternatives, give two reasons to support the alternative
 - (b) For each of these alternatives, give two reasons to oppose the alternative.
3. Ethical issues
- You are the management accountant of Ax Wye Zee Company participating in a pilot study project to implement the activity-based costing system. The results show that the ABC system is more accurate and timely. Under the present costing system, based on overhead allocation using direct labor hours, has undercosted your two large customers and overcosted your many small customers. At a recent meeting with top management, it was decided that the ABC system should not be implemented because this would mean increasing the price charged to the two large customers and thereby antagonizing these customers.

What is your ethical responsibility in dealing with this issue?

Due Week 6, commencing 5 April

Topic: *Motivation in organisations*

1. Case for critical analysis: Bloomingdale's (Daft & Daft, p. 551)
2. Application of Expectancy Model
Assume that the Department of Accounting & Finance at Macquarie University is proposing to revamp its current grading system (Participation 10%, Mid-Semester Test 10%, Major Assignment 15% and Final Examination 65%). The objective is to motivate student performance that would encourage greater creative and critical thinking. You have been given this unique opportunity to provide your input.

Using the expectancy model, explain how it can assist in the design of a grading system that might achieve the above objective. (You may or may not agree with the present system). Be specific, focusing on the key components of expectancy, instrumentality and valence. Provide concise and well-reasoned arguments for your response. Finally, present to the Dean in proper format for consideration a summary list of your recommendations.

Week 7, commencing 26 April

MID-SEMESTER TEST IN CLASS (based on lectures covered up to & including Week 6)

Due week 7, commencing 26 April

Topic: *Structural design to achieve strategic goals*

1. Case for critical analysis: Malard Manufacturing Company (Samson & Daft, p. 372)
Additional question for Malard Manufacturing: (4) what is the single most important lesson that you have learnt from this case analysis?
2. Samson & Daft, Ch. 11 - Discussion questions (2), (3), (7) & (8)
3. Langfield-Smith: Exercises E12.20

Due Week 8, commencing 3 May

Topic: *Financial Performance Reports and Transfer Pricing*

1. Langfield-Smith: Problems 12.30; 12.32
2. Langfield-Smith: Cases 12.37

Due Week 9, commencing 10 May

Topic: *Managerial decision making*

1. Case for critical analysis: Greyhound Lines Inc. (Samson & Daft, p. 303)
2. Samson & Daft, Ch.9 - Discussion questions (2), (4), (7), (8), (9)

Due week 10, commencing 17 May

Topic: *Strategy, Strategic Management and Strategic Management Accounting*

1. Case for critical analysis: Starbucks Coffee (Samson & Daft, p. 270).
2. Samson & Daft, Ch. 8 - Discussion questions (2), (4), (6).
3. Langfield-Smith: Questions 1.11; 1.14; 1.17
4. Discuss the changing role of management accounting in today's business environment.

Due week 11, commencing 24 May

Topic: *Organizational environment and organisational change*

1. Case for critical analysis: Society of equals (Samson & Daft, p. 108)
2. Samson & Daft: Ch. 3 - Discussion questions (3), (4), (5), (11)
Ch. 12 - Discussion questions (4), (6) (8)

Due week 12, commencing 31 May

Topic: *Management controls in business organisations*

1. Case for critical analysis: Lincoln Electric (Samson & Daft, p. 655)
Additional question for Lincoln Electric: (4) what is the single most important lesson that you have learnt from this case analysis? Can you invoke the contingency view learnt in Week 3 Tutorial?
2. Samson & Daft, Ch. 19 - Discussion questions (4), (5), (7), (10)
3. It has been said that all controls are action controls and they simply vary in the degree of specificity

of the desired actions. Do you agree or disagree with this statement?

4. It has been said that results controls should be used wherever they are feasible because, after all, the primary organisational purpose is to generate results. Do you agree or disagree with this statement?

Due week 13, commencing 7 June

Topic: *Managing suppliers, customers and quality*

1. Langfield-Smith - Questions 16.5; 16.7; 16.10; 16.15; 16.22
2. Langfield-Smith - Exercises 16.28, 16.29, 16.31; 16.32; 16.35; 16.37