

**DOMINICAN UNIVERSITY**  
**GSB-701**  
**MANAGERIAL AND COST ACCOUNTING (COST MANAGEMENT)**  
Syllabus  
Summer II, 2017

Instructor: Richard Walstra, DBA, MBA, CPA  
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Office: Fine Arts 220B  
Office Hours: T, Th, 4-6 p.m.; any time, by appointment (including early evenings)

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Meeting Times: Tuesdays and Thursdays, 6:30-9:30 p.m., from July 6 – August 22

Location: **Lewis Hall 306 (tentative)**

**Text and Course Materials**

**Hansen & Mowen, CORNERSTONES OF COST MANAGEMENT  
3rd Ed., Cengage Learning/Southwestern.** (fountains and clouds on cover)

Note that we are staying with the **3<sup>rd</sup>** edition, and we **will** be using CengageNOW as an on-line homework tool. This will allow you to get immediate feedback on your customized homework and will free up class time for more productive learning activities.

Regarding the textbook: You have a few choices for obtaining the book. It is important, though, to **obtain the CengageNOW access code!** The options include:

Hardcopy of textbook with CengageNOW Access (not recommended due to the cost)	ISBN: 978-130523942-5
Loose-leaf copy of textbook with CengageNOW	ISBN: 978-130578019-4
Ecopy of textbook with CengageNOW	ISBN: 978-128577934-8

Note that this can be purchased on-line: [www.cengagebrain.com](http://www.cengagebrain.com). Search for the text name, and find the CengageNOW Instant Access for \$160. You are buying the access code and the eBook comes with it. If purchased in this manner, you will be buying an **instant** access code, and the ISBN is 978-128577935-5.

I recommend buying from the Bookstore supply or via the above Cengage site. The risk with other options (e.g., Amazon) is getting the book but not an access code. The eBook will work fine if you bring a laptop or tablet to class. It's an adjustment to navigate without page numbers, but this has worked well for many students. During our frequent use of the text, I will refer to both page numbers and eBook sections.

### **Course Description**

The course is a study of the internal financial tools and terminology that are used by management for decision-making. The first half of the course focuses on traditional cost *accounting*; the second half emphasizes various elements of cost *management*. Typically, it's a matter of tolerating the first half and enjoying the second half. The class is taught through a mix of lecture, problem solving, group work, and discussions.

### **Prerequisites**

GSB-612 or a financial accounting equivalent

### **Course Learning Goals**

At the completion of this class, students will

1. Be familiar with the environment in which cost accounting is applicable.
2. Understand the basic terminology and concepts of cost accounting.
3. Recognize cost behavior patterns (fixed and variable) and the relevance of those patterns.
4. Know how to develop and apply cost-volume-profit data and contribution margin ratios.
5. Learn to develop and apply activity-based costing models.
6. Know how to perform investment project analysis.
7. Consider issues surrounding the budgeting process and understand the interaction of operating, cash, and capital budgets.
8. Explore the use of several activity based management tools.
9. Understand the elements of the balanced scorecard and the application of strategy maps.
10. Recognize the relevant costs for decision making.

Broader goals of the Brennan School of Business that we will incorporate throughout the class include:

- Appreciation for ethical and socially responsible behavior within the workplace.
- Ability to communicate effectively in written and verbal formats.
- Ability to utilize technology and electronic learning to address business applications.
- Quantitative, analytical and critical thinking skills.
- Understanding of global issues faced by organizations.

### **Assessment of Student Learning:**

Examination (take home)	70 points
Final Project	100
Assignments (11)	220
Cengage quizzes	30
Class attendance and involvement	50
Ethics case study	<u>30</u>
	500 points

Grading rubrics for each element will be posted in Canvas. Course grading will fall into the following ranges. An overall curve might be applied to this grading scale.

A=90%+    B=81-90%    C=71-80%

### Course Evaluations

All students are expected to complete the formal, on-line course evaluation at the completion of the course. These evaluations are critical for course improvement.

### Other Course Notes

Attendance. Attendance is important, both for you and your classmates since we will regularly work in groups. I expect you to arrive on time at the start of class and upon returning from each class's mid-point break. Absences and tardiness will affect the final grade component. Cell phones, etc. should be turned off during class.

Class Involvement. I will do my best to keep the class stimulating, but I need for you to be engaged to make it work. I tend not to call on students while looking for the 'right' answer. But as we discuss assignments, group work, current events, and practical applications (see the listed discussion topics), your involvement makes the course a better experience. This is an important way for you to demonstrate your grasp of the material. Some motivation for you: If your overall course performance is up and down, or if your coursework is on the edge between two grades, *it is this component that will probably be the deciding factor.*

Homework. Homework will consist of **six** Cengage on-line assignments (CengageNOW) and a sequence of **five** papers on cost management processes. Due dates for homework are firm, and absences are not an excuse for missing the due dates. You will also have six non-quantitative Cengage quizzes on the first series of chapters.

Testing. The first exam will be accounting focused with short-answer problem solving. It will be a take home exam, which means it will be open-book/open-notes.

The final project (in lieu of an in-class exam) will be submittal of a series of analyses and papers on a number of topics (not nearly as quantitative as the in-class exam). The project will generally be a second round of analysis to the papers prepared for chapters 8-13.

Accommodation Policy. If you need any kind of **special academic accommodations**, please schedule a conference with me within the first two weeks of the semester.

Plagiarism. Plagiarism from other sources is unacceptable and will result in a zero score on the first occurrence and the likelihood of failing the course for subsequent occurrences. Please note the **Academic Integrity Policy** posted on the Canvas site.

## Schedule

Th 7/6	Review of financial statements Ch 1 Introduction to Cost Management	
	<b>Discussion Topic:</b> Examples, and contrast, of financial (external) and managerial (internal) accounting	

T 7/11	Ch 2 Basic Cost Management Concepts Consideration of <b>ethics</b> in accounting	
	<b>Discussion Topic:</b> Examples and consideration of ethics in accounting	<b>Assignment Due:</b> Cengage: Ch 2 quiz

Th 7/13	Ch 3 Cost Behavior	
	<b>Discussion Topic:</b> Examples of fixed and variable costs; effect on business flexibility and profitability	<b>Assignment Due:</b> Cengage: Ch 3 quiz

T 7/18	Ch 4 Activity-Based Costing Ch 5 and 6 (brief coverage)	
	<b>Discussion Topic:</b> Nature of overhead costs; need and ways to actively manage indirect costs	<b>Assignment Due:</b> Cengage: Ch 2 and 3 HW; Ch 4 quiz

Th 7/20	Ch 7 Allocating Costs Ch 16 Cost-Volume-Profit Analysis	
	<b>Discussion Topic:</b> Applications of break-even analysis and contribution margins	<b>Assignment Due:</b> Cengage: Ch 16 quiz

T 7/25	Ch 17 Activity Resource Usage Model and Tactical Decision Making	
	<b>Discussion Topic:</b> Contrast of tactical and strategic decisions	<b>Assignment Due:</b> Cengage: Ch 4 and 16 HW; Ch 17 quiz

Th 7/27	Ch 19 Capital Investment Ch 9 (brief coverage)	
	<b>Discussion Topic:</b> Examples of ISO standards	<b>Assignment Due:</b> Cengage: Ch 19 quiz

T 8/1	Ch 8 Budgeting for Planning and Control	
	<b>Discussion Topic:</b> Budgeting “top 10” from chapter notes and other budgeting dynamics	<b>Assignment Due:</b> Cengage: Ch 17 and 19 HW

Th 8/3	Ch 10 Decentralization: Responsibility Accounting, Performance Evaluation, Transfer Pricing	
	<b>Discussion Topic:</b> Decentralized vs. centralized organizational structure and management	<b>Assignment Due:</b> Company budget forecasts

8/8	<u>No class</u> (I am at a conference); On-line discussion topics on cost management issues	
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Th 8/10	Ch 11 Strategic-Cost Management	
	<b>Discussion Topic:</b> Application of ‘big 10’ characteristics to cost management	<b>Assignment Due:</b> ROI calculations (Ch 10); Paper on ‘Big 10’ characteristics of performance management

T 8/15	Ch 12 Activity-Based Management	
	<b>Discussion Topic:</b> Review of competencies for selected companies	<b>Assignment Due:</b> Paper on competencies (Ch 11)

Th 8/17	Ch 13 The Balanced Scorecard: Strategic-Based Control	
	<b>Discussion Topic:</b> Root cause analysis; Kaizen costing; value added/non-value added activity	<b>Assignment Due:</b> Paper on ABM tools (Ch 12)

T 8/22	Ch 14 Quality and Environmental Cost Management	
	<b>Discussion Topic:</b> Review of strategy maps and balanced scorecards for selected companies	<b>Assignment Due:</b> Paper on strategy map/balanced scorecard (Ch 13)