

**Commerce 4AA3  
Managerial Accounting II  
Winter 2021 Course Outline**

**Accounting and Financial Management Services Area  
DeGroote School of Business  
McMaster University**

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***INSTRUCTOR AND CONTACT INFORMATION***

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**Sections 1,3,4**  
**Dr. Ebadul Islam**  
Instructor  
[islame3@mcmaster.ca](mailto:islame3@mcmaster.ca)  
Tel: (905) 525-9140 x26996  
[Class Location: Online](#)

**Section 2**  
**Prof. Aadil Merali Juma**  
Instructor  
[merali@mcmaster.ca](mailto:merali@mcmaster.ca)  
Tel: (905) 525-9140 x23897  
[Class Location: Online](#)

**Teaching Assistant**

TA information will be posted on avenue.

**Course Website**

<http://avenue.mcmaster.ca>

**Class Links**

[Section 1](#): Thurs 8:30am – 11:30am    [Section 2](#): Thu 2:30pm – 5:30pm  
[Section 3](#): Fri 2:30pm – 5:30pm        [Section 4](#): Mon 8:30am – 11:30am

**Office Hours Links**

[Sections 1,3,4](#) – Office Hours are by appointment.  
[Section 2](#) – Office Hours are by appointment.

**MS Office Suite**

<https://portal.office.com/> or <https://office365.mcmaster.ca/>

All McMaster students have free access to Office 365 on up to 5 devices. Login with your MacID and password to get access to Office 365.

**Microsoft Teams**

Download MS Teams. Login with your McMaster email address and password and join the team code [44huuo0](#).

**Top Hat**

<https://app.tophat.com/login>

Create an account on Top Hat using your McMaster email address and enter your 9-digit student number in place of Student ID. The class join code is [021517](#). Your first and last name on Top Hat should match exactly as shown in Avenue.

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## ***COURSE OBJECTIVE***

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The objective of this course is to develop the students' analytical abilities to deal with problems relating to financial situations within a variety of organizations. This course deals with the role of accounting in an organization's planning and control system, which includes costing, cost allocation, variance analysis, responsibility accounting, performance evaluation, and incentive compensation. The way in which management accounting information affects the strategic and operational decisions within the organization will also be discussed.

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## ***COURSE ELEMENTS***

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Credit Value: 3	Leadership: Yes	IT skills: Yes	Global view: Yes
A2L: Yes	Ethics: Yes	Numeracy: Yes	Written skills: Yes
Participation: Yes	Innovation: No	Groupwork: Yes	Oral skills: Yes
Evidence-based: Yes	Experiential: Yes	Final Exam: Yes	Guest speaker(s): No

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## ***COURSE DESCRIPTION***

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The course looks at organizational theory and the ways in which transfer pricing, divisional performance evaluation and incentive compensation systems are integrated into the strategic planning and management control systems. It also includes topics on activity-based costing and management in greater detail. It introduces such topics as strategic profitability analysis, as well as the management of quality, constraints and time. Management control of not-for-profits will also be introduced as time permits.

The course considers these topics using readings, problems and cases to provide students with an in-depth appreciation of the field. Throughout the course, the objective is to develop the ability to apply knowledge of accounting and analytical methods to solve problems in the areas of planning and control and the way in which they contribute to developing and implementing strategy in organizations.

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## ***LEARNING OUTCOMES***

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Upon completion of this course, students will be able to complete the following key tasks:

- Understand the application of balanced scorecard as a strategic management and performance management system.
- Apply the principal of responsibility accounting to planning and control, with a focus on how organizational strategy affects the design of management control system.
- Apply management accounting concepts to the design of specific components of the management control system, including organizational structure, performance management system, and compensation contracts.
- Use analytical tools, such as activity-based costing, customer profitability analysis, variance analysis, etc., in assessing the performance of an organization with respect to its strategy.

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## ***COURSE MATERIALS AND READINGS***

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**Required:** – [available at the bookstore](#)

Custom Courseware (Assignments and Cases)

**Recommended:** – [available at the bookstore](#)

Datar, S.M., M.V. Rajan and L. Beaubien. Horngren's Cost Accounting: A Managerial Emphasis, 8th Canadian Edition. Pearson, 2018.

**COURSE OVERVIEW AND ASSESSMENT**

**I = individual; G = group**

GRADE COMPONENT	WEIGHT	DESCRIPTION
<b>Class Participation (I)</b>	<b>15%</b>	Participation through Top Hat
<b>Business Analytics Project (G)</b>	<b>10%</b>	Completed in assigned groups
<b>Case Reports (G)</b>	<b>10%</b>	Completed in assigned groups 2 reports, 5% each
<b>Midterm Exam (I)</b>	<b>25%</b>	See course schedule below for date and time
<b>Online Quizzes (I)</b>	<b>15%</b>	Best 2 of 3, 7.5% each
<b>Final Exam (I)</b>	<b>25%</b>	Scheduled through Registrar

LEARNING ACTIVITIES	DELIVERY	DESCRIPTION	TOOL(S)
<b>Virtual Class with In-Class Discussions</b>	Synchronous	3hr. live session to elaborate on content and engage in class discussions	Zoom, WebEx, and Top Hat
<b>Self-Study</b>	Asynchronous	Assigned readings from the textbooks and other sources.	Readings linked in Avenue, from coursepack, or in assigned textbook
<b>Online Quizzes</b>	Asynchronous	Quizzes cover self-study content and are made available based on the schedule below.	Avenue

### **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. The instructor has the right to adjust the student's final grade by one grade point based on his/her overall performance for the course.

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

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## ***COURSE DELIVERABLES***

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### ***Class Participation - 15%***

Class participation is mandatory. Students are expected to study the assigned materials in advance, attempt the assigned problems and cases, and be prepared to answer questions during class. There are no marks assigned for class attendance.

Participation marks will be assigned during the synchronous live lectures, and it will account for 15% of the course grade. Students will be asked questions live during the lectures and will respond using the Top Hat platform. There is no cost to students for using the Top Hat platform. Marks will be assigned based on both participation and accuracy of responses. Students must be present for the entire class time. **All questions must be answered throughout the class to be eligible for the mark for the class.**

### ***Business Analytics Report (using Power BI) - 10%***

Students should work on the report in the groups as assigned by the instructor. Details on the business analytics report will be posted on Avenue. The tentative deadline for the report is included in the course schedule below.

### **Case Reports - 2 x 5% each**

Students should work on these Case Reports in the groups as assigned by the instructor. Each group will be required to hand in two Case Reports (the cases are numerated and bolded on the tentative course schedule).

The case submission must be of professional quality, typed, double-spaced with reasonable fonts (size 11) and margins (1"). The case report should include (i) a brief introduction identifying the relevant organizational/ accounting problems and issues; (ii) a detailed analysis of the issues with recommendations; and (iii) a conclusion. It is expected that the case report will be presented as a logical argument based on sound analysis of the case facts and not on opinion or speculation. Point-form analysis in complete sentences is acceptable. The report must be short, concise and to the point, that is, the report is limited to **four pages** plus at most **two exhibits for calculation**. Excessive length, excessive verbosity, lack of precision or otherwise poor writing skill will affect your grade. If a case were not reasonably attempted, then you will receive a mark of "ZERO".

Tentative due dates for completing the Case Reports are listed in the course schedule below.

### **Midterm Exam - 25%**

There is one, 2-hour online midterm exam, worth 25% of your final grade and will be marked individually. The exam will cover **all material taught prior to the midterm date (up to and including Transfer Pricing)** including content from: the textbook, readings, lectures, online material, tutorials, online assignments, Top Hat and class discussion. The format of the exam may include True/False, Multiple-Choice, Fill in the Blank and/or Written Questions. The date of the midterm exam is listed in the course schedule below.

**In case the instructor elects to make the final exam optional**, students who MSAF the midterm will have to write the final exam and it will not be optional for those students.

**Additionally, if the instructor elects to make the final exam non-cumulative**, the final exam will include the chapters covered on the missed midterm for students who MSAF the midterm.

### **Online Quizzes - best 2 of 3 x 7.5% each**

These Online Quizzes are set up on **Avenue**. Students must complete and submit the quizzes online through Avenue. Late submission will not be accepted for marking. There will be three online quizzes.

The objective of these quizzes is to ensure that students have completed the assigned readings and attempted the self-study problems. Students will be given **one attempt** of a **120-minute session** within the assigned **two-day window** to complete each of these quizzes. The Policy of Missed Midterm Examinations/Tests will govern absence from the quizzes assigned.

Tentative dates for completing these Online Quizzes are listed in the course schedule below.

Students must also sign and complete a **PLEDGE FORM** stating that he/she has answered all questions of the quiz without any kind of assistance or consultation from any individuals. The PLEDGE FORM must be submitted to Dropbox on the course website on Avenue or the instructor at the beginning class of the following week; otherwise, a mark of **ZERO** will be assigned accordingly. Students should download the PLEDGE FORM from the course website on Avenue.

### ***Final Exam - 25%***

There will be one **comprehensive** final examination. The exam will be 2 ½ hours, worth 25% of your final grade and will be marked individually. The exam will cover material from the textbook, readings, lectures, online material, tutorials, online assignments, Top Hat and class discussion. The format of the exam may include True/False, Multiple-Choice, Fill in the Blank and/or Written Questions.

If a student receives approval for an “extended MSAF” accommodation to miss the midterm (see below “Requesting Relief for Missed Academic Work”), the final exam weight will include the weight of the missed midterm exam.

**In case the instructor elects to make the final exam optional, students who MSAF the midterm will have to write the final exam and it will not be optional for those students. Additionally, if the instructor elects to make the final exam non-cumulative, the final exam will include the chapters covered on the missed midterm for students who MSAF the midterm.**

NOTE: The use of a McMaster standard calculator (Casio FX-991) is allowed during examinations in this course. [See McMaster calculator policy.](#)

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## **COMMUNICATION AND FEEDBACK**

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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. All students must receive feedback regarding their progress prior to the final date by which a student may cancel the course without failure by default.

- *For Level 1 and Level 2 courses, this feedback must equal a minimum of 20% of the final grade.*
- *For Level 3 courses and above, this feedback must equal a minimum of 10% of the final grade.*

Instructors may solicit feedback via an informal course review with students by Week #4 to allow time for modifications in curriculum delivery.

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### ***REQUESTING RELIEF FOR MISSED ACADEMIC WORK***

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In the event of an absence for medical or other reasons, students should review and follow the Academic Regulation in the Undergraduate Calendar “Requests for Relief for Missed Academic Term Work” and the link below;

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

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### ***ACADEMIC INTEGRITY***

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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. **It is your responsibility to understand what constitutes academic dishonesty.**

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.

For information on the various types of academic dishonesty please refer to the [Academic Integrity Policy](https://secretariat.mcmaster.ca/university-policies-procedures-guidelines/), located at <https://secretariat.mcmaster.ca/university-policies-procedures-guidelines/>

The following illustrates only three forms of academic dishonesty:

- plagiarism, e.g. the submission of work that is not one’s own or for which other credit has been obtained.
- improper collaboration in group work.
- copying or using unauthorized aids in tests and examinations.



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## ***AUTHENTICITY/PLAGIARISM DETECTION***

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**Some courses may** use a web-based service (Turnitin.com) to reveal authenticity and ownership of student submitted work. For courses using such software, students will be expected to submit their work electronically either directly to Turnitin.com or via an online learning platform (e.g. A2L, etc.) using plagiarism detection (a service supported by Turnitin.com) so it can be checked for academic dishonesty.

Students who do not wish their work to be submitted through the plagiarism detection software must inform the Instructor before the assignment is due. No penalty will be assigned to a student who does not submit work to the plagiarism detection software.

**All submitted work is subject to normal verification that standards of academic integrity have been upheld** (e.g., on-line search, other software, etc.). For more details about McMaster's use of Turnitin.com please go to [www.mcmaster.ca/academicintegrity](http://www.mcmaster.ca/academicintegrity).

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## ***COURSES WITH AN ON-LINE ELEMENT***

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**Some courses may** use on-line elements (e.g. e-mail, Avenue to Learn (A2L), LearnLink, web pages, capa, Moodle, ThinkingCap, etc.). Students should be aware that, when they access the electronic components of a course using these elements, 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 a course that uses on-line elements will be deemed consent to this disclosure. If you have any questions or concerns about such disclosure please discuss this with the course instructor.

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## ***ONLINE PROCTORING***

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**Some courses may** use online proctoring software for tests and exams. This software may require students to turn on their video camera, present identification, monitor and record their computer activities, and/or lock/restrict their browser or other applications/software during tests or exams. This software may be required to be installed before the test/exam begins.

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## **CONDUCT EXPECTATIONS**

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As a McMaster student, you have the right to experience, and the responsibility to demonstrate, respectful and dignified interactions within all of our living, learning and working communities. These expectations are described in the [Code of Student Rights & Responsibilities](#) (the “Code”). All students share the responsibility of maintaining a positive environment for the academic and personal growth of all McMaster community members, **whether in person or online.**

It is essential that students be mindful of their interactions online, as the Code remains in effect in virtual learning environments. The Code applies to any interactions that adversely affect, disrupt, or interfere with reasonable participation in University activities. Student disruptions or behaviours that interfere with university functions on online platforms (e.g. use of Avenue 2 Learn, WebEx or Zoom for delivery), will be taken very seriously and will be investigated. Outcomes may include restriction or removal of the involved students’ access to these platforms.

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## **ACADEMIC ACCOMMODATION OF STUDENTS WITH DISABILITIES**

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Students with disabilities who require academic accommodation must contact [Student Accessibility Services](#) (SAS) at 905-525-9140 ext. 28652 or [sas@mcmaster.ca](mailto:sas@mcmaster.ca) to make arrangements with a Program Coordinator. For further information, consult McMaster University’s [Academic Accommodation of Students with Disabilities](#) policy.

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## **ACADEMIC ACCOMMODATION FOR RELIGIOUS, INDIGENOUS OR SPIRITUAL OBSERVANCES (RISO)**

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Students requiring academic accommodation based on religious, indigenous or spiritual observances should follow the procedures set out in the [RISO](#) policy. Students should submit their request to their Faculty Office **normally within 10 working days** of the beginning of term in which they anticipate a need for accommodation or to the Registrar's Office prior to their examinations. Students should also contact their instructors as soon as possible to make alternative arrangements for classes, assignments, and tests.

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## ***COPYRIGHT AND RECORDING***

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Students are advised that lectures, demonstrations, performances, and any other course material provided by an instructor include copyright protected works. The Copyright Act and copyright law protect every original literary, dramatic, musical and artistic work, **including lectures** by University instructors.

The recording of lectures, tutorials, or other methods of instruction may occur during a course. Recording may be done by either the instructor for the purpose of authorized distribution, or by a student for the purpose of personal study. Students should be aware that their voice and/or image may be recorded by others during the class. Please speak with the instructor if this is a concern for you.

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## ***EXTREME CIRCUMSTANCES***

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The University reserves the right to change the dates and deadlines for any or all courses in extreme circumstances (e.g., severe weather, labour disruptions, etc.). Changes will be communicated through regular McMaster communication channels, such as McMaster Daily News, A2L and/or McMaster email.

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## ***ACKNOWLEDGEMENT OF COURSE POLICIES***

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Your enrolment in Commerce 4AA3 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.

**COURSE SCHEDULE**

**Commerce 4AA3  
Managerial Accounting II  
Winter 2021 Course Schedule**

Class	Date	Topic	Reading	Problems
1	The week of Jan 11	Introduction, Code of Ethics Strategic Management System Case Writing Intro <i>In Class Case: Foster Fridges</i>		
2	The week of Jan 18	Strategy and Balanced Scorecard <i>In Class Case: Mountain City Transit</i>	pp. 523-535	P13-22, 34, 35, 36
3	The week of Jan 25	Management Control and Decentralization Budgeting, Responsibility Accounting & Responsibility Centres	pp. 859-863 Ch. 6	E6-16, P6-37
		<b>Quiz #1 (120 min): Ch. 13</b> (Window to complete from <b>9:00 p.m., January 29 to 11:59 p.m., January 31, 2021</b> )		
4	The week of Feb 01	Profit and Investment Centres: Return on Investment & Economic Value Added	pp. 893-914	P22-22, 25, 32, 42, 44
		<b>Business Analytics Project using Power BI; Due at 9:00 p.m., February 05, 2021.</b>		
5	The week of Feb 08	Transfer Pricing – Expense Centres (Common Cost Allocation)	Ch. 14	P14-26, 28, 34
		<b>Case #1: Vienna Industries, Ltd. Due at 9:00 p.m., February 12, 2021</b>		
		Reading Week: February 15 – 20, 2021		
6	The week of Feb 22	Transfer Pricing – Profit Centres	pp. 863-879	P21-20, 24, 28, 29, 32, 34
		<b>Midterm Exam: Saturday February 27, 2021 9:00 a.m. – 11:00 a.m.</b>		
7	The week of Mar 01	Performance Measurement and Incentive System <i>In Class Case: Birch Paper Company</i>	pp. 914-920	P22-29, 34, 35, 39

8	The week of Mar 08	Operating Income Variance Analysis – Review Extended Variance Analysis	Chs. 7 & 8 pp. 651-661 pp. 269-274	P7-37, 39 P8-28, 38, 40 16-27, 28
		<b>Case #2: AB Thorsten</b> <b>Due at 9:00 p.m., March 12, 2021</b>		
		<b>Quiz: #2 (120 min): Chs. 21 and 22</b> (Window to complete from <b>9:00 p.m., March 12 to 11:59 p.m., March 14, 2021</b> )		
9	The week of Mar 15	Strategic Profitability Analysis	pp. 535-541	P13-30, 31, 35, 36
10	The week of Mar 22	Activity-Based Costing and Management Customer Profitability Analysis	Ch. 5 HMS: Chs. 5, 10 pp. 662-669	P5-31, 32, 41 P16-32, 33, 42
		<b>Quiz #3 (120 min): Chs. 7, 8 and 16</b> (Window to complete from <b>9:00 p.m., March 26 to 11:59 p.m., March 28, 2021</b> )		
11	The week of Mar 29	<i>In Class Case: Wilson Electronics (A) and (B)</i> Strategic Cost Management: Quality Theory of Constraints and throughput Accounting:	pp. 388-405 pp. 452-454 pp.358-360 AY: Chs. 1, 2, 16	P10-32, 33, 35, 36 P9-27, 28, 41
12	The week of Apr 05	Management Control for Not-for-Profit Organization		

*Tentative course outline is subject to change.*