

BUSI 4008 B
ADVANCED MANAGEMENT
ACCOUNTING AND CONTROL
Winter 2017

PROFESSOR

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cuLearn: <https://www.carleton.ca/culearn/>

COURSE TIME/LOCATION

Lectures: Fridays, 14:35 – 17:25, TB 238.

COURSE DESCRIPTION

Builds on concepts covered in management and cost accounting courses. Integrates relevant issues from other functional areas: strategic uses of cost management, budgeting, and performance evaluation systems in managerial planning and control.

PREREQUISITES

BUSI 3008 with a grade of C- or higher.
The School of Business enforces all prerequisites.

COURSE OVERVIEW

This course focuses on managerial planning and control systems using the case method. It extends the concepts covered in the intermediate management accounting course and also integrates relevant contextual issues from other functional areas of organizations. The design of budgeting, cost management, performance measurement, performance evaluation, and reward systems, as well as, governance and ethical issues, are examined. Emphasis is placed on the need for different control techniques and systems in different types of organizations and for balanced integrated systems, comprising both financial and nonfinancial controls and measures.

LEARNING OBJECTIVES

1. Understand advanced management control concepts, techniques, and practices applicable to private, non-profit, and public organizations.
2. Identify management control problems related to cost management, budgeting, performance measurement, performance evaluation, and reward systems, as well as, governance and ethics, in private, non-profit, and public organizations.
3. Identify and apply appropriate management control techniques to remedy management control problems in private, non-profit, and public organizations.
4. Analyze and evaluate an organization's management control systems and practices, considering relevant organizational and environmental factors.

5. Based on analyses conducted, recommend appropriate managerial actions and improvements to management control systems.
6. Write well researched and justified professional reports.
7. Present the results and arguments in an effective manner and defend recommended courses of actions.

REQUIRED TEXTBOOK

Kenneth A. Merchant and Wim A. Van der Stede, *Management Control Systems: Performance Measurement, Evaluation and Incentives*, 3rd Ed., Prentice-Hall, 2012.

Additional required readings, as listed on **cuLearn**.

TEACHING METHODOLOGY

Teaching methodology for this course encompasses assigned readings, case analyses, case presentations and discussions in class, and a group project. Students are expected to read the assigned chapter(s), to discuss the assigned cases in groups before each class, and to prepare written analyses and presentations of selected cases. The cases are then discussed in class to highlight and clarify key concepts. Students, working in groups, also apply these concepts to an actual organization of their choice.

The primary role of the instructor in this course is to facilitate student learning by helping students understand and apply key concepts and by providing them with regular feedback on their progress. It should be emphasized that diligent independent preparation of cases before class and active participation in class discussions are crucial to the development of effective problem-solving skills in this field and to perform well in the course.

EVALUATION METHODS

Class Preparation/Participation – Individual	10%
Project Proposal – Group	5%
Case Report– Group	10%
Presentation Case – Group (individual dates, as assigned)	10%
Project Report/Presentation – Group (15% / 5%)	20%
Final Exam Case – Individual (formally scheduled time)	<u>45%</u>
Total	<u>100%</u>

Class Preparation/Participation. Up to 5 marks can be earned by individually answering a case-related discussion forum question in advance of the class in which the case is discussed (1 mark per reasonable answer). Answers to these questions are reviewed only when the case is discussed in class, but students will be able to see the postings by other students to each case after completing their own postings. The remaining 5 marks can be earned by actively participating in periodic class activities or exercises, conducted in small groups, which require brief written answers to be handed in. Such activity outcomes are debriefed in class but handed-in work is not returned to students. Please keep a copy for your records for study purposes. There is no makeup of class preparation/participation marks lost for any reason.

Case Report. Case reports should be 5 - 6 pages in length, double-spaced, excluding major tables, exhibits, appendices, and preliminary matter, and be professional in style and format. They should provide well justified recommendations to address the stated or other evident problems in the case, taking into account environmental factors affecting the organization. For good reports, some additional research beyond the case facts, e.g., related to industry, competition, products, etc., is expected. Each group member must also sign a **declaration of academic integrity** and attach a copy to the report handed in. Additional case information and case analysis and report guidelines will be posted on **cuLearn**.

Case Presentation. Case presentations should be between 15 - 20 minutes. They should contain the highlights of the case analysis in an organized manner. All group members should participate in the presentations. You may organize your presentation using one of the following formats: 1) management consultants presenting to upper management or 2) upper management presenting to the Board of Directors. Another group will be assigned to assume the role of upper management or the Board and to ask questions. Additional presentation guidelines will be posted on **cuLearn**.

Project Proposal/Report/Presentation. Project reports are comprehensive written reports of management control issues of a selected organization, completed in groups. The reports should be 12 - 15 pages in length, double-spaced, excluding major tables, exhibits, appendices, and preliminary matter, and be professional in style and format. Select an organization from any field, e.g., manufacturing, merchandising, service, non-profit, or government, ideally with which at least one group member is familiar or for which relevant information is publicly available. In writing the final report, assume the role of independent management consultants. The reports are evaluated for both content and style. In brief presentations to the class (maximum of 15 minutes each), each group provides an overview of their project. Each group member must also sign a **declaration of academic integrity** and attach a copy to the report handed in. Additional report guidelines will be posted on **cuLearn**.

First, prepare a 1-page (single-spaced) written proposal for approval by the professor, indicating:

- 1) Name and approximate size of company (e.g., number of employees or another size indicator)
- 2) Any personal contacts group members may have with the company
- 3) Type of relevant information available (e.g., type of financial and/or nonfinancial data)
- 4) How you plan to access this information (e.g., public data and/or internal data).

Note: You already must look up and cite some key data sources, so that I ascertain that relevant data for you project is available.

Final Exam Case. The final exam case is a comprehensive case requiring a significant degree of application and integration of the material covered in the entire course, including class presentations. Three hours are allowed for the completion of the case. A **minimum mark of 45 percent** must be obtained on the final case exam in order to pass the course.

EVALUATION AND GRADING POLICY

No make-up assignments are available for any term work (participation, assignments, presentations, and reports) missed for any reason. Providing that a student has demonstrated satisfactory in-term performance, as described below, the weight of a major component missed for documented medical reasons (but not class participation) may be transferred to the final case examination.

The criteria and standards for **satisfactory in-term performance** for this course are as follow:

- (a) Completion of at least 50% of all term work, and
- (b) Achievement of the minimum average grade of 50% on all term work.

Unsatisfactory in-term performance in this course, described above in (a) and (b), will lead to:

- (a) Failure in this course (regardless of performance on the final exam or project) Yes No
- (b) FND grade in this course (in case of missed final exam or project) Yes No

Each group member must complete and hand in a confidential **peer evaluation** (form available on **cuLearn**) for each member of his/her group, covering all group work. Unless specifically otherwise documented, the assumption is that each student has contributed equally to all group work in this course (including the case and project). In cases of significantly different evaluations for a group member, the professor may contact the group members for additional information or request a meeting with all group members in order to ensure a fair allocation of group marks.

Each group member must also sign a **declaration of academic integrity** (form available on **cuLearn**) and attach a copy to each report handed in for grading.

Note: Please keep a hard copy of all your submitted work for your records.

TENTATIVE TOPICAL OUTLINE AND SCHEDULE:

<i>Class/Date</i>	<i>Topic/Readings</i>	<i>Cases</i>
Jan. 6	• Ch. 1, Management and Control	N/A
13	• Ch. 16, The Effects of Environmental Uncertainty, Organizational Strategy and Multinationality on Management Control Systems • Reading #1	• Private Fitness, Inc. (p. 20) • <i>ConAgra Grocery Products Company</i> * (p. 698)
20	• Ch. 2, Result Controls • Ch. 3, Action, Personnel, and Cultural Controls	• Armco Inc. (p. 41) • <i>Alcon Laboratories</i> * (p. 112)
27	• Ch. 4, Control Tightness (or Looseness) • Ch. 5, Control System Costs Project proposals due	• Controls at Bellagio Casino (p. 134) • <i>Fit Food, Inc.</i> * (p. 203)
Feb. 3	• Ch. 6, Designing and Evaluating Management Control Systems • Ch. 7, Financial Responsibility Centers (Transfer Pricing)	• Game Shop, Inc. (p. 229) • <i>Global Investors, Inc.</i> * (p. 295)
10	• Ch. 8, Planning and Budgeting • Ch. 9, Incentive Compensation Systems Case Reports due	• VisuSon, Inc. (p. 355) • <i>Raven Capital, LLC.</i> * (p. 402)
17	• Ch.10, Financial Performance Measures and their Effects • Ch. 11, Combinations of Measures and Other Remedies to the Myopia Problem	• Las Ferreterias de Mexico (p. 432) • <i>Statoil</i> * (p. 487)
24	No class, Winter Break, Feb. 20-24, 2017	
March 3	• Ch. 12, Using Financial Results Controls in the Presence of Uncontrollable Factors • Reading #2	• Hoffman Discount Drugs (p. 529) • <i>Bank of Desert (A) & (B)</i> * (p. 543 and p. 546)
10	• Ch. 17, Management Control in Not-for-Profit Organizations • Reading #3	• Boston Lyric Opera (p. 770) • <i>City of Yorba Linda</i> * (p. 750)
17	• Ch. 13, Corporate Governance and Boards of Directors • Reading #4	• Financial Reporting Problems at Molex, Inc. (p. 605) • <i>Entropic Communications, Inc.</i> * (p. 590)
24	• Ch. 14, Controllers and Auditors • Ch. 15, Management Control-Related Ethical Issues and Analyses	• Don Russell (p. 627) • <i>Landale PLC</i> * (p. 646)
31	Project presentations (Groups 1-5)	N/A
April 7	Project presentations (Groups 6-10) All reports due	N/A

Note: * The second case for each week is the group presentation case.

ADDITIONAL INFORMATION

Course Sharing Websites

Student or professor materials created for this course (including presentations and posted notes, labs, case studies, assignments and exams) remain the intellectual property of the author(s). They are intended for personal use and may not be reproduced or redistributed without prior written consent of the author(s).

Required calculator in BUSI course examinations

If you are purchasing a calculator, we recommend any one of the following options: Texas Instruments BA II Plus (including Pro Model), Hewlett Packard HP 12C (including Platinum model), Staples Financial Calculator, Sharp EL-738C & Hewlett Packard HP 10bII

Group work

The Sprott School of Business encourages group assignments in the school for several reasons. They provide you with opportunities to develop and enhance interpersonal, communication, leadership, follower-ship and other group skills. Group assignments are also good for learning integrative skills for putting together a complex task. Your professor may assign one or more group tasks/assignments/projects in this course. Before embarking on a specific problem as a group, it is your responsibility to ensure that the problem is meant to be a group assignment and not an individual one.

In accordance with the Carleton University Undergraduate Calendar (p 34), the letter grades assigned in this course will have the following percentage equivalents:

A+ = 90-100	B+ = 77-79	C+ = 67-69	D+ = 57-59
A = 85-89	B = 73-76	C = 63-66	D = 53-56
A - = 80-84	B - = 70-72	C - = 60-62	D - = 50-52
F = Below 50			

WDN = Withdrawn from the course

ABS = Student absent from final exam

DEF = Deferred (See above)

FND = (Failed, no Deferred) = Student could not pass the course even with 100% on final exam

Academic Regulations, Accommodations, Etc.

University rules regarding registration, withdrawal, appealing marks, and most anything else you might need to know can be found on the university's website, here:

<http://calendar.carleton.ca/undergrad/regulations/academicregulationsoftheuniversity/>

Requests for Academic Accommodations

For Students with Disabilities:

The Paul Menton Centre for Students with Disabilities (PMC) provides services to students with Learning Disabilities (LD), psychiatric/mental health disabilities, Attention Deficit Hyperactivity Disorder (ADHD), Autism Spectrum Disorders (ASD), chronic medical conditions, and impairments in mobility, hearing, and vision. If you have a disability requiring academic accommodations in this course, please contact PMC at 613-520-6608 or pmc@carleton.ca for a formal evaluation. If you are already registered with the PMC, contact your PMC coordinator to send me your **Letter of Accommodation** at the beginning of the term, and no later than two weeks before the first in-class scheduled test or exam requiring accommodation (*if applicable*). **Requests made within two weeks will be reviewed on a case-by-case basis.** After requesting accommodation from PMC, meet with me to ensure accommodation arrangements are made. Please consult the PMC website (www.carleton.ca/pmc) for the deadline to request accommodations for the formally-scheduled exam (*if applicable*).

For Religious Obligations:

Students requesting academic accommodation on the basis of religious obligation should make a formal, written request to their instructors for alternate dates and/or means of satisfying academic requirements. Such requests should be made during the first two weeks of class, or as soon as possible after the need for accommodation is known

to exist, but no later than two weeks before the compulsory event.

Accommodation is to be worked out directly and on an individual basis between the student and the instructor(s) involved. Instructors will make accommodations in a way that avoids academic disadvantage to the student.

Students and instructors can confirm accommodation eligibility of a religious event or practice by referring to the Equity Services website (<http://carleton.ca/equity/accommodation/religious-observances/>) for a list of holy days and Carleton's Academic Accommodation policies. If there are any questions on the part of the student or instructor, they can be directed to an Equity Services Advisor in the Equity Services Department for assistance.

For Pregnancy:

Pregnant students requiring academic accommodations are encouraged to contact an Equity Advisor in Equity Services to complete a letter of accommodation. The student must then make an appointment to discuss her needs with the instructor at least two weeks prior to the first academic event in which it is anticipated the accommodation will be required.

Academic Integrity

Violations of academic integrity are a serious academic offence. Violations of academic integrity – presenting another's ideas, arguments, words or images as your own, using unauthorized material, misrepresentation, fabricating or misrepresenting research data, unauthorized co-operation or collaboration or completing work for another student – weaken the quality of the degree and will not be tolerated. Penalties may include; a grade of Failure in the submitted work and/or course; academic probation; a refusal of permission to continue or to register in a specific degree program; suspension from full-time studies; suspension from all studies at Carleton; expulsion from Carleton, amongst others. Students are expected to familiarize themselves with and follow the Carleton University Student Academic Integrity Policy which is available, along with resources for compliance at:

<http://carleton.ca/studentaffairs/academic-integrity>.

Sprott Student Services

The Sprott student services office, located in 710 Dunton Tower, offers academic advising, study skills advising, and overall academic success support. If you're having a difficult time with this course or others, or just need some guidance on how to successfully complete your Sprott degree, please drop in any weekday between 8:30am and 4:30pm. Our advisors are happy to discuss grades, course selection, tutoring, concentrations, and will ensure that you get connected with the resources you need to succeed! <http://sprott.carleton.ca/students/undergraduate/support-services/>

Be in the know with what's happening at Sprott: Follow @SprottStudents and find us on Facebook SprottStudents Sprott.

Important Information:

- Students must always retain a hard copy of all work that is submitted.
 - All final grades are subject to the Dean's approval.
 - For us to respond to your emails, we need to see your full name, CU ID, and the email must be written from your valid CARLETON address. Therefore, it would be easier to respond to your inquiries if you would send all email from your Carleton account. If you do not have or have yet to activate this account, you may wish to do so by visiting <http://carleton.ca/ccs/students/>
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Important Dates and Deadlines – Winter 2016
Graduate, Undergraduate and Special Students

January 2

University reopens

January 5

Winter term classes begin.

January 18

Last day for registration for winter term courses.

Last day to change courses or sections (including auditing) for winter term courses.

Graduate students who have not electronically submitted their final thesis copy to the Faculty of Graduate and Postdoctoral Affairs will not be eligible to graduate in Winter 2017 and must register for the Winter 2017 term.

January 20-22, 27-29

Fall-term deferred examinations will be held.

January 31

Last day for a [fee adjustment](#) when withdrawing from Winter term courses or the Winter portion of two-term courses (financial withdrawal). Withdrawals after this date will create no financial change to Winter term fees.

February 17

April examination schedule available online.

February 20

Statutory holiday, University closed.

February 20-24

Winter Break. Classes are suspended.

March 1

Last day for UHIP refund applications for International Students who will be graduating this academic year.

Last day for receipt of applications from potential spring (June) graduates.

Last day for receipt of applications for admission to an undergraduate program for the summer term.

March 10

Last day to request formal exam accommodations for December examinations to the Paul Menton Centre for Students with Disabilities. Late requests will be considered on case-by-case basis.

TBA

[Last day to pay any remaining balance on your Student Account](#) to avoid a hold on access to marks through Carleton Central and the release of transcripts and other official documents. An account balance may delay Summer 2017 course selection.

March 24

Last day for tests or examinations in courses below the 4000-level before the final examination period (see Examination Regulations in the Academic Regulations of the University section of this Calendar).

April 7

Winter term ends.

Last day of fall/winter and winter-term classes.

Last day for academic withdrawal from fall/winter and winter term courses.

Last day for handing in term work and the last day that can be specified by a course instructor as a due date for term work for fall/winter and winter-term courses.

April 10-25

Final examinations in winter term and fall/winter courses may be held. Examinations are normally held all 7 days of the week.

April 14

Statutory holiday, University closed.

April 25

All take home examinations are due on this day.

May 5

Graduate students who have not electronically submitted their final thesis copy to the Faculty of Graduate and Postdoctoral Affairs will not be eligible to graduate in Spring 2017 and must register for the Summer 2017 term.

May 17-28

Fall/winter and winter term deferred final examinations will be held.