



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

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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: Mondays: 3:30 pm – 4:20 pm

Fridays: 10:30 am – 11:20 am

Other hours: *By Appointment and Walk-in!*

Instructional Assistant: Mr. Karim Karim *

Email: karimk7@mcmaster.ca

“*” All your administrative questions and concerns related to grades, MSAFs for missed work, course materials, tutorials, examinations, etc. should be directed to Mr. Karim.

Office Hours: TBA. Please check Avenue for details.

Teaching Assistants:

Each student will be assigned a TA. Please go to Avenue/Assessment/Grades to view your assigned TA. You may email your questions. The TA will either respond by email or set up a zoom meeting.

Course Sites:

Avenue

<http://avenue.mcmaster.ca>

Please select Commerce 2AB3: Managerial Accounting

Tophat

Section 1 <https://app.tophat.com/e/863821>

Section 2 <https://app.tophat.com/e/651290>

Section 3 <https://app.tophat.com/e/288078>

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 *financial and non-financial 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)

WKKA Weygandt, Kimmel, Kieso, Aly, “Managerial Accounting: Tools for Business Decision-Making”, 6th Canadian Edition, 2021, Wiley.

Two options are available in the bookstore:

Option 1: Loose leaf + WileyPLUS (includes online E-Text); ISBN 9781119731818; **\$99.00.**

Option 2: E-Text + WileyPLUS; ISBN 9781119731801; **\$76.95.**

The bookstore link to the textbook is below:

https://campusstore.mcmaster.ca/cgi-mcm/ws/txsub.pl?wsTERMG1=241&wsTERMDESC1=Winter+2024&wsDEPTG1=COMMERCE&wsDEPTDESC1=COMMERCE+-+Commerce&wsCOURSEG1=2AB3&wsSECTIONG1=DAY+C01&programG1=McMaster+Undergrad+and+Graduate&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:

The final course grade will be based on the following inputs:

<u>Percentage</u>	
20	Homework Assignments (4 Assignments; each worth 5% each)
35	Mid-Term Examination (<i>March 2nd</i> , <u>Time</u> : TBA ; <u>Location</u> : TBA)
45	Final Examination (As per Registrar's calendar)
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<u>100% (***)</u>	

*** Please note there will be **Participation Bonus marks (maximum of 5 marks)**. Your total earned bonus marks during the term will be added to your overall final course grade as per the stated components listed above. **Further details on these bonus marks are outlined below:**

- During the lecture, participation/learning will be tested on 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.**
- 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 **0.6 a point for attempting the question** and **0.4 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.

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

SUGGESTED EXERCISES AND SOLUTIONS
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This is not a marked component. However, do note that students in the past have found these to be useful for their examination performance and professional development. The best way to do these would be attempt as a Chapter is being covered in class and preferably do it in a study group setting.

Students are strongly encouraged to form into study groups for enhanced learning and understanding while optimizing on time, a core skill for successful business leaders.

The solutions to these suggested exercises will be made available on Avenue. Although, the solutions are made available it is strongly encouraged to do these exercises first, without looking at the solutions, knowing full well that the solutions are available.

TUTORIALS

Tutorials are both in-person and pre-recorded. *Tutorials are an extension of the classroom lectures.* The content covered in the lectures is applied through practice problems covered in the tutorials.

This is not a marked component. However, students have in the past found these tutorials to be very helpful for midterm/final exam preparations and professional development.

In-person tutorials will be held at the Mosaic scheduled time and location. Please note the content in the in-person tutorials will be identical to the recorded tutorials, thereby releasing time for extended Q&A for enhanced learning experience.

Tutorial questions will be posted in-advance for students to attempt. Recorded solutions will be posted in Avenue by the teaching assistants.

HOMEWORK ASSIGNMENTS

The Homework Assignments are carefully designed to help students keep up with the course material. There will be **4 assignments**; due dates are posted below under the “Important Course Dates” section.

Homework Assignments will **strictly be due on the scheduled Monday due date at 11:59pm.** You may take as long as you wish to complete your homework assignment so long as it is submitted by the due date. Please note that each homework assignment will be designed to take 2 hours on average to complete! Do allow for sufficient time to start and finish the homework assignment. Assignments will be open two weeks prior to due date. **A little Nudge: Start and Finish as early as possible.** If an MSAF is applied to a Homework Assignment, then the 5% weight of that Assignment will be moved to the Final Exam.

The Homework Assignments must be completed only by the student individually on WileyPLUS. 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.

WileyPLUS is accessible through Avenue, but you will require a registration code (available through the bookstore with the options listed above. Instructions and links to instructional videos are posted in Avenue to help students with the WileyPLUS platform. A 24/7 Wiley support hotline chat is also available to assist with technical IT related issues.

It is highly recommended to set up your WileyPLUS access well in advance of attempting your first assignment in case of any technical issues

MIDTERM

The Midterm will have True/False and/or Multiple Choice questions. If a student files a successful MSAF for missing the midterm, the final exam weight will include the weight of the midterm exam. In case the instructor chooses not to make the final exam comprehensive, students who missed the midterm and filed a successful MSAF will **write a final exam that is comprehensive and different from the final exam for students who wrote the midterm. The comprehensive final exam will include the chapters on which MSAF students were not tested.**

FINAL EXAM

The Final exam will have True/False and/or Multiple Choice questions. The final exam will be based on content not covered on the midterm. The Instructor reserves the right to make the final exam comprehensive pending class performance on the midterm exam. Students will be advised of the final exam content coverage well in advance of the exam.

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. 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.

REQUESTING RELIEF FOR MISSED ACADEMIC WORK

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.degroote.mcmaster.ca/forms-and-resources/missed-course-work-policy/>

ACADEMIC INTEGRITY

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.

AUTHENTICITY/PLAGIARISM DETECTION

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.

COURSES WITH AN ON-LINE ELEMENT

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.

ONLINE PROCTORING

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.

CONDUCT EXPECTATIONS

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.

ACADEMIC ACCOMMODATION OF STUDENTS WITH DISABILITIES

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

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

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.

COPYRIGHT AND RECORDING

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.

EXTREME CIRCUMSTANCES

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.

ACKNOWLEDGEMENT OF COURSE POLICIES

Your enrolment in 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.

Some Final Policy Remarks

- i. MSAF is not permissible for weights on evaluation that are greater than or equal to 25% (Midterms, Final exam).
- ii. 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.
- iii. 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.**

Important Course Dates

Homework Assignment #1	Due Monday, January 29 th ; (<u>Scope</u> : Chapters 1, 2 and 6)
Homework Assignment #2	Due Monday, February 12 th ; (<u>Scope</u> : Chapters 7 and 3)
Midterm Exam	<i>Saturday, March 2nd; <u>Time</u> - TBA; <u>Location</u> - TBA</i> (<u>Scope</u> : Chapters 1, 2, 6, 7, 3)
Homework Assignment #3	Due Monday, March 25 th ; (<u>Scope</u> : Chapters 5, 4 and 8)
Homework Assignment #4	Due Monday, April 8 th ; (<u>Scope</u> : Chapters 9, 10 and 11)
Final Exam	As per Registrar's Calendar

Topic Schedule (tentative)

Week 1 Introduction to Managerial Accounting
(Jan.8th) Strategic Cost Management, Value Chain
Professional Ethics and Profession

Read: WKKA, Chapter 1

Suggested Exercises: Chapter 1: D1-1, 2
E1-3, 6, 7
C1-10

Week 2 Cost concepts
(Jan.15th) Cost Behavior
CVP or Breakeven Analysis

Read: WKKA, Chapters 2, 6

Suggested Exercises: Chapter 2: BE2-1, 3, 4,5,7,9,11,12,13
E2-19, 21,23,24,26,29,31,32,35
P2-42A, 44A, 48A,54B, 58B, 59B

Chapter 6: BE6-1, 4, 8, 10, 12
E6-20, 22, 23, 27,28,31,32,34,35,38
P6-39A, 41A, 42A, 44A, 49A, 50A, 51A, 57B, 66B

Week 3 CVP or Breakeven Analysis
(Jan.22nd)

Read: WKKA, Chapter 6

Suggested Exercises: Chapter 6: BE6-1, 4, 8, 10, 12
E6-20, 22, 23, 27,28,31,32,34,35,38
P6-39A, 41A, 42A, 44A, 49A, 50A, 51A, 57B, 66B

Week 4 Incremental Analysis
(Jan.29th) Relevant Costs and Benefits

Read: WKKA, Chapter 7

Suggested Exercises: Chapter 7: BE7-2, 3, 5, 7, 8, 9
E7-17, 18, 20, 22, 24, 26, 29, 31, 32, 33
P7-34A, 36A, 37A, 40A, 43A, 46A, 50B, 56B, 59B

Week 5 Job Order Costing
(Feb.5th)

Read: WKKA, Chapter 3

Suggested Exercises: Chapter 3: BE3-2, 3, 6, 8, 12
E3-17, 18,19, 20, 25, 26, 27, 29
P3-30A, 33A, 36A, 39B, 41B, 45B

Week 6 Activity Based Costing (ABC)
(Feb.12th) Activity Based Management (ABM)

Read: WKKA, Chapter 5

Suggested Exercises: Chapter 5: BE5-2, 3, 6, 8, 11, 12
E5-17, 18, 21 23, 26, 28
P5-35A, 37A, 44B

Reading Week (*February 19th – February 25th inclusive*)

Midterm Exam – *March 2nd, Time - TBA; Location - TBA*

Week 7 Process Costing
(Feb.26th)

Read: WKKA, Chapter 4

Suggested Exercises: Chapter 4: BE4-4, 5, 6, 7, 8
D4-14, 15
E4-17, 21, 22, 25
P4-36A, 38A, 42A, 45A, 48B, 50B, 58B, 59B

Week 8 Alternative Costing Methods
(Mar. 4th)

Read: WKKA, Chapter 8

Suggested Exercises: Chapter 8: BE8-1, 2, 3, 4, 5, 8, 9, 10
E8-16, 17, 19, 20, 22, 23, 25
P8-26A, 30A, 34A, 38B, 41B, 43B

Week 9 Pricing
(Mar. 11th) Target Costing
Transfer Pricing

Read: WKKA, Chapter 9

Suggested Exercises: Chapter 9: BE9-1, 2, 3, 4, 7, 8, 10, 11
E9-16, 18, 19, 23, 26, 28
P9-34A, 38A, 40A, 45A, 46A, 59B, 62B, 63B, 66B

Week 10 Budgeting
(Mar. 18th)

Read: WKKA, Chapter 10

Suggested Exercises: Chapter 10: BE10-1, 2, 3, 8, 9
E10-17, 21, 22, 23, 26, 31
P10-33A, 42A, 44A, 45B

Week 11 Budgetary Control
(Mar. 25th) Responsibility Accounting

Read: WKKA, Chapter 11

Suggested Exercises: Chapter 11: BE11-1, 3, 4, 6, 7, 8, 9, 10, 11
E11-17, 18, 19, 24, 25, 27, 30, 31, 34
P11-37A, 38A, 41A, 42A, 43A, 45A, 47A, 56B, 60B

Week 12 Standard Costs
(April 1st) Variances (DM, DL, OH)
Balanced ScoreCard

Read WKKA, Chapter 12, Appendix 12A

Suggested Exercises: Chapter 12: BE12-1, 4, 5, 6, 7, 8, 9
E12-17, 18, 19, 20, 21, 22, 23, 26, 27, 28, 32, 33, 36
P12-40A, 4 2A, 43A, 44A, 45A, 47A, 51A, 54B, 58B, 61B,
63B

Week 13 Tie Loose Ends
(April 8th) Exam Review

Final Exam as per School Calendar

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. Bogdanich, W and M. Forsythe, When Mckinsey Comes to Town: The Hidden Influence of the World's Most Powerful Consulting Firm, DoubleDay, 2022, New York.

And Some Movies....

Moneyball
Shackelton's Antarctic Adventure