

MANAGEMENT AND ORGANIZATIONAL STUDIES
MANAGEMENT ACCOUNTING FOR DECISION MAKING – MOS 4471B 550
Course Outline
Winter 2018-2019 January - April 2019

CONTACT INFORMATION

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Timetable: Tuesday 11:30-1:30 W12 / Thursday 11:30-12:30 W12

EMAIL TO INSTRUCTOR: Please use the email subject line to clearly identify the topic of your email.

Management and Organizational Studies strives at all times to provide accessibility to all faculty, staff, students and visitors in a way that respects the dignity and independence of people with disabilities. Please contact the course instructor if you require material in an alternate format or if you require any other arrangements to make this course more accessible to you. You may also wish to contact Services for Students with Disabilities (SSD) at 519-661-2111 ext 82147 for any specific question regarding an accommodation. More information about "Accessibility at Western" is available at: <http://accessibility.uwo.ca>

Calendar Description

Management accounting to support the decision-making process in both profit and non-profit organizations. Topics covered provide students with an integrated study of management control systems.

Antirequisite(s): [Business Administration 3307K](#), [4407Q/R/S/T](#), [MOS 3372](#), [MOS 3371B](#)

Prerequisite(s): [Business Administration 2257](#) and enrollment in third or fourth year of BMOS, Honors Specialization in Urban Development or Music Administrative Studies (MAS). Corequisite(s):

Pre-or Corequisite(s):

Extra Information: 3 lecture hours, .5 course.

Senate Regulations state, “unless you have either the requisites for this course or written special permission from your Dean to enroll in it, you will be removed from this course and it will be deleted from your record. This decision may not be appealed. You will receive no adjustment to your fees in the event that you are dropped from a course for failing to have the necessary prerequisites.”

Textbook

Merchant, Kenneth A., & Wim A. Vander Stede (2017), *Management Control Systems: Performance Measurement, Evaluation and Incentives*, Fourth Edition Prentice Hall.

(ISBN #: 9781292110554)

Management Accounting MOS 4471B Custom Publication for Western University, 2018. Available at the bookstore.

Course Objectives, Learning Outcomes and Format

Course Objectives:

The objective of this course is to provide students with an integrated study of the nature of control systems, the management control environment and the management control process. Management control is a critical function of management; it increases the probability of organizational success.

Learning Outcomes:

The course is taught using lectures and case studies. The cases permit the exploration of the management control issues in a broad range of settings (eg. large and small firms, manufacturing and service firms, multinational firms, start-ups). Using a case study approach, the course aims to enable students to gain knowledge, insights, and analytical skills related to how managers go about designing, implementing and using planning and control systems in pursuit of an organization’s strategies.

Management can use a combination of mechanisms to achieve organizational control. One is to hire good people who can be relied upon to serve the firm well (personnel controls). Another alternative is to ensure that employees do not perform certain actions known to be harmful to the organization (action controls). Finally, management control can be achieved by rewarding individuals for generating good results (result controls).

The course focuses on the use of result controls, i.e. those that involve measurement and evaluation of financial and non-financial performance. The course explores the key decisions that must be made is using results controls, such as, choices of performance measures, performance standards and targets, and performance-based incentives. Limitations of traditional financial performance measures are discussed (i.e. their tendency to make managers excessively short-term oriented) and recently developed approaches to deal with these shortcomings are analyzed (eg. EVA, Balanced Scorecard).

Evaluate Management Control Systems (MCS) for Profit organizations and Non-Profit organizations. Assess the efficiency and effectiveness of the MCS in place. Determine appropriate type of responsibility centre. Assess performance evaluation in place for motivating managers to achieve overall company goals and objectives. Evaluate strategic planning and budgeting programs.

Course Format:

Weekly classes will include lectures, group discussions and discussing assigned problems and cases, plus a group presentation (see below). Participation is required. Solutions will be posted on OWL2.

Evaluation:

Requirements	Percentage of Course Grade
Class Participation (5% Case Memos, 10% Class Participation)	15%
Case Study Presentation	10%
Mid-Term Examination (Friday, February 15, 2019 1-4 pm Location TBA)	25%
Group Research Report and Presentation	15%
Final Examination (During April 11 – 30 exam period, 3 hours)	35%

Group Research Report and Presentation (15%)

Analyze and present to class (group presentation) a 15-20 minute application of a company’s MCS and assess its efficiency and effectiveness for a specific component of its MCS. Explain application and provide examples of how this is used by company. Details posted to OWL

Worth 15% of your mark (10% for presentation, 5% for report. Participation in other class members presentations is encouraged. Each report includes a Formal written report (5-10 pages), double spaced plus exhibits.

The student’s achievement of the objective will be evaluated in as listed above. Classroom contribution evaluation will be based on class participation in presenting and discussing assigned problem material. The classroom contribution component of the total mark for the course is an integral part of that mark and will not be waived. In addition, attendance and participation in the classes is important as the material is technical in nature.

Class participation:

In a case study course your regular participation is essential to a successful learning experience. Accordingly, your grade will be improved by consistent class preparation. Evidence of an attempt to critically evaluate the cases and assigned

material is expected, and will form the basis of the class participation mark. In addition, each student will identify one issue in five of the asterisked (*) cases that they are not directly assigned to and hand in a one page memo identifying a key issue, an evaluation of its implications and a recommendation. These will be graded Very Good (S+ , 5), Good (S , 3) and Inadequate (S- . 1). One-half (5% of the 15%) of the participation grade will be based on these memos.

Case study presentations and written reports (10%):

Each group (5-6 students) will present one case during the semester. For each case study the group must submit a formal Written report (5-10 pages), double-spaced, plus exhibits and copies of power point, at the time of the presentation. The group will be responsible for identifying the problems and issues of the case and providing a set of recommendations. Every student is encouraged to participate in group presentations.

Feel free to be creative in how you elect to participate!

A well crafted presentation will engage the class. Each presentation is to be 15-25 minutes of class time.

Group Research Report and Presentation (15%)

- Responsibility Centres
- Transfer Pricing
- Budgeting
- Incentive/Performance Evaluation Measures
- Balance Scorecard
- Non-Profit Organizations

Closed book examinations. Dictionaries are NOT allowed into the examinations. Only non-programmable calculators will be allowed into the exams. If you are unsure, please ask your professor to check your calculator.

Students are responsible for material covered in the lectures as well as the assigned chapters/sections in the text and Custom Publication. Exams will not be returned to students but may be reviewed in the instructor's office.

Students are **REQUIRED TO COMPLETE ALL COMPONENTS** of this course. There are no exceptions to this. Extra assignments to improve grades will **NOT** be allowed. Exams will be scored using the program Scan Exam which examines the answer sheets for unusual coincidences in the pattern of answers given which may be indicative and used as supporting evidence of cheating.

Grades will **not** be adjusted on the basis of need. It is important to monitor your performance in the course. Remember: *You* are responsible for your grades in this course.

Support Services

The Registrar's office can be accessed for Student Support Services at <http://www.registrar.uwo.ca> Student Support Services (*including the services provided by the USC listed here*) can be reached at: <http://westernusc.ca/services/> Student Development Services can be reached at: <http://www.sdc.uwo.ca/>

Students who are in emotional/mental distress should refer to Mental Health@Western <http://www.uwo.ca/uwocom/mentalhealth/> for a complete list of options about how to obtain help.”

For The University of Western Ontario Senate Regulations, please see the Handbook of Academic and Scholarship Policy at: <http://www.uwo.ca/univsec/handbook/>

Important Dates: (2016)

Important Dates: (2018)

January 7:	Classes resume
January 16:	Last day to add a second term half course
February 18:	Family Day. All offices closed
February 19–22:	Reading Week (No classes; All offices open Feb 19 – 22)
March 7:	Last day to drop a second term half course without penalty
April 9:	Classes end
April 10:	Study days
April 11 – 30:	Examination Period
April 30:	Second term ends. Last day to apply for Spring Graduation.

Other Information

- Bring student identification to exams.
- Nothing is to be on/at one's desk during an exam except a pencil, an eraser, and the individual's student card
- Do not wear baseball caps to exams
- Do not bring music players, cell phones, beepers, or other electronic devices to exams

It is expected that students will attend all classes and arrive on time and ready to work. I will be evaluating on a daily basis both the quantity and quality of your efforts. The main objective of your contribution is not evaluation but learning or helping your colleagues (and instructor) to learn. The following list might be of some help.

PARTICIPATION:

A -- EXCELLENT

- contributed consistently to class discussions
- contributions indicated preparation and deep thought
- frequently explained difficult points or concepts
- provided positive direction for class discussions
- able to build and develop strong arguments for position

B -- GOOD Contribution

- contributed consistently to discussions
- contributions indicated preparation and some thought
- often explained difficult points or concepts
- occasionally built arguments for a position

C -- FAIR Contribution

- contributed to class discussions
- gave indication of preparation and thought
- occasionally helped in developing an argument

D -- POOR Contribution

- contributed infrequently to discussions
- gave little indication of preparation and thought
- did not aid in providing a positive atmosphere for meaningful discussion

E -- UNSATISFACTORY

- never, or almost never contributed to discussions
- gave no indication of preparation or thought

MOS 4471B Management Control Systems

Fall/Winer 2018 January 2019

#	Date	Reading	Topic and In-Class Assignments	Cases
1	Week of Jan 7-11	MV Ch 1	<ul style="list-style-type: none"> Course Introduction Management Control Framework 	Leo's Four-Plex Theatre (p. 22) Wong's Pharmacy (p. 23)
2	Week of Jan 14-18	MV Ch 2 MV Ch 3	<ul style="list-style-type: none"> Results Control Action, Personnel and Cultural Controls Determine Case groups and assign cases 	Office Solutions, Inc. (p. 48) Axeon N. V. (p. 121)
3	Week of Jan 21-25	MV Ch 4 MV Ch 5	<ul style="list-style-type: none"> Control System Tightness Control System Costs 	*Controls at Bellagio Casino (p. 142) *Sunshine Fashion (p. 190)
4	Week of Jan 28- to Feb 1	MV Ch 6 MV Ch 7	<ul style="list-style-type: none"> Designing and Evaluating Management Control Systems Financial Responsibility Centers and Transfer Pricing See NOTE on OWL 	*Diagnostic Products Corp. (p. 233) Shuman Auto (Casebook) Responsibility Centre Problems (Casebook)
5	Week of Feb 4-8	CB Ch 22 CB Ch 23 (Casebook)	<ul style="list-style-type: none"> The Management Control Environment The Management Control Process 	Zumwald AG (p. 283. Also see Casebook for questions at end of case)
6	Week of Feb 11-15	MV Ch 8 CB Ch 24	<ul style="list-style-type: none"> Planning and Budgeting Strategic Planning and Budgeting 	Vershire (Casebook)
MID-TERM EXAM: Thursday, February 14, 6:30-9:30 pm, NS 1				
READING WEEK: February 15 - 22, 2019 (No Classes)				
7	Week of Feb 25 to Mar 1	MV Ch 9 MV Ch 10	<ul style="list-style-type: none"> Incentive Compensation Systems Financial Performance Measures and their Effects 	*Industrial Electronics (p. 421) *Berkshire Industries (p. 442) Investment Centre Problems (Casebook)
8	Week of Mar 4-8	MV Ch 11 MV Ch 12	<ul style="list-style-type: none"> Combinations of Measures and Other Remedies to the Myopia Problem Balanced Scorecard (p. 456-460) Using Financial Results Controls in the Presence of Uncontrollable Factors 	*Johansen's (p. 478) *Hoffman Discount Drugs (p. 534)
9	Week of Mar 11-15	MV Ch 13 MV Ch 14	<ul style="list-style-type: none"> Corporate Governance Controllers and Auditors 	*Arrow Motorcar Corp. (p. 588) *Don Russell: Experiences of a Controller/CFO
10	Week of Mar 18-22	MV Ch 15	<ul style="list-style-type: none"> Management Control-Related Ethical Issues and Analysis Environment 	The Sales Acceleration Program (p. 697) The Expiring Software License (p. 698) *Ethics@Cisco (p. 708)
11	Week of Mar 25-29	MV Ch 16	<ul style="list-style-type: none"> Management Control in Not-for-Profit Organizations 	*Carleton Fire Department (Casebook)
12 & 13	Weeks of Apr 1-5, and Apr 8 (Mon)		<p>GROUP PRESENTATIONS – Management Control Systems</p> <p>Four groups will present each week: 4 groups x 20 minutes each = 80 minutes 5 minutes switch – over x 4 = <u>20 minutes</u> 100 minutes</p> <p>Review and Discussion.</p>	
	Apr 10		Study Day	
FINAL EXAM: (3 hours)				
Date, Time & Location TBA – during April 11-30 exam period				

Appendix to Course Outlines

Prerequisite and Antirequisite Information

Students are responsible for ensuring that they have successfully completed all course prerequisites and that they have not completed any course antirequisites. Unless you have either the requisites for this course or written special permission from your Dean to enrol in it without them, you may be removed from this course and it will be deleted from your record. If you enrol in this course despite having already taken an antirequisite you may be removed from this course and it will be deleted from your record. Removals for these reasons may not be appealed. You will receive no adjustment to your fees in the event that you are dropped from a course for failing to have the necessary prerequisites or for having already taken the antirequisites.

Conduct of Students in Classes, Lectures, and Seminars

Membership in the community of Huron University College and the University of Western Ontario implies acceptance by every student of the principle of respect for the rights, responsibilities, dignity and well-being of others and a readiness to support an environment conducive to the intellectual and personal growth of all who study, work and live within it. Upon registration, students assume the responsibilities that such registration entails. The academic and social privileges granted to each student are conditional upon the fulfillment of these responsibilities.

In the classroom, students are expected to behave in a manner that supports the learning environment of others. Students can avoid any unnecessary disruption of the class by arriving in sufficient time to be seated and ready for the start of the class, by remaining silent while the professor is speaking or another student has the floor, and by taking care of personal needs prior to the start of class. If a student is late, or knows that he/she will have to leave class early, be courteous: sit in an aisle seat and enter and leave quietly.

Please see the *Code of Student Conduct* at:

<https://huronuc.on.ca/sites/default/files/pdfs/Code%20of%20Student%20Conduct.pdf>

Technology

It is not appropriate to use technology (such as, but not limited to, laptops, cell phones) in the classroom for non-classroom activities. Such activity is disruptive and is distracting to other students and to the instructor, and can inhibit learning. Students are expected to respect the classroom environment and to refrain from inappropriate use of technology and other electronic devices in class.

Academic Accommodation for Medical/Non-Medical Grounds

Students who require special accommodation for tests and/or other course components must make the appropriate arrangements with the Student Development Centre (SDC). Further details concerning policies and procedures may be found at:

http://www.sdc.uwo.ca/ssd/?requesting_acc

- (a) **Medical Grounds for assignments worth 10% or more of final grade: Go Directly to Academic Advising**

University Senate policy, which can be found at

http://www.uwo.ca/univsec/pdf/academic_policies/appeals/accommodation_medical.pdf,

requires that all student requests for accommodation on medical grounds for assignments worth 10% or more of the final grade be made directly to the academic advising office of the home faculty (for Huron students, the “home faculty” is Huron), with supporting documentation in the form (minimally) of the Senate-approved Student Medical Certificate found at:

http://www.uwo.ca/univsec/pdf/academic_policies/appeals/medicalform_15JUN.pdf.

The documentation is submitted in confidence and will not be shown to instructors. The advisors will contact the instructor when the medical documentation is received, and will outline the severity and duration of the medical challenge as expressed on the Student Medical Certificate and in any other supporting documentation. The student will be informed that the instructor has been notified of the presence of medical documentation, and will be instructed to work as quickly as possible with the instructor on an agreement for accommodation. The instructor will not normally deny accommodation where appropriate medical documentation is in place and where the duration it describes aligns with the due date(s) of assignment(s). Before denying a request for accommodation on medical grounds, the instructor will consult with the Dean. The instructor’s decision is appealable to the Dean.

**(b) Accommodation on Medical Grounds for assignments worth less than 10% of final grade:
Consult Instructor Directly**

When seeking accommodation on medical grounds for assignments worth less than 10% of the final course grade, the student should contact the instructor directly. The student need only share broad outlines of the medical situation. The instructor **may** require the student to submit documentation to the academic advisors, in which case she or he will advise the student and inform the academic advisors to expect documentation. The instructor may not collect medical documentation. The advisors will contact the instructor when the medical documentation is received, and will outline the severity and duration of the medical challenge as expressed on the Student Medical Certificate and in any other supporting documentation. The student will be informed that the instructor has been notified of the presence of medical documentation, and will be instructed to work as quickly as possible with the instructor on an agreement for accommodation. The instructor will not normally deny accommodation where appropriate medical documentation is in place and where the duration it describes aligns with the due date(s) of assignment(s). Before denying a request for accommodation on medical grounds, the instructor will consult with the Dean. The instructor’s decision is appealable to the Dean.

(c) Non-medical Grounds: Consult Instructor Directly

Where the grounds for seeking accommodation are not medical, the student should contact the instructor directly. Late penalties may apply at the discretion of the instructor. Apart from the exception noted below, academic advisors will not be involved in the process of accommodation for non-medical reasons.

Where a student seeks accommodation on non-medical grounds where confidentiality is a concern, the student should approach an academic advisor with any documentation available. The advisors will contact the instructor after the student’s request is received, and will outline the severity and duration of the challenge without breaching confidence. The student will be informed that the instructor has been notified that significant circumstances are affecting or have affected the student’s ability to complete work, and the student will be instructed to work as quickly as possible with the instructor on an agreement for accommodation. Before denying a request for accommodation where documentation has been submitted to an academic advisor, the instructor will consult with the Dean. The instructor’s decision is appealable to the Dean.

Statement on Academic Offences

Scholastic offences are taken seriously and students are directed to read the appropriate policy, specifically, the definition of what constitutes a Scholastic Offence, at the following Web site:
http://www.uwo.ca/univsec/pdf/academic_policies/appeals/scholastic_discipline_undergrad.pdf

Statement on Academic Integrity

The International Centre for Academic Integrity defines academic integrity as "a commitment, even in the face of adversity, to five fundamental values: honesty, trust, fairness, respect, and responsibility. From these values flow principles of behaviour that enable academic communities to translate ideals to action." (CAI Fundamental Values Project, 1999).

A lack of academic integrity is indicated by such behaviours as the following:

- Cheating on tests;
- Fraudulent submissions online;
- Plagiarism in papers submitted (including failure to cite and piecing together unattributed sources);
- Unauthorized resubmission of course work to a different course;
- Helping someone else cheat;
- Unauthorized collaboration;
- Fabrication of results or sources;
- Purchasing work and representing it as one's own.

Academic Integrity: Importance and Impact

Being at university means engaging with a variety of communities in the pursuit and sharing of knowledge and understanding in ways that are clear, respectful, efficient, and productive. University communities have established norms of academic integrity to ensure responsible, honest, and ethical behavior in the academic work of the university, which is best done when sources of ideas are properly and fully acknowledged and when responsibility for ideas is fully and accurately represented.

In the academic sphere, unacknowledged use of another's work or ideas is not only an offence against the community of scholars and an obstacle to academic productivity. It may also be understood as fraud and may constitute an infringement of legal copyright.

A university is a place for fulfilling one's potential and challenging oneself, and this means rising to challenges rather than finding ways around them. The achievements in an individual's university studies can only be fairly evaluated quantitatively through true and honest representation of the actual learning done by the student. Equity in assessment for all students is ensured through fair representation of the efforts by each.

Acting with integrity at university constitutes a good set of practices for maintaining integrity in later life. Offences against academic integrity are therefore taken very seriously as part of the university's work in preparing students to serve, lead, and innovate in the world at large.

A university degree is a significant investment of an individual's, and the public's, time, energies, and resources in the future, and habits of academic integrity protect that investment by preserving the university's reputation and ensuring public confidence in higher education.

Students found guilty of plagiarism will suffer consequences ranging from a grade reduction to failure in the course to expulsion from the university. In addition, a formal letter documenting the offence will be filed in the Dean's Office, and this record of the offence will be retained in the Dean's Office for the duration of the student's academic career at Huron University College.

All required papers may be subject to submission for textual similarity review to the commercial plagiarism detection software under license to the University for the detection of plagiarism. All papers submitted for such checking will be included as source documents in the reference database for the purpose of detecting plagiarism of papers subsequently submitted to the system. Use of the service is subject to the licensing agreement, currently between The University of Western Ontario and Turnitin.com.

Computer-marked multiple-choice tests and/or exams may be subject to submission for similarity review by software that will check for unusual coincidences in answer patterns that may indicate cheating.

Personal Response Systems (“clickers”) may be used in some classes. If clickers are to be used in a class, it is the responsibility of the student to ensure that the device is activated and functional. Students must see their instructor if they have any concerns about whether the clicker is malfunctioning. Students must use only their own clicker. If clicker records are used to compute a portion of the course grade:

- the use of somebody else’s clicker in class constitutes a scholastic offence,
- the possession of a clicker belonging to another student will be interpreted as an attempt to commit a scholastic offence.

Policy on Special Needs

Students who require special accommodation for tests and/or other course components must make the appropriate arrangements with the Student Development Centre (SDC). Further details concerning policies and procedures may be found at:

http://www.sdc.uwo.ca/ssd/?requesting_acc

Attendance Regulations for Examinations

A student is entitled to be examined in courses in which registration is maintained, subject to the following limitations:

- 1) A student may be debarred from writing the final examination for failure to maintain satisfactory academic standing throughout the year.
- 2) Any student who, in the opinion of the instructor, is absent too frequently from class or laboratory periods in any course will be reported to the Dean of the Faculty offering the course (after due warning has been given). On the recommendation of the Department concerned, and with the permission of the Dean of that Faculty, the student will be debarred from taking the regular examination in the course. The Dean of the Faculty offering the course will communicate that decision to the Dean of the Faculty of registration.

Class Cancellations

In the event of a cancellation of class, every effort will be made to post that information on the Huron website, <https://huronuc.on.ca/about/accessibility> (“Cancellations and Closures”).

Mental Health @ Western

Students who are in emotional/mental distress should refer to Mental Health @ Western <http://www.uwo.ca/uwocom/mentalhealth/> for a complete list of options about how to obtain help.

Academic Advising

For advice on course selections, degree requirements, and for assistance with requests for medical accommodation [see above], students should contact an Academic Advisor in Huron’s Student Support Services (huronsss@uwo.ca). An outline of the range of services offered is found on the Huron website at: <https://huronuc.ca/student-life-campus/student-services/academic-advising>

Department Chairs and Program Directors and Coordinators are also able to answer questions about their individual programs. Their contact information can be found on the Huron website at:
<https://huronuc.ca/student-life-campus/art-social-science>