



**DIVISION OF ECONOMIC AND FINANCIAL STUDIES
DEPARTMENT OF ACCOUNTING AND FINANCE
UNIT OUTLINE**

ACCG 330 STRATEGIC MANAGEMENT ACCOUNTING

Semester 1, 2008

Unit convenor: Associate Professor Sujatha Perera

Prerequisites: ACCG200 and ACCG201 (P)

Credit points: 3

UNIT DESCRIPTION

Strategic Management Accounting has been designed for students who are interested in developing a deeper understanding of the role management accounting can play in implementing organisational and business unit level strategy in contemporary organizations. It provides a systematic and critical analysis of issues related to the integration of management accounting and control systems with strategy implementation. The main objective of ACCG330 Strategic Management Accounting is to make students think more carefully and critically about applying the techniques learnt previously to one aspect of an organization's context namely, the organization's strategy. In particular, this unit demonstrates how management accounting information that is relevant to one strategy can be irrelevant (and even misleading) to another strategy. It will help develop skills which are required to view management accounting information through a strategic 'lens'. This process will help cut through much of the ambiguity that characterizes business decisions and make more informed decisions. Consequently, this unit seeks to equip students with the skills to analyse complex situations and to develop positions that are logical, consistent and defensible from a strategic perspective.

The unit further develops the concepts and techniques discussed in *ACCG200 Fundamentals of Management Accounting* and *ACCG201 Organizational Planning and Control*. It explores and critically assesses at greater length a number of topics that were introduced in ACCG200 and ACCG201.

TEACHING STAFF

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REQUIRED AND RECOMMENDED TEXT AND READINGS

All students should have the following prescribed text book:

- ACCG330 Strategic Management Accounting, (A Pearson Education Australia Custom Book) (*in LectureProgram, abbreviated as ACCG330 Readings*)
- Additional readings will be placed on Blackboard (the latest version of webCT. Terms may be used interchangeably).

UNIT WEB PAGE

The web page for this unit can be found at: <http://learn.mq.edu.au> . This page will contain important information including: lecture slides, additional readings and announcements. All material will be in Adobe format (*.pdf files) which can be down loaded free from the internet.

LEARNING OUTCOMES

The learning outcomes of this unit are to provide students with skills that enable them to: (i) critically analyse and evaluate different organizational strategies; (ii) explain the influence of strategy on the design of management accounting systems; (iii) solve problems creatively by appropriately designing advanced costing systems, performance evaluation and incentive systems; and (iv) develop generic communication skills.

TEACHING AND LEARNING STRATEGY

The unit is taught through lectures and tutorials. There will be a one hour lecture and a two hour tutorial each week. The lecture component provides students with main concepts and techniques. Students are expected to read the prescribed readings prior to each lecture. Majority of tutorials will focus primarily on case discussions. In discussing cases, students are required to analyse real world settings, using concepts and techniques introduced in lectures, prescribed readings as well as in ACCG200 and ACCG201. Any application of a concept or technique needs to take account of the relevant setting. Students are expected to prepare written (typed) answers before tutorials so that they can participate effectively in class discussions. Discussions will take place in a group setting as well as on an individual basis. Regular class attendance and assignment preparation are essential if satisfactory progress is to be made.

A week-by-week list of the topics to be covered is presented at the end of this unit outline.

ASSESSMENT

Final Examination	65%
Tutorial related work	
Assignments	15%
Participation	16%
Presentation	<u>4%</u>
	<u>35%</u>
	<u>100%</u>

The assessment is weighted more towards tutorial related work than perhaps in previous 100 and 200 level units because of the need to apply concepts and to argue them in an interactive forum whereby the

communication and generic skills are developed in conjunction with technical and application skills. Students need a clear understanding of the subject matter, and be able to convince others when they discuss an issue in the class.

The final grade will be determined after consideration of a student's performance in ALL aspects of the course. Students' grades will be based on the following two forms of assessment:

(1) End of semester examination (65%)

It is essential for students to **pass** the three hour final examination in order to achieve a pass grade in the unit. Supplementary exams will be held where appropriate but the level of difficulty may be adjusted to take account of the additional revision time students may have had.

(2) Tutorial related work (35%)

Tutorial work is vital in this unit and the assessment marks are designed to ensure that students work conscientiously and consistently throughout the semester. Regular class attendance and assignment preparation are essential if satisfactory progress is to be made. Please note that prescribed readings are not designed to enable students to simply apply the text material in the topic area to the case. This "disconnect" between readings and tutorial cases is unsettling for many students but is a necessary consequence of moving to third year subjects. Increasingly students need to be weaned from situations where there is a great correspondence between the textbook problem and solution to more real life situations. To do well in this unit, students need to: (i) use their knowledge gained from previous units (both accounting and non-accounting); (ii) tailor the solution to the particular situation; and (iii) exercise judgement in trading-off various issues. Consequently, while there is a suggested answer to each case, students who make slightly different assumptions can come up with very reasonable answers, which may differ from suggested answers, and it is the power of your argument that is important.

Tutorial work consists of assignments and participation as follows.

Assignments account for 15% of the final grade. Four assignments will be collected randomly and a mark out of 5 will be awarded with the three best marks counting towards the final grade (i.e. a maximum of 15%). This mark is primarily based on students demonstrating that they have made a substantial effort to complete the assignment rather than based on whether the answers are correct. The expectation is that each assignment will comprise about three Word- processed pages of A4, 12 font and double spaced and, for obvious reasons, late tutorial assignments will not be accepted. If, for some reason, you are unable to attend a tutorial, it is expected that you email your assignment to your tutor **before** the class. Submissions after class will not be accepted. As a general rule answers to tutorial questions will **not** be made available outside the tutorials.

Participation accounts for 16% of the final grade. Students are expected to actively participate in class discussions. Prior preparation is necessary for active participation. The participation mark will be a result of attempting to participate, as well as the quality and frequency of that participation.

Presentation accounts for the final 4% that will be based on two short, personal presentations during the semester. These presentations will be at the start of each class. The purpose is to enhance research and communication skills that industry at large is demanding from graduates. Students will have to give a 2.5 minute presentation about an interesting and current topic of their choice as summarised from the financial and business literature (eg. from *The Economist*, *Bulletin*, *Fortune*, *Financial Times* etc). Your lecturer will explain the way presentations are to be managed. Hopefully students are starting to read business publications regularly and are able to start to relate to issues introduced in ACCG200, 201 and 330 as the articles are being read.

SPECIAL CONSIDERATION

Special consideration may be given for not sitting an examination at the designated time only for documented illness or unavoidable disruption. For all information on special consideration, how to apply and the necessary forms to be completed, please check the Division of Economic and Financial Studies Web site at <http://www.efs.mq.edu.au/>, under Announcements. 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.

GRADE REVIEW AND EXAM SCRIPT VIEWING AT THE END OF SEMESTER

If you honestly believe that an error has occurred that has affected your final grade and *you have evidence to support this*, you may:

- a) View your exam script – deadline to register on the website below is 10:00am on the 16th of July for viewing on the 17th and 18th of July; *and if necessary:*
- b) Lodge a Grade Review application (in person or by proxy) with the Division by 5:00pm on the 21st of July 2008.

For further information on these two processes, please refer to www.efs.mq.edu.au/ss/grade_appeals

CLASSROOM ETIQUETTE

Students are expected to arrive on time, certainly before five minutes past the hour, and not to leave until the class ends. If you have a recurring problem that makes you late, or forces you to leave early, have the courtesy to discuss this with your lecturer/tutor. Students are expected to be quiet during lectures unless, of course, class participation is required.

Mobiles should be turned off during classes; not simply set to \silent.

PUBLIC HOLIDAY

One public holiday (Easter Monday on 24 March) in semester 1 overlaps with ACCG330 classes. No tutorials are scheduled for this week.

PLAGIARISM

The University defines plagiarism in its rules as: "Plagiarism involves using the work of another person and presenting it as one's own." Plagiarism is a serious breach of the University's rules and carries significant penalties. You must read the University's practices and procedures on plagiarism. These can be found in the *Handbook of Undergraduate Studies* or on the web at:

<http://www.student.mq.edu.au/plagiarism/>

The policies and procedures explain what plagiarism is, how to avoid it, the procedures that will be taken in cases of suspected plagiarism, and the penalties if you are found guilty. Penalties may include a deduction of marks, failure in the unit, and/or referral to the University Discipline Committee. Please ensure that you are familiar with the plagiarism policies and procedures.

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.

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>.

**ACCG330 Strategic Management Accounting
Lecture Program**

	Lecture	Topic	Readings
Week 1	Lecture 1 (25 Feb)	Introduction to Strategic Management Accounting (SP)	ACCG330 Readings: pp. 1-19
Week 2	Lecture 2 (3 March)	Strategic Analysis (HS)	ACCG330 Readings: pp. 20-31
Week 3	Lecture 3 (10 March)	Strategy and Management Control (HS)	ACCG330 Readings: pp. 33-48
Week 4	Lecture 4 (17 March)	Results Controls and Diagnostic and Interactive Uses of Controls (HS)	ACCG330 Readings: pp. 51-87
Week 5	(24 March)	Public Holiday	
Week 6	Lecture 5 (31 March)	Financial Performance Measures and Their Effects (HS)	ACCG330 Readings: pp. 89-134
Week 7	Lecture 6 (7 April)	The Strategy Map and Balanced Scorecard (HS)	ACCG330 Readings: pp. 136-200
SEMESTER BREAK			
Week 8	Lecture 7 (28 April)	Incentive Compensation Systems (SP)	ACCG330 Readings: pp. 201-218
Week 9	Lecture 8 (5 May)	Managing Performance Over the Value Chain (SP)	ACCG330 Readings: pp. 220-249
Week 10	Lecture 9 (12 May)	Identifying and Managing Strategic Risk (SP)	ACCG330 Readings: pp. 251-296
Week 11	Lecture 10 (19 May)	A Critical Review of Activity Based Costing and Management (SP)	ACCG330 Readings: pp. 297-316
Week 12	Lecture 11 (26 May)	Control Problems and Practices in Multi-National Organizations (SP)	Anthony & Govindarajan (2007, pp. 678-696) [from unit web page]
Week 13	Lecture 12 (2 June)	Revision Lecture (SP)	

Source Book Details

T. Hopper, D. Northcott & R. Scapens (2007), "Issues in Management Accounting", 3rd edition, Prentice Hall

R. Simons (2000), "Performance Measurement and Control Systems for Implementing Strategy", Prentice Hall

A. A. Atkinson, R.S Kaplan, E.M.Matsumura, and S.M.Young (2007), Management Accounting, 5th edition, Prentice Hall

K. A. Merchant & W. A. Van der Stede, Management Control Systems- Performance Measurement, Evaluation and Incentives, 2nd edition, Prentice Hall

R. N. Anthony & V. Govindarajan (2007), Management Control Systems, 12th edition, McGraw Hill.