



# **Rotman** Commerce UNIVERSITY OF TORONTO

## **RSM 322 F 2014**

Managerial Accounting and Decision Making

Fall 2014

Course Meets:

L0101 / Tuesday 8:00 – 10:00 / WO 25

L0201 / Thursday 8:00 – 10:00 / WO 25

L0301 / Thursday 10:00-12:00 / WO 25

L0401 / Thursday 1:00 – 3:00 / WO 30

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Office RT 529

Office hours: Tuesdays 12 – 1, Wednesdays 8am – 11am, Thursdays 3- 4:30 by appointment only

**Web page:** [portal@utoronto.ca](http://portal@utoronto.ca)

**Course Prerequisite: RSM 222H**

PLEASE NOTE : STUDENTS MUST HAVE VALID UTOR ACCOUNTS TO RECEIVE CLASS EMAILS. ALL OTHER ACCOUNTS (YAHOO, HOTMAIL, ETC.) HAVE BEEN ERASED BY THE UNIVERSITY).

### **Course Description:**

Management accounting is concerned with the financial and related information used by managers inside specific organizations to make strategic, organizational, and operational decisions. A critical issue in management is how to identify relevant information for different decision-making needs. This course will discuss management decision-making techniques in a variety of business settings. This course will introduce students to some practical applications of cost accounting techniques learned in RSM 222. In addition, students will learn new techniques that will allow them to manage resources more effectively in a complex business environment. The course will focus on developing case writing and presentation skills suitable to students anticipating working in a consultative practice in any discipline.

## Required Textbooks:

**Accounting for Decision Making and Control**, 8<sup>th</sup> edition, Jerrold Zimmerman McGraw – Hill Irwin

**Managerial Accounting Cases** RSM 322 F 2014 – custom e-book published by McGraw – Hill Ryerson on the *Create* web site. Instructions for accessing book will be provided on course web site.

**RSM 322 Case Writing Package 2014/2015** by D.L.Losell (*available on course website*)

## Evaluation:

Individual assignments (see details below)	50%
Group Presentation and Case debriefing	25%
Final Test (Wednesday, December 3 , 8am – 10 am )	25%
	<u>100%</u>

## Important Notes

### 1. *Behaviour in the Classroom*

It is important that students behave courteously to each other and the instructor in class. This means:

- That students should come to class on time. Class begins at 10 minutes past the hour. No amount of apologizing compensates for disturbing others.
- That students should have all cell phones turned off and put away during class.
- That if students are not using laptops appropriately during class, they will be asked to leave them at home.

Students should come to class prepared ahead of time by reading the materials and attempting the problems listed in the slides on the web site

## 2. Individual assignments:

The first three assignments will be based on the case included in your case E Book called "Modern Agricultural Farm: Budgeting for Control". The first three assignments are as follows:

Assignment	Task	Value	Week due*
A	Competitive analysis of firm using PEST, and Porter's 5 Forces	5%	Week 2
B	Identification of firm strategy and problem	5%	Week 3
C	Identification and analyses of alternatives Comparison of alternatives, conclusion and specific recommendations for action	15%	Week 4

\*Due at the end of the academic week by 9am – see schedule of submission dates on Blackboard.

For **Assignment A and B ( 5 % each )** , each student will be asked to identify the problem in the case and do the background industry analysis.( refer to Steps 1 to 5 in "How to do a Case in RSM 322") . In Assignment A students will be expected to use the electronic databases as well as other resources in researching the background of the industry in which the company operates. There will be a short seminar provided in the first class by the BIC librarian and/or Professor Losell to introduce you to some of the methods used to obtain information from the electronic databases including NAICS and SIC codes. All statements regarding the company and industry should be backed up by research data. All research should be directly related to the company in the case.

In **Assignment C, ( 15% )** the students will be asked to identify the alternative actions to solve the problem and to do any technical and qualitative analysis required by the alternatives suggested ( refer to Step 6 in "How to do a Case in RSM 322") .Remember – this is an accounting cases and your quantitative analysis is very important. You should base your underlying assumptions in your quantitative analysis on your research from "A" and your strategy/problem identified in "B". Students will be asked to draw conclusions and make recommendations based on their previous analysis suggested ( refer to Step 7 in "How to do a Case in RSM 322") . The case questions at the end of the case should be used as guidance for the solution but simply answering the questions is not sufficient.

**Assignment D ( worth 25% )** is the case called "Kreative Kasuals Inc." found in your E Book. This case should be prepared in the case format discussed in class. This is due in Week 9.

Each assignment should be typed and no more than 5 pages in length excluding appendices for Assignments A , B and C and 10 pages for Assignment D. \*The assignments are due at the end of the academic week in which they are assigned ( normally a Friday until after November 17 when the last day of the academic week is actually a Tuesday) and should be submitted electronically through the Portal link provided.\*

Please note that spelling and grammar will be considered in the evaluation of Assignments A - D.

Since you may lose points for spelling mistakes and grammatical errors, students who require additional support and/or tutoring with respect to their writing skills are encouraged to visit the Academic Success Centre ([www.asc.utoronto.ca](http://www.asc.utoronto.ca)) or one of the College Writing Centres ([www.writing.utoronto.ca/writing-centres](http://www.writing.utoronto.ca/writing-centres)). These centres are teaching facilities – not editing services, where trained staff can assist students in developing their academic writing skills. There is no charge for the instruction and support.

### **Missed Tests and Assignments**

Students who miss a test or assignment for reasons entirely beyond their control (e.g. illness) may submit a request for special consideration. Provided that notification and documentation are provided in a timely manner, and that the request is subsequently approved, no academic penalty will be applied.

In such cases, students must notify Rotman Commerce on the date of the missed test (or due date in the case of course work) and submit supporting documentation (e.g. [Verification of Student Illness or Injury form](#)) to the Rotman Commerce Program Office within **48 hours** of the originally scheduled test or due date. Students who do not provide Rotman Commerce or the instructor with appropriate or sufficient supporting documentation will be given a grade of 0 (zero) for the missed test or course deliverable.

**Note that the physician's report must establish that the patient was examined and diagnosed at the time of illness, not after the fact. Rotman Commerce will not accept a statement that merely confirms a report of illness made by the student and documented by the physician.**

**Since the assignments will be marked and returned in “real time”, no late assignments will be accepted as the solution will already have been revealed. If appropriate documentation is provided, the value of the missed assignment will be added to the final test.**

### **Instructions for submitting your assignments electronically**

1. Look for the link to submit the assignment on the course website. If you cannot see the link, email the instructor immediately.
2. Upload your assignment using the link.
3. The link will disappear after the assignment is due. You will be able to see it but not upload your documents. Your assignment is now late.
4. **DO NOT “SAVE” YOUR ASSIGNMENT. SELECT “SUBMIT”.** If you save your assignment instead of submitting it, the assignment will not be electronically forwarded to the instructor's portal site and it will be late. Once you have “submitted” your assignment, it cannot be changed
5. Do not leave your submission until the last minute. The Portal service is interrupted regularly. Inability to access the Portal is not a valid excuse for submitting your assignment late.
6. Make sure your document does not contain an electronic error by reading it once you have submitted it using another computer if possible ( you can read but not change it). All students are expected to maintain their computers in a virus free state. If the assignment is tainted by a virus, it will not be electronically acceptable so make sure you

- have an up to date anti-virus program and run it daily.
7. Comments on your assignment will be electronically returned to you and will be available usually within one week of submission except for Assignment D which will take two weeks to mark.
  8. NOTE: PLEASE INFORM PROF.LOSELL IF YOU HAVE CHANGED THE SECTION IN WHICH YOU ARE REGISTERED. YOUR MARKS WILL NOT FOLLOW YOU AUTOMATICALLY TO YOUR NEW SECTION.

## **2. Group Work (presentation and case debriefing)**

Students should form groups of about 5 (or a number to be specified by the instructor in order to accommodate variations in class size) students per group during the first class. The group will work as a studying unit throughout the term. Students should inform the instructor of the composition of each group before the end of the first class. All students in a group must be registered in the section in which they will present. Students are responsible for getting themselves into groups. The case assignments will be distributed to the groups in the following way:

- Groups will be given a group number which , along with the names of group members should be used to identify all group work. This will be posted on the course website within two working days following the class.
- The group number corresponds to a case found in the Case Writing Handbook available on the web. The date of the case presentation is also identified on the web in the same table. There will be two case presentations per class in the latter part of the term beginning in Week 7
- The case presentations should be twenty minutes in length. The time limit will be strictly adhered to.
- All group members should participate in the presentation of the case as a presenter.

Learning to work together in teams is an important aspect of your education and preparation for your future careers. That said, project-based teamwork is often new to students and you are therefore reminded of the following expectations with respect to behaviour and contributions to your team project.

1. Read the document entitled, "Working in Teams: Guidelines for Rotman Commerce Students" which is available on the RC portal under the Academic Services tab.

2. When working in a team, Rotman Commerce students are expected to:

- Treat other members with courtesy and respect;
- Honour the ground rules established by the team;
- Contribute substantially and proportionally to the final project;
- Ensure enough familiarity with the entire contents of the group project/assignment so as to be able to sign off on it as original work;
- Meet the project timeline as established by the team.

3. Resolving conflicts:

Conflicts are part of the team's process of learning how to work together effectively and when handled well can generate creativity and bring-multiple perspectives to the solution.

Student teams are collectively expected to work through their misunderstandings as soon as they arise (and prior to submission of the final project). In cases where teams are unable to arrive at a solution that works for all members, the team must meet with the Rotman Commerce Team Coach\*\* as soon as possible. The Coach will listen to the team and help develop options for improving the team process. All members of the project team must commit to, and, utilize their action plans.

\*\* For an appointment with a Rotman Commerce Team Coach, please contact Nikoleta Vlamis at [nikoleta@nikoletaandassociates.com](mailto:nikoleta@nikoletaandassociates.com) or Elaine Zapotoczny at [elaine@nikoletaandassociates.com](mailto:elaine@nikoletaandassociates.com). Nikoleta and Elaine are highly skilled at facilitating team dynamics and collaboration. Note that the Team Coach's role is to provide guidance, support and advice on team matters – not to formally evaluate or assess teamwork for academic purposes.

**I reserve the right to award any student who is working ineffectively in a group, the mark of zero for the group case.**

The case analysis method discussed in class and in the Case Writing Package for Fall 2014/Winter 2015 The presentation itself should be 15 to 20 minutes long. The questions at the end of the case should be used as guidance only. Students are encouraged to consult with the instructor when preparing for the presentation.

Feedback on presentations will be provided in about one week but no marks will be disclosed until all presentations are finished.

Each group is required to hand in ***a copy of their presentation slides printed out in handout format to the instructor in class before the presentation. The first slide should clearly list the names of all group members as they are listed on ROSI.***

The case presentation is worth 25% to the group members presenting.
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Case debriefing:

Each presenting group is required to conduct a 2 - 3 minute debriefing of the case to the class in which they will discuss the process they went through in solving the case and how they reached decisions regarding such important things as the strategy of the company, the problem of the case and the selection of appropriate alternatives, quantitative techniques and recommendations. Group dynamics and work issues can also be discussed. **The purpose of the debriefing is to help other students gain insight into differing methods of solving a case and how issues involving group dynamics were successfully handled.**

It is critical for all groups to meet at least once a week to prepare and discuss the case before each class. Each group member is expected to contribute to the group discussion and the preparation of the case presentation. Should there be any concern about free-riders in group work, group leaders should inform the instructor as soon as possible.

**Groups are encouraged to meet with the instructor to discuss the progress of their case preparation.**

### **3. Final test**

**The final test will be a case so the best preparation for this exam is to fully prepare each assigned case on the class schedule.** No additional preparation material will be provided. Students will be permitted to bring in one sheet (8 1/2 x 11) of notes (typed, written or photocopied) **which will be handed in with the test paper at the end of the test. No test paper, no notes sheet, no marks.**

**No test will be returned to students.**

**The test will be given during Wednesday, December 3, 2014 from 8am – 10am.** The location will be announced on the web site. **Please let me know a minimum of one month in advance if you have a conflict and alternate arrangements for writing the test will be made.** Any student caught writing anything after “time” has been classed in the test will have 5 marks deducted from their test score and may be reported for academic misconduct.

### **4. Case Writing Package**

A case writing package will be made available on the web. It contains suggestions for case preparation, a detailed course syllabus and cases with their associated numbers.

### **5. Academic Misconduct**

Academic Integrity is a fundamental value essential to the pursuit of learning and scholarships at the University of Toronto. Participating honestly, respectfully, responsibly, and fairly in this academic community ensures that the UofT degree that you earn will continue to be valued and respected as a true signifier of a student's individual work and academic achievement. As a result, the University treats cases of academic misconduct very seriously.

*The University of Toronto's Code of Behaviour on Academic Matters*

<http://www.governingcouncil.utoronto.ca/policies/behaveac.htm> outlines the behaviours that constitute academic misconduct, the process for addressing academic offences, and the penalties that may be imposed. You are expected to be familiar with the contents of this document. Potential offences include, but are not limited to:

In papers and assignments:

- Using someone else's ideas or words without appropriate acknowledgement.
- Submitting your own work in more than one course without the permission of the instructor.
- Making up sources or facts.
- Obtaining or providing unauthorized assistance on any assignment (this includes collaborating with others on assignments that are supposed to be completed individually).

On test and exams:

- Using or possessing any unauthorized aid, including a cell phone.
- Looking at someone else's answers
- Misrepresenting your identity.
- Submitting an altered test for re-grading.

Misrepresentation:

- Falsifying institutional documents or grades.
- Falsifying or altering any documentation required by the University, including (but not limited to), medical notes.



All suspected cases of academic dishonesty will be investigated by the following procedures outlined in the *Code of Behaviour on Academic Matters*. If you have any question about what is or is not permitted in the course, please do not hesitate to contact the course instructor. If you have any questions about appropriate research and citation methods, you are expected to seek out additional information from the instructor or other UofT resources such as College Writing Centres or the Academic Success Centre.

### **Email**

At times, the course instructor may decide to communicate important course information by email. As such, all UofT students are required to have a valid UTmail+ email address. You are responsible for ensuring that your UTmail+ email address is set up AND properly entered on the ROSI system. For more information please visit <http://help.ic.utoronto.ca/category/3/utmail.html>

Forwarding your utoronto.ca email to a Hotmail, Gmail, Yahoo or other type of email account is not advisable. In some cases, messages from utoronto.ca addresses sent to Hotmail, Gmail or Yahoo accounts are filtered as junk mail, which means that important messages from your course instructor may end up in your spam or junk mail folder.

### **Blackboard and the Course Page**

The online course page for this course is accessed through Blackboard. To access the course page, go to the UofT Portal login at <https://portal.utoronto.ca/> and log in using your UTORid and password. Once you have logged in, look for the My Courses module where you'll find the link to all your course websites. If you don't see the course listed here but you are properly registered for the course in ROSI, wait 48 hours. If the course does not appear, go to the Information Commons Help Desk in Robarts Library, 1st floor, for help, or explore the Portal Information and Help at [www.portalinfo.utoronto.ca/students](http://www.portalinfo.utoronto.ca/students) and review the Frequently Asked Questions.

### **Recording Lectures**

Lectures and course materials prepared by the instructor are considered by the University to be an instructor's intellectual property covered by the Canadian Copyright Act. Students wishing to record a lecture or other course material in any way are required to ask the instructor's explicit permission, and may not do so unless permission is granted (note: students who have been previously granted permission to record lectures as an accommodation for a disability are, of course, excepted). This includes tape recording, filming, photographing PowerPoint slides, Blackboard materials, etc.

If permission is granted by the instructor (or via Accessibility Services), it is intended for the individual student's own study purposes and does not include permission to "publish" them in anyway. It is absolutely forbidden for a student to publish an instructor's notes to a website or sell them in any other form without formal permission.



## 6. Topics covered

- A. ***Introduction to Case Analysis, the Importance of Cash Flow and Income, and the Relationship between Strategy and Cost Management***
- B. ***Control in an Engineered Cost Center***
- C. ***Control in Revenue and Discretionary Cost Centers***
- D. ***Controlling costs through the value chain and segment reporting***
- E. ***Capital budgeting in Canada***
- F. ***Determining the cost of an ordinary product or service***
- G. ***Pricing strategies for ordinary products or services***
- H. ***Pricing strategies for internal trading***
- I. ***Performance Evaluation of Responsibility Centers***

***Note that although many topics may be covered in one week, some topics may take more or less time. A more detailed reading list with text references is found in the Case Writing Package available on the course web site.***