



**ACCG200 - FUNDAMENTALS OF
MANAGEMENT ACCOUNTING**

**UNIT OUTLINE
SEMESTER ONE, 2005**

**DEPARTMENT OF
ACCOUNTING AND FINANCE**

Student Resource Centre
Division of Economic & Financial Studies
MACQUARIE UNIVERSITY

**DIVISION OF ECONOMIC AND
FINANCIAL STUDIES**

ACCG200 FUNDAMENTALS OF MANAGEMENT ACCOUNTING

COURSE OUTLINE

Students in this unit should read this unit outline carefully at the start of the semester. It contains important information about the unit. If anything in it is unclear, please consult one of the teaching staff in the unit.

INTRODUCTION

The Fundamentals of Management Accounting is the first of three undergraduate courses in cost and management accounting (the first two of which are necessary for ICAA/ASCPA membership). The subject is worth 3 credit points.

This unit focuses on the fundamental objectives of management accounting, being to provide accounting information for planning and control as well as for a variety of decision making purposes. As such, it deals with various costing, budgeting and decision making techniques.

The course is split into three main components:

- (i) The first component covers costing techniques.
- (ii) The second component concentrates on budgeting, both the preparation of budgets and the evaluation of performance against the budget.
- (iii) The third component is concerned with using costs for decision making purposes. Different costs are relevant for different decisions and it is important to be able to discriminate between relevant and irrelevant costs for any given decision.

The course will be taught from a conceptual perspective rather than a merely technical one. While a number of techniques need to be mastered, most organisations tailor a technique to suit their own circumstances. Consequently students must understand when a particular technique is appropriate and also how to adapt and apply it to a given situation.

LEARNING OUTCOMES

The course will improve the ability of students to analyse and conceptualise issues. In addition, the requirement for students to complete weekly assignments and to participate in tutorial group work will facilitate the improvement of their basic writing, problem-solving, interpersonal, and communication skills. The ability of students to identify, evaluate, and manage information and to interpret data with a view to making decisions will also be enhanced. Finally, the excel assignments provide students with an opportunity to improve their spreadsheet skills.

PREREQUISITES:

ACCG105(P) or ACCG101(P) or ACCG100(P) and ACCG101 or ACCG105 and BBA103 and 30cp.

STAFF:

Kevin Baird (Lecturer-in-charge)	Room C5C408	Phone 98508532
	Email: kbaird@efs.mq.edu.au	
Venkat Narayanan (Unit administrator)	Room C5C416	Phone 98509175
	Email: vnarayan@efs.mq.edu.au	
Pam Baker	Room C5C426	Phone 98508518
	Email: pbaker@efs.mq.edu.au	
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	Email: mdyball@efs.mq.edu.au	
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	Email: iabeysek@efs.mq.edu.au	
Susan Greer	Room C5C440	Phone 98508520
	Email: sgreer@efs.mq.edu.au	
Sam Jebeile	Room C5C430	Phone 98508572
	Email: sjebeile@efs.mq.edu.au	

The most efficient way to contact staff is via email. Please use this form of contact in the first instance for general course enquiries.

It is each student's responsibility to know which tutorial group they have been allocated to. **Students will not be awarded any tutorial marks unless they attend the class in which they are formally enrolled.**

All general queries regarding the course should be directed to Kevin Baird or Venkat Narayanan.

STAFF CONSULTATION:

All the staff listed above will be available at designated times to answer student queries concerning tutorial material, revision questions and any other aspects of the course. Details regarding staff consultation hours will be provided on WebCT (see page 9 for access details). **Any students experiencing significant difficulties with any topic in the course should seek help prior to their tutorial.**

TEACHING AND LEARNING STRATEGY:

The course is structured around a 1 hour lecture and a 2 hour tutorial per week. Lectures are intended to provide students with an overview of the main concepts and techniques. Lectures may not cover all of the material and students are expected to read all of the prescribed references (see pages 10-11), preferably prior to the lecture. Tutorials will be run on a workshop basis with students being given the opportunity to apply the concepts to additional problems and exercises. The tutorials are designed to provide an interactive environment in which students will be able to discuss issues and problems with each other, and their tutor, in order to improve their understanding of the material. Regular class attendance, reading of prescribed references and the completion of tutorial and revision questions are essential for satisfactory progress in this course.

Lecture overheads will be available to download via WebCT. **Any other information regarding the course will also be available from WebCT. Please check regularly.**

REQUIRED TEXTS AND MATERIALS:

1) *Management Accounting, An Australian Perspective* by Kim Langfield-Smith, Helen Thorne and Ronald W. Hilton, 3rd Edition, 2003, McGraw-Hill.

OR

ACCG201 Organisational Planning and Control, Mc-Graw-Hill

NB This shrink-wrap contains the Langfield-Smith text listed above and the customised textbook that is required for ACCG201. Hence, students intending to study ACCG201 will find it cheaper to purchase this text than the two separate textbooks.

Access to the Langfield-Smith text is essential for lecture references and for tutorial questions.

2) *Management Accounting Excel Assignments*, Bill Neish, Elgin Business Information Systems.

This computer disk must be purchased in order to complete the excel assignments during the semester.

ASSESSMENT:

End of semester examination:	60%
On-line quizzes:	10%
Excel assignments:	10%
Tutorial mark:	20%

The final grade will be determined after consideration of performance in all aspects of the course.

It is essential for students to pass their final examination in order to achieve a passing grade.

On-line quizzes

Two on-line tests will be conducted during the semester. Each of these quizzes will be worth 5% of the total assessment.

To access the tests: Go to the WebCT ACCG200 homepage and click on the 'Quiz 1' or 'Quiz 2' icon.

Quiz 1 – Will be available from 7am to 3pm on Saturday 9th April. This quiz will cover the first five weeks lectures ie Chapters 1-7. The test will consist of 30 multiple choice questions.

Quiz 2 – Will be available from 7am to 3pm on Saturday 4th June. This quiz will cover Weeks 6-11 ie Chapters 7-11, & 17-18. The test will consist of 30 multiple choice questions.

NB Absorption and variable costing (Chapter 7) will be covered in Quiz 2 while the rest of Chapter 7 will be covered in Quiz 1 only.

Each student will get a different question set for both quizzes.

Completing the test: Each quiz will be displayed in the following way:

- Click on begin to start the quiz. If a new window does not appear, it is possible that you have a pop-up window blocking software installed in your computer. Disable pop-up window blocking software while attempting the quiz. If you are unsure of how to disable the pop-up window blocking software then contact the IT Helpdesk on 02 9850 6500.
- Students will only be able to complete one question at a time.
- You must click on 'Save answer' to register each answer.
- Once a question has been saved or skipped, you cannot return to that question.
- At the end of the quiz, you must click on 'Finish'

We recommend you use Internet Explorer, do not use Netscape.

It is each students responsibility to ensure that the quizzes are completed during the timeslots available. Hence, there will be no consideration given to students who leave it until the end of the periods in which the quizzes are available and then experience computer mishaps. You are expected to allow for such problems and have a backup computer source available eg use the University computers. Also no allowance, will be made for line dropouts. If you know you have a dodgy line, then you should complete the test on a different computer.

Any student who misses an on-line quiz will receive zero marks unless a legitimate request for special consideration is received on the official form available for this purpose (consult Undergraduate Students Centre for details) with any necessary supporting documentation.

Excel assignments

All students must purchase the computer disk which contains information on the excel assignments (see required texts above). After purchasing the disk students must follow the instructions provided to register their licence number. Upon registering your licence number each student will be emailed five excel assignments **each** of which is worth 2% of the total assessment.

These assignments are designed to both test your knowledge of management accounting concepts and to improve your spreadsheet skills. With this in mind, the disks have been designed to include instructional videos on how to perform specific excel operations. The disk also contains instructions to assist you in completing each of the assignments. You are advised to read through this information prior to completing each assignment. The date on which each of the assignments is due is provided below.

	<u>Topic</u>	<u>Due date</u>
Assignment 1	Job costing	11pm Wednesday 30 th March
Assignment 2	Process costing	11pm Wednesday 6 th April
Assignment 3	Activity based costing	11pm Friday 22 nd April
Assignment 4	Budgeting	11pm Friday 6 th May
Assignment 5	CVP analysis	11pm Wednesday 1 st June

NB Do NOT email your assignments to any staff member. Assignments must be emailed to the address indicated in the instructions on the disk.

TUTORIALS:

Attendance at tutorials is compulsory. Students that attend at least 10 of the 12 tutorials will automatically receive 5 marks towards their tutorial assessment mark.

Given this requirement, any student who misses a tutorial (and has a legitimate reason) should complete and submit an Advice of Absence form (available from Undergraduate Students Centre) and attach any supporting documentation eg medical certificate.

Tutorial assessment marks (20%) will be split into the following two components:

Attendance marks (5%)

Students that attend at least 10 out of the 12 tutorials will receive the full 5 marks. Students that attend less than 10 tutorials will not receive any marks. To be recorded as having attended a tutorial students must be in the tutorial room for the entire duration of the class.

Weekly assignments/ participation (15%)

These marks will be awarded based on the following criteria:

- The extent to which each student has prepared for each class.
- The quality of the assignments and tutorial work collected. The 'tutorial' questions (as listed on pages 12-14) will be collected by tutors each week and graded as S+ (excellent), S (satisfactory), S- (unsatisfactory effort), or I (Incomplete). Other questions completed on an individual and/or group basis during tutorials will be graded similarly.
- The ability of students to complete set tasks during classes.
- The ability of students to actively participate in group discussions.
- The willingness of students to co-operate with and assist other students in their learning.

Tutorials will be held each week commencing in week 2. The purpose of the tutorials is to reinforce key concepts, and to provide an interactive learning environment in which staff can identify and assist students with problems that they may be encountering. The tutorials are also aimed towards the promotion of peer assisted learning, with students required to complete specific tasks in groups and actively encouraged to assist each other in developing an understanding of the course material.

Students are expected to have read the required readings and completed the 'tutorial questions' prior to each tutorial (as outlined on pages 12-14). They should be prepared to participate in group discussions concerning the relevant topic area and be able to make reasonable attempts at additional questions during tutorials.

NB Copies of some of the questions that will be covered during tutorials will be made available on the subject website. All students must bring a copy of these questions with them to tutorials.

FINAL EXAMINATION:

All material covered in the course will be examinable. Further details on the final exam will be made available via WebCT late in the semester.

The use of a dictionary in the final examination is not permitted.

The University Examination period in First Semester 2005 is from Wednesday 15th June to Wednesday 29th June.

You are expected to present yourself for examination at the time and place designated in the University Examination Timetable. The timetable will be available in Draft form approximately eight weeks before the commencement of the examinations and in Final form approximately four weeks before the commencement of the examinations.
<http://www.timetables.mq.edu.au/exam>

The only exception to not sitting an examination at the designated time is because of documented illness or unavoidable disruption. In these circumstances you may wish to consider applying for Special Consideration. Information about unavoidable disruption and the special consideration process is available at
<http://www.reg.mq.edu.au/Forms/APSCon.pdf>

If a Supplementary Examination is granted as a result of the Special Consideration process the examination will be scheduled after the conclusion of the official examination period.

You are advised that it is Macquarie University policy not to set early examinations for individuals or groups of students. All students are expected to ensure that they are available until the end of the teaching semester, that is the final day of the official examination period.

MISADVENTURE /UNAVOIDABLE DISRUPTION RE FINAL EXAM

Any student who wishes 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 (copies are available from the Undergraduate Student Centre). No consideration will be given to any student who does not provide the necessary documentation as indicated on this form.

Although requests will be considered they are not automatically granted. Consideration in the final examination will **ONLY** be given to those students who have satisfactory results for their tutorial work, excel assignments, and on-line quizzes.

UNIT WEBPAGE

WebCT is a website via which students will be able to gain information and resources to assist them in their learning process. The following information will be available on WebCT.

- Important announcements
- Staff consultation hours
- Staff contact details
- Tutorial and revision question solutions
- Additional tutorial question solutions
- Other relevant material.

You are encouraged to regularly check the website and use it as an information and resource centre to assist with your learning.

Accessing WebCT

Go to <http://www.online.mq.edu.au>, and click on "Login".

On the next screen enter your username and password.

This takes you to the "My WebCT" page which has a link for ACCG 200. Click on this link to access the ACCG 200 WebCT webpage.

Username and Password for WebCT

The username and password for WebCT is the same username and password for your Macquarie University e-mail account.

If you have previously used WebCT you should use the same username and password.

If you don't know what your username and password are then contact the IT helpdesk located on Level 1 of the Library. The phone number for the helpdesk is 9850 6500.

You should also contact the IT helpdesk if you need assistance with using WebCT, alternatively use the help feature provided in WebCT.

Important

If you have contacted the helpdesk in regard to you username and password and you are still unable the login to WebCT **then** you should contact Venkat Narayanan at the earliest possible instance.

Make sure that when you have finished using WebCT that you log out. Failure to do so could allow unauthorised access to your WebCT account.

LECTURE OUTLINE

Week	TOPIC	READING
1 (28 th February)	Introduction and course overview	
	The management accounting environment Role of management accounting; typical functions of a management accounting system; the changing environment of management accounting; professional accounting bodies and professional ethics.	Chapter 1, pp. 3-19 & 22-24
	Cost concepts Management accounting information; cost classification; value chain; costs in manufacturing and service businesses; product costs.	Chapter 2, pp. 33-58
2 (7 th March)	Cost behaviour Cost drivers, variable/fixed costs; cost estimation.	Chapter 3, pp. 77-107
	Costing systems Product costing - purpose; allocating overhead costs.	Chapter 4, pp. 133-43
3 (14 th March)	Costing systems continued Types of product costing systems: - job costing and process costing.	Chapter 4, pp. 144-69 & p.171
4 (21 st March)	Costing systems continued Process costing continued – weighted average method; operation costing.	Chapter 5, pp.194- 201 & 210-221
Topic for self study	Service department costing Cost classification and cost flows.	Chapter 6, pp. 247-80
(NB A summary of service department costing will be provided in tutorials during Week 5)		
5 (28 th March)	Overhead costs Allocating overhead costs, allocating support department costs.	Chapter 7, pp. 299- 332

6 (4 th April)	Activity based costing	Chapter 8, pp.357-96
7 (11 th April)	Budgeting: Purposes of budgeting; budget development; behavioural consequences.	Chapter 9, pp. 421-54
Topic for self study Variable and absorption costing		Chapter 7, pp. 333-39.
(NB A summary of variable and absorption costing will be provided during the Week 7 tutorial)		
8 (2 nd May)	Standard costing for control: Standard setting; direct materials and direct labour variances; investigation of variances.	Chapter 10, pp. 483-511
9 (9 th May)	Standard costing for control: Flexible budgets; fixed and variable overhead variances; appraisal of standard costing systems; activity based budgeting.	Chapter 11, pp. 533-559
10 (16 th May)	Cost volume profit analysis Breakeven point, target net profit, management decision making; multiple products and tax effects.	Chapter 17, pp. 823-51
11 (23 rd May)	Decision making Short versus long term; relevant costs; allocating joint production costs.	Chapter 18, pp. 877-909
12 (30 th May)	Decision making continued Pricing and product mix decisions.	Chapter 19, pp. 929-33 & 936-59
13 (6 th June)	Revision lecture	

TUTORIAL QUESTIONS

All tutorial questions are from the set text (Langfield-Smith, 3rd edition).

Tutorial questions must be completed before class. These questions will be collected each week by your tutor and will impact on your tutorial assessment mark.

The revision questions should be attempted as soon as possible after the tutorial.

Detailed solutions of the tutorial questions, the revision questions, and any additional tutorial questions will be available on WebCT at the end of each week. Any student encountering difficulties in understanding concepts or the solutions provided should see a staff member in their consultation hours as soon as possible.

<u>Week 2 Tutorial</u>	Week commencing 7 th March
Tutorial questions:	1.5, 1.12, 2.3, 2.12, 2.34
Revision questions:	1.4, 1.20, 2.7, 2.16, 2.24, 2.25, 2.27, 2.39
<u>Week 3 Tutorial</u>	Week commencing 14 th March
Tutorial questions:	3.11, 3.14, 3.26, 3.45, 4.27
Revision questions:	3.9, 3.17, 3.29, 3.31, 3.33, 3.37, 4.9, 4.29
<u>Week 4 Tutorial</u>	Week commencing 21 st March
Tutorial questions:	4.16, 4.36, 4.37
Revision questions:	4.13, 4.18, 4.28, 4.31, 4.39 4.43

<u>Week 5 Tutorial</u>	Week commencing 28 th March
Tutorial questions:	5.3, 5.29, 5.31, 6.11, 6.33
Revision questions:	4.45, 5.1, 5.4, 5.9, 5.27, 5.35, 5.38, 6.10, 6.39, 6.40
<u>Week 6 Tutorial</u>	Week commencing 4 th April
Tutorial questions:	7.4, 7.6, 7.41, 7.46
Revision questions:	7.10, 7.19, 7.20, 7.28, 7.29, 7.33, 7.34, 7.35, 7.36, 7.39
<u>Week 7 Tutorial</u>	Week commencing 11 th April
Tutorial questions:	8.2, 8.18, 8.34, 8.40
Revision questions:	8.7, 8.19, 8.22, 8.28, 8.31, 8.36, 8.45
<u>Week 8 Tutorial</u>	Week commencing 2 nd May
Tutorial questions:	7.22, 7.24, 7.48, 9.1, 9.16, 9.23, 9.30
Revision questions:	7.25, 7.38, 7.49, 9.10, 9.22, 9.28, 9.39, 9.36
<u>Week 9 Tutorial</u>	Week commencing 9 th May
Tutorial questions:	10.2, 10.18, 10.26 (part 1), 10.27 (part 1), 10.29
Revision questions:	10.7, 10.10, 10.12, 10.17, 10.32, 10.34, 10.45

Week 10 Tutorial Week commencing 16th May
Tutorial questions: 11.9, 11.11, 11.32, 11.37
Revision questions: 11.6, 11.15, 11.24, 11.27, 11.28, 11.35, 11.41

Week 11 Tutorial Week commencing 23rd May
Tutorial questions: 17.11, 17.17, 17.27, 17.28 (parts 2, 4 & 5),
17.29, 17.30
Revision questions: 17.2, 17.4, 17.7, 17.16, 17.34, 17.36, 17.37

Week 12 Tutorial Week commencing 30th May
Tutorial questions: 18.7, 18.9, 18.27, 18.29, 18.44
Revision questions: 18.5, 18.12, 18.26, 18.30, 18.32, 18.33, 18.39,
18.43

Week 13 Tutorial Week commencing 6th June
Tutorial questions: 19.2, 19.11, 19.32, 19.40
Revision questions: 19.16, 19.24, 19.33, 19.34, 19.41, 19.44

CPA Australia Policy on Conceded Passes:

The number of conceded passes acceptable in a three year Bachelor degree is restricted to two. No more than one conceded pass is acceptable for subjects in the core curriculum unless a more advanced subject has been passed in the same area. This applies to all grades issued from 1 January 2005. From 1 January 2002 until 31 December 2004, the number of conceded passes acceptable in a three year Bachelor degree is restricted to three.

The policy is available on the CPA website at www.cpacareers.com.au. Questions about the policy can be directed to Hayley Nicholls on (03) 9606 9652 or email hayley.nicholls@cpaaustralia.com.au

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 student's responsibility to ensure that these qualifications are accepted by the professional bodies.

UNIVERSITY POLICY ON GRADING

Academic Senate has a set of guidelines on the distribution of grades across the range from fail to high distinction. Your final result will include one of these grades plus a standardised numerical grade (SNG).

On occasion your raw mark for a unit (i.e., the total of your marks for each assessment item) may not be the same as the SNG which you receive. Under the Senate guidelines, results may be scaled to ensure that there is a degree of comparability across the university, so that units with the same past performances of their students should achieve similar results.

It is important that you realise that the policy does not require that a minimum number of students are to be failed in any unit. In fact it does something like the opposite, in requiring examiners to explain their actions if more than 20% of students fail in a unit.

The process of scaling does not change the order of marks among students. A student who receives a higher raw mark than another will also receive a higher final scaled mark.

For an explanation of the policy see

<http://www.mq.edu.au/senate/MQUonly/Issues/Guidelines2003.doc> or
<http://www.mq.edu.au/senate/MQUonly/Issues/detailedguidelines.doc>.

STUDENT SUPPORT SERVICES

Macquarie University provides a range of Academic Student Support Services. Details of these services can be accessed at <http://www.student.mq.edu.au>.

[Individual Unit Convenors may wish to add Unit/ Division specific support eg ERIC Room, PAL, TEPIT Centre, ELS Student Support Officers.]

CHEATING:

Attached is a document, which clearly sets out what the University regards as cheating, ways to avoid cheating and the potential consequences for any student caught cheating. Please read this document carefully before completing any work for the course.

THE DANGERS OF CHEATING AND PLAGIARISM AND HOW TO AVOID IT

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.)

**DO NOT REMOVE
THE STAPLES**