



Accounting and Financial Management Services
Managerial Accounting – Commerce 2AB3
Course Outline

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Winter, 2021

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Please note you must use your McMaster email address for correspondence. Do not use Gmail account to send it on behalf of McMaster or any other aliases. Also, do not use Avenue email for correspondence. You must send it from your McMaster account.

Office Hours: Tuesdays: 2:30 pm - 3:30 pm (*Zoom-in!*)
 Thursdays: 6:30 pm – 7:30 pm (*Zoom-in!*)
 Other hours: *By Appointment (on Zoom)*

Instructional Assistant: Mr. Karim Karim *

Email: karimk7@mcmaster.ca

Office Hours: TBA on Avenue

“*” All your administrative questions and concerns related to marks, course materials, tutorials, examinations, etc. should be directed to Mr. Karim.

Teaching Assistants / Tutorial Leaders:

Office Hours: TBA on Avenue

Please see the course website below for details on tutorial leaders and tutorial schedules.

Course Sites:

Avenue <http://avenue.mcmaster.ca>
Please select Commerce 2AB3: Managerial Accounting

Tophat <https://app.tophat.com/e/> #TBA

Virtual Classroom

This class will be conducted in a virtual-class room environment using leveraging synchronous and asynchronous technologies and resources. We will be using *ZOOM* as the default delivery platform.

Course Objective and Description:

This course examines managerial decision-making as it relates to both the internal organization of a firm’s activities and the firm’s relationship with its external environment. The focus will be on how the managers can use accounting data and related information in decision-making, planning and control. However, a good portion of class discussions will focus on the economic basis for managerial accounting techniques and limitations involved in their use.

This course is concerned with the analysis of and accounting for costs, inventory valuation, managerial planning, and control. The nature and behaviour of costs as well as the usefulness and limitations of accounting data for these purposes will be studied. Managerial accounting, while providing some data for financial statements prepared for external users, has as its primary purpose the development and presentation of information useful to management both for planning and for the control of costs.

This course in managerial accounting will include basic materials on terminology and ideas, activity-based costing, product costing systems, allocation of joint and common costs, direct costing versus absorption costing, cost-volume-profits relationships, relevant costing, pricing, budgeting, standard costing, and variance analysis. Responsibility accounting and performance management will also be introduced.

This orientation will help **all** students (whether or not you are aiming for an *accounting* (a.k.a. *finance* on the street) career), understand **what** accounting can do for decision makers, and via that **why** accounting exists, **why** and **how** it works the way it does, and **why** and **when** there are controversies over managerial accounting techniques.

Course Elements

Credit Value: 1	Team Skills: Yes	IT skills: Yes,	Global: Yes
Verbal Skills: Yes	Numeric: Yes	Political: Yes	Participation: Yes
Written Skills: Yes	Innovation: Yes	Social: Yes	Web: Yes

Textbook (WileyPLUS is required to complete assignments)

Weygandt, Kimmel, Kieso, and Aly, “Managerial Accounting: Tools for Business Decision-Making”, 5th Canadian Edition, 2018, Wiley.

Two options are available in the bookstore:

Option 1: Loose leaf + WileyPLUS (includes online E-Text); ISBN 9781119553328, \$99.95

Option 2: E-Text + WileyPLUS; ISBN 9781119553335; \$71.95

The bookstore link is below:

https://campusstore.mcmaster.ca/cgi-mcm/ws/txsub.pl?wsTERMG1=211&wsDEPTG1=COMMERCE&wsCOURSEG1=2AB3&wsSECTIONG1=DAY%20C05&crit_cnt=1

Note: In addition, I plan to distribute additional materials as we go along which all will be posted on Avenue. Students are strongly advised to bookmark / subscribe to a financial newspaper, such as *Wall Street Journal*, *The Globe and Mail* or the *Financial Times* or read these papers in the Innis Room regularly. From time to time, we will draw on these sources for relevant current articles.

Internet Information Resources:

Accounting Organizations

Canadian Academic Accounting Association:	http://www.caaa.ca
CPA Canada:	https://www.cpacanada.ca/
American Accounting Association:	http://aaahq.org

Regulators

Ontario Securities Commission:	http://www.osc.gov.on.ca
Securities and Exchange Commission:	http://www.sec.gov

News

Wall Street Journal:	http://www.wsj.com
CFO:	http://www.cfo.com
The Globe And Mail:	http://www.TheGlobeAndMail.com
McKinsey Quarterly	http://www.mckinseyquarterly.com

Evaluation:

Grading will be established based on the following components:

Homework Assignments:	(four assignments, each is worth 5%)	20% ^(a)
Mid-term Examination:	(Saturday February 27 th , 6:00 pm - 8:30 pm)	35% ^(b)
Final Exam		<u>45%^(b)</u>
Total		<u>100%</u>

Participation **Bonus** Marks +5%^(c)

(a) Homework Assignments:

The homework assignments are hosted by the WileyPLUS platform. WileyPLUS is accessible through Avenue, but you will require a registration code (available for purchase through the bookstore with the options listed above). It is highly recommended to setup your WileyPLUS access well in advance of attempting your first assignment in-case of any technical related issues.

Homework Assignments will be released at least two weeks prior to the due date which are posted in the table above. Students will have unlimited time to complete and must be submitted by the due date. The Homework Assignments must be completed only by the student individually. Receiving direct answers on the assignment questions from any person or other source constitutes a breach of McMaster Academic Integrity Policy. Homework Assignment problems also offer helpful links that direct students to the appropriate e-text material to help guide the students. Suggested End of Chapter Practice Problems and solutions are also available through WileyPLUS.

If an MSAF is applied to a Homework Assignment, then the 5% weight of that Assignment will be moved to the Final Exam.

(b) Midterm and Final Exams:

- The exams will be in the form of T/F, MC, and Fill-in-the-Blank.
- The final exam is NOT cumulative. It will cover only the new materials since the midterm.
- There will be no makeup for missing the midterm test. If a student files a successful MSAF through the Faculty office for missing the midterm, the final exam for this student will be comprehensive and the weight of the final exam will be 80%.
- The exams will be closed book and closed notes. However, you can have a one-page, one-side formula sheet (cheat sheet) which must be uploaded to Avenue immediately after the exam
- The course will be using **Respondus** Online Proctoring Platform for the mid-term and final exams.

(c) Participation Bonus Marks:

- In class live synchronous participation will be done through the Top Hat platform. In the first week of January prior to your first class, you will receive an email with a link to register for your respective Top Hat section. There will be no cost to the student for registering in Top Hat. Further instructions will be posted in Avenue.

- You can earn up to **5% Bonus Marks** from your participation during the live lecture. Your total earned bonus marks during the term will be added to your overall final course grade.
- During each class, you will be asked to answer simple questions on materials covered during the lecture in the form of T/F, MC, or fill-in-the-blank. Each question is worth 1 point of which you will receive half a point for attempting the question and half a point for correctness.
- Bonus participation marks can only be earned for participation in the section in which a student is registered. If a student attends a different section in which the student is not registered, there will be **no participation marks** awarded for that session and the student will not be able to view the Top Hat questions.
- Since this component is a bonus mark only, MSAF's will not be accepted for missed classes and there is no makeup opportunity for missed classes.

Tutorials

This is not a marked component. Students in the past have found these to be useful for their examination performance. Tutorials are an extension of the classroom lectures. The content covered in the lectures is applied through practice problems covered in the tutorials. The tutorials are Asynchronous, hence there are no live tutorials. Tutorial questions will be posted in-advance for students to attempt. Recorded solutions will be posted in Avenue by the teaching assistants. For any follow-up help, students may contact their assigned TA for direct one-on-one assistance. Students will find the tutorials to be very helpful for midterm and final exam preparations.

The instructor reserves the right to take trends and participation into consideration in assigning the final grade. (Some students do not "fit all of the pieces together" until the final weeks of the course.)

NOTE: The use of a McMaster standard calculator is allowed during examinations in this course. See McMaster calculator policy at the following URL:

www.mcmaster.ca/policy/Students-AcademicStudies/UndergraduateExaminationsPolicy.pdf

Grade Conversion

At the end of the course your overall percentage grade will be converted to your letter grade in accordance with the following conversion scheme.

LETTER GRADE	PERCENT	LETTER GRADE	PERCENT
A+	90 - 100	C+	67 - 69
A	85 - 89	C	63 - 66
A-	80 - 84	C-	60 - 62
B+	77 - 79	D+	57 - 59
B	73 - 76	D	53 - 56
B-	70 - 72	D-	50 - 52
		F	00 - 49

Communication and Feedback

Students who wish to correspond with instructors or TAs directly via email must send messages that originate from their official McMaster University email account. This protects the confidentiality and sensitivity of information as well as confirms the identity of the student. Emails regarding course issues should NOT be sent to the Area Administrative Assistants.

Instructors are required to provide evaluation feedback for at least 10% of the final grade to students prior to Week #8 in the term. Instructors may conduct an informal course review with students by Week #4 to allow time for modifications in curriculum delivery.

Students who wish to have a course component re-evaluated must complete the following form:

http://www.mcmaster.ca/policy/Students-AcademicStudies/Form_A.pdf

In order for the component to be re-read:

- The component must be worth 10% or more of the final grade in the course;
- Students pay a fee of \$50 in Gilmour Hall 209 and the receipt is then brought to Student Experience - Academic Office (formerly the APO) in DSB 112;
- The Area Chair will seek out an independent adjudicator to re-grade the component;
- An adjustment to the grade for the component will be made if a grade change of three points or greater on the 12-point scale (equivalent to 10 marks out of 100) has been suggested by the adjudicator as assigned by the Area Chair;
- If a grade change is made, the student fee will be refunded.

ACADEMIC DISHONESTY

You are expected to exhibit honesty and use ethical behaviour in all aspects of the learning process. Academic credentials you earn are rooted in principles of honesty and academic integrity.

Academic dishonesty is to knowingly act or fail to act in a way that results or could result in unearned academic credit or advantage. This behaviour can result in serious consequences, e.g. the grade of zero on an assignment, loss of credit with a notation on the transcript (notation reads: “Grade of F assigned for academic dishonesty”), and/or suspension or expulsion from the university.

It is your responsibility to understand what constitutes academic dishonesty. For information on the various types of academic dishonesty please refer to the Academic Integrity Policy, located at:

www.mcmaster.ca/academicintegrity

The following illustrates only three forms of academic dishonesty:

1. Plagiarism, e.g. the submission of work that is not one’s own or for which other credit has been obtained.
2. Improper collaboration in group work.
3. Copying or using unauthorized aids in tests and examinations

REQUESTING RELIEF FOR MISSED ACADEMIC WORK

Students may request relief from a regularly scheduled midterm, test, assignment or other course component in the following ways:

- a) for absences from classes lasting up to three (3) days;
- b) for absences from classes lasting more than three (3) days; or

c) for conflicts arising from Student Experience - Academic Office (DSB 112) approved events

a) for absences from classes lasting up to three (3) days:

Students must use the MSAF (McMaster Student Absence Form). This is an on-line, self-reporting tool, for which submission of medical or other types of supporting documentation is normally not required. Students may use this tool to submit a maximum of one (1) request for relief of missed academic work per term as long as the weighting of the component is worth less than **25%** of the course weight. Students must follow up with their course instructors regarding the nature of the relief within two days of submitting the form. Failure to do so may negate the opportunity for relief. It is the prerogative of the instructor of the course to determine the appropriate relief for missed term work in his/her course. Details are described below.

If the value of the component is worth **25%** or more, students must report to their Faculty Office (the Student Experience – Academic Office in DSB 112 for Commerce students) to discuss their situation and will be required to provide appropriate supporting documentation.

Please visit the following page for more information about MSAF:

http://academiccalendars.romcmaster.ca/content.php?catoid=18&navoid=3204#Requests_for_Relief_for_Missed_Academic_Term_Work

b) for absences from classes lasting more than three (3) days:

Students cannot use the MSAF. They **MUST** report to their Faculty Office (the Student Experience – Academic Office in DSB 112 for Commerce students) to discuss their situation and will be required to provide appropriate supporting documentation.

Students who wish to submit more than one request for relief of missed academic work per term cannot use the MSAF. They must report to the Student Experience – Academic Office in DSB 112 and discuss their situation with an academic advisor. They will be required to provide supporting documentation and possibly meet with the Manager.

c) for conflicts arising from Student Experience - Academic Office (DSB 112) approved events:

Students unable to write a mid-term at the posted exam time due to the following reasons: religious; work-related (for part-time students only); representing university at an academic or varsity athletic event; conflicts between two overlapping scheduled mid-term exams; or other extenuating circumstances, have the option of applying for special exam arrangements. Please see the DeGroot Missed Course Work Policy for a list of conflicts that qualify for academic accommodation:

<http://ug.degroot.mcmaster.ca/forms-and-resources/missed-course-work-policy/>

Such requests must be made to the Student Experience – Academic Office at least ten (10) working days before the scheduled exam along with acceptable documentation. Non-Commerce students must submit their documentation to their own Faculty Office and then alert the Student Experience – Academic Office of their interest in an alternate sitting of the midterm.

Adjudication of all requests must be handled by the Student Experience – Academic Office. Instructors cannot allow students to unofficially write make-up exams/tests.

The MSAF cannot be used during any final examination period.

If a mid-term exam is missed without a valid reason, students will receive a grade of zero (0) for that component.

POLICY FOR APPROVED MISSED ACADEMIC WORK

Students who cannot write a test, and have advanced knowledge and permission as described above, will be given the opportunity to write an alternate version of the test at an alternate time.

Students who did not write a test, and subsequently provide an MSAF submission, or documentation for which they have been approved by the Student Experience – Academic Office, will have the weight of the missed work reallocated across other course components or an alternate evaluation. The student must follow up with the instructor to understand this process and decision.

Students who submit an MSAF, or have been approved by the Student Experience – Academic Office, for an assignment deadline, will be given an extension for the assignment at the discretion of the instructor. Please note, the student will ultimately be required to submit the assignment.

STUDENT ACCESSIBILITY SERVICES

Student Accessibility Services (SAS) offers various support services for students with disabilities. Students are required to inform SAS of accommodation needs for course work at the outset of term. Students who require academic accommodation must contact Student Accessibility Services (SAS) to make arrangements with a Program Coordinator. Academic accommodations must be arranged for each term of study. Student Accessibility Services can be contacted by phone 905-525-9140 ext. 28652 or e-mail sas@mcmaster.ca.

For further information, consult McMaster University's Policy for Academic Accommodation of Students with Disabilities:

<http://www.mcmaster.ca/policy/Students-AcademicStudies/AcademicAccommodation-StudentsWithDisabilities.pdf>

POTENTIAL MODIFICATION TO THE COURSE

The instructor and university reserve the right to modify elements of the course during the term. The university may change the dates and deadlines for any or all courses in extreme circumstances. If either type of modification becomes necessary, reasonable notice and communication with the students will be given with explanation and the opportunity to comment on changes. It is the responsibility of the student to check their McMaster email and course websites weekly during the term and to note any changes.

Remarks

- i. Please see the Course Website for any updates and course material.
- ii. MSAF is not permissible for weights on evaluation that are greater than or equal to 25% (Midterms, Final exam). Any attempt to submit a falsified MSAF for this course for a missed test or midterm exam constitutes academic dishonesty and charges may be filed with the Office of Academic Integrity.
- iii. It is your responsibility to check Avenue daily – everything you will need is there and any important announcements will be posted there. Set your home page to the news feed for the course.
- iv. It is your responsibility to understand what constitutes academic dishonesty, for example signing for someone else on the tutorial attendance sheet.
- v. We only respond to emails originating from students' McMaster email accounts. Ensure that your Mac account is activated and has space to receive emails. We reply to emails only once, and if it returns to us

as “undeliverable mail” we do not attempt any further replies. Do not use the email provided by Avenue. We do not check Avenue for emails. We do not respond to emails asking questions to which the answer is readily available in the course outline or Avenue.

ACKNOWLEDGEMENT OF COURSE POLICIES

Your registration and continuous participation (e.g. on A2L, in the classroom, etc.) to the various learning activities of Commerce 2AB3 will be considered to be an implicit acknowledgement of the course policies outlined above, or of any other that may be announced during lecture and/or on A2L. **It is your responsibility to read this course outline, to familiarize yourself with the course policies and to act accordingly.**

Lack of awareness of the course policies **cannot be invoked** at any point during this course for failure to meet them. It is your responsibility to ask for clarification on any policies that you do not understand.

WILEY PLUS & AVENUE TO LEARN

In this course, we will be using Wiley Plus online portal and McMaster’s Avenue to Learn. Students should be aware that, when they access the electronic components of this course, private information such as first and last names, user names for the McMaster e-mail accounts, and program affiliation may become apparent to all other students in the same course. The available information is dependent on the technology used. Continuation in this course will be deemed consent to this disclosure.

If you have any questions or concerns about such disclosure, please discuss this with the course instructor.

Important Course Dates

Homework Assignment #1	Due Monday, February 1 st ; (<u>Scope</u> : Chapters 1, 2 and 8)
Homework Assignment #2	Due Monday, February 22 nd ; (<u>Scope</u> : Chapter 6 and 7)
Midterm Exam	<i>Saturday, February 27th, 2020; 6:00 pm to 8:30 pm</i> (<u>Scope</u> : Chapters 1, 2, 8, 6, and 7)
Homework Assignment #3	Due Monday, March 8 th , (<u>Scope</u> : Chapters 3 and 5)
Homework Assignment #4	Due Monday, April 5 th ; (<u>Scope</u> : Chapters 4, 10, 11, and 12)
Final Exam	<i>As per Registrar's Calendar</i> (<u>Scope</u> : Chapters 3, 5, 4, 10, 11, and 12)

Topic Schedule

Week #	Week of...	Chapters	Topics
Week 1	January 11 th	Chapter 1 Chapter 2	- Overview of Managerial Accounting - Cost Concepts for Product Costing: (Part I)
Week 2	January 18 th	Chapter 2 Chapter 2	- Cost Concepts for Cost Behavior: (Part II) - Cost Concepts for Cost Estimation: (Part III)
Week 3	January 25 th	Chapter 8 Chapter 6	- Inventory Costing Methods (Absorption vs Variable) - Cost Volume Profit Analysis (Part I)
Week 4	February 1 st	Chapter 6 Chapter 7	- Cost Volume Profit Analysis (Part II) - Incremental Analysis for Decision Making (Part I)
Week 5	February 8 th	Chapter 7 Chapter 3	- Incremental Analysis for Decision Making (Part II) - Job-Order Costing System (Part I)
	February 15 th	Mid-term Recess	
Week 6	February 22 nd	Chapter 3 Chapter 5	- Job-Order Costing System (Part II) - Activity Based Costing (ABC)
Midterm Examination Saturday, February 27th: 6:00 – 8:30 pm (Chapters 1, 2, 6, 7, and 8)			
Week 7	March 1 st	Chapter 4	- Process Costing System (Part I) - Process Costing System (Part II)
Week 8	March 8 th	Chapters 10, 11, 12	- Budgetary Control & Variance Analysis (Part I)
Week 9	March 22 nd		- Budgetary Control & Variance Analysis (Part II)
Week 10	March 29 th		- Budgetary Control & Variance Analysis (Part III)
Week 11	April 5 th		- Budgetary Control & Variance Analysis (Continued)
Week 12	April 12 th	- Catch-up and Review	
Final Exam (as per Registrar's Calendar)			

*End of Chapters Suggested Exercises & Practice Problems**

Chapter	Suggested Exercises & Practice Problems
2	1, 2, 4, 8, 12, 13, 16, 23, 32, 33a, 55.
8	1, 4, 5, 8, 10, 11, 23, 28.
6	1, 3, 5, 6, 7, 8, 9, 10, 11, 12, 13, 15, 17, 18, 22, 27

7	2, 3, 4, 5, 6, 8, 9, 10, 11, 12, 14, 15, 16, 19, 20
3	18, 19, 20, 21, 26, 29, 34, 46.
5	7, 12, 14, 16, 17, 18, 20.
4	14, 15, 16, 19, 24
12	4, 5, 6, 7, 8, 10, 11, 23, 28, 29, 33, 34, 36, 37, 38, 39, 40.

***Solutions to the suggested problems are available on Avenue .**

Some Further Readings

1. **Eichenwald, Kurt, Conspiracy of Fools: A True Story, 2005, Random House, New York.**
2. Lewis, Michael, Moneyball, The Art of Winning an Unfair Game, 2011, W.W. Norton, New York.
3. Kahneman, Daniel, Thinking Fast and Slow, Farrar, 2011, Straus and Giroux, New York.
4. Soll, Jacob, Financial Accountability and the Rise and Fall of Nations, 2014, Basic Books, New York.
5. O’Neil, Cathy, Weapons of Math Destruction: How Big Data Increases Inequality and threatens Democracy, 2016, Crown, New York.
6. Doerr, John, Measure What Matters: OKRs: The Simple Idea That Drives 10X Growth, 2018, Penguin Random House LLC, New York.
7. Coyle, Daniel, The Culture Code: The Secrets of Highly Successful Groups, 2018, Bantam Books, New York.

And Some Movies....

Moneyball

Shackelton’s Antarctic Adventure