## GOVERNORS STATE UNIVERSITY
College of Business and Public Administration
Department of Accounting, Economics and Finance

<table>
<thead>
<tr>
<th>Course:</th>
<th>Accounting for Administrative Control</th>
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<tbody>
<tr>
<td>Prerequisites:</td>
<td>ACCT 301, Financial Accounting</td>
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<tr>
<td>Course No.:</td>
<td>ACCT 801</td>
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<tr>
<td>Index No.:</td>
<td>30069</td>
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<tr>
<td>Semester:</td>
<td>Spring 1993 Block III</td>
</tr>
<tr>
<td>Meeting Time:</td>
<td>Mondays and Wednesdays 7:30 - 10:20 pm</td>
</tr>
<tr>
<td>Instructor:</td>
<td>Dale M. Velkovitz MBA,CPA,CMA,ABD</td>
</tr>
<tr>
<td>Office:</td>
<td>COBPA ACCT/FIN/ECON Wing third floor last row make a right second office from the end</td>
</tr>
<tr>
<td>Office Hours:</td>
<td>Monday &amp; Wednesday 3:50-5:10 &amp; 6:20-7:30</td>
</tr>
<tr>
<td>Office Phone:</td>
<td>(708) 534-4970 (Voice mail on 4th or 5th ring)</td>
</tr>
<tr>
<td>Email:</td>
<td><a href="mailto:ACCY2918@VMD.CSO.UIUC.EDU">ACCY2918@VMD.CSO.UIUC.EDU</a></td>
</tr>
<tr>
<td>Secretary:</td>
<td>Mrs. Anita Werner (708) 534-4930</td>
</tr>
<tr>
<td>Grading</td>
<td>Item</td>
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<tr>
<td></td>
<td>Daily Quizzes</td>
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<td>Class Project</td>
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<td></td>
<td>Exam I</td>
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<td>Exam II</td>
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<td>total points</td>
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Course Description:
A semester of accounting for M.B.A. students interested in learning how managerial accounting is used in business organizations. The perspective of the course is that obtaining a "defensive" knowledge of managerial accounting is important to those who hope to succeed in corporate organizations. The output of the managerial accounting system pervades most organizations. Budgets, price schedules, performance reports, bonuses, decisions to out-source, move, expand, contract, sellout, etc. are often greatly affected by the managerial accounting system. By gaining an understanding of how this system works it is hoped that "better" decision making will result. This class will required 4 to 6 hours of your time per class session in addition to in-class time, please carefully evaluate your other commitments to determine whether you will be able to devote the time that is necessary to successfully complete this class.

Topics Include:
1. Cost accounting for production and decision making.
2. Information accumulation and analysis for short run decision making.
4. Analysis of costs/benefits for performance evaluation, pricing, inventory management.
5. Transfer Pricing in decentralized organizations.
6. Information accumulation and analysis for long run decision making.
7. A variety of other topics relevant to the understanding of cost accumulation, allocation and analysis.
8. Issues in cost estimation and cost prediction.
9. The role of accounting in the budgeting process.

Objectives:
1. Demonstrate familiarity with management accounting terms, concepts, models and methods.
2. Demonstrate ability to apply management accounting methods to achieve appropriate solutions for common management accounting problems.
3. Show how to determine the economic, reporting, and behavioral consequences of accounting based analyses.
4. Explain the nature of the differences in short run and long run prospectives in the use of management accounting methods.
5. Demonstrate familiarity with the quantitative techniques of analysis that are used to evaluate alternative decision choices.
6. Demonstrate familiarity with recent innovations in managerial accounting including Just In Time inventory management, Activity Based Costing, and Total Quality Control programs.
Homework:
For each class session read the assigned chapter(s). You should allow 3-4 hours for each classes reading assignment. Be sure to work through the example problems in the chapters. It may be necessary to read the chapters several times. For the date indicated prepare the assigned problems. Assigned homework solutions are on 2 hour reserve in the GSU library. You may obtain solutions to any other text problems from the instructor during office hours.

Office Help:
If you wish to borrow solutions to problems please stop by during office hours to do so. If you would like to receive additional assistance I am glad to help you as long as you follow the guidelines below. These guidelines are designed to help assure that both the student and the instructor make efficient use of office hour sessions.

Homework Guidelines:
1. Start each assignment on a separate sheet of paper
2. Clearly PRINT your first and last name in the upper right hand corner of each page.
3. Clearly identify each homework assignment chapter, problem number and date in the upper right hand corner of each page.
4. For any assignment requiring more than one page number the pages.
5. Clearly show and label all supporting schedules
6. Use only the front of each page.

Class Sessions:
Class sessions will follow a lecture and discussion format. We will review chapter materials, analyze homework problems, work through additional problems and discuss contemporary issues that pertain to cost accounting topics. Computer and video presentations will be used to demonstrate various accounting issues and techniques. Please bring your texts, calculator, notes, paper, pencils and eraser to each session.

Quiz and Test Form:
The tests and quizzes consist of some combination of problems, multiple choice questions and short essays. All exams are closed book, closed note events. Make up exams and quizzes will not be given. If you find that you must miss an exam the instructor must be notified in advance. There will be a quiz given each class session.

Late Policy:
Ten points are subtracted for each day that either the term paper proposal or the term paper are late. You may turn in either of these assignments at any class prior to the due date. Assignments are only accepted in person. Do NOT put any assignment in the mail box, under my door or on my desk, they will not be accepted.
<table>
<thead>
<tr>
<th>Topic</th>
<th>Chapter</th>
<th>Date</th>
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<tbody>
<tr>
<td>The Accountant's Role in the Organization</td>
<td>1</td>
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</tr>
<tr>
<td>Introduction to Cost Terms and Purposes</td>
<td>2</td>
<td>June 28</td>
</tr>
<tr>
<td>Cost-Volume-Profit Relationships</td>
<td>3</td>
<td>June 30</td>
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</tbody>
</table>

Independence Day Holiday Monday July 5th No Class meeting

<table>
<thead>
<tr>
<th>Determining How Costs Behave</th>
<th>10</th>
<th>July 7</th>
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<tbody>
<tr>
<td>Master Budgeting and Resp. Accounting</td>
<td>6</td>
<td>July 12</td>
</tr>
<tr>
<td>Relevance, Costs, and the Decisions</td>
<td>11</td>
<td>July 14</td>
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<tr>
<td><em>Project Proposal Due Today</em></td>
<td></td>
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<tr>
<td>Pricing Decisions, Product Profitability and Cost Information</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>Capital Budgeting and Cost Analysis</td>
<td>21</td>
<td>July 19</td>
</tr>
</tbody>
</table>

Exam I Chapters 1,2,3,10,6,11                             | July 21 |

Capital Budgeting a Closer Look                           | 22      | July 26|

Operations Management and The Accountant: Materials and Inventory | 23 | July 28 |

Management Control Systems: Choice and Application         | 13      | Aug 2  |

Systems Choice: Decentralization and Transfer Pricing      | 27      |        |
| Systems Choice: Performance Measurement and Executive Compensation | 28 | Aug 4  |
| * Term Paper due today *                                  |         |        |

Strategic Control systems                                 | 29      | Aug 9  |

Exam II Chapters 11,12,21,22,23,13,27,28,29               | Aug 11  |
<table>
<thead>
<tr>
<th>Date</th>
<th>Read</th>
<th>Do Text Homework</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 28</td>
<td>Chp 1,2</td>
<td></td>
</tr>
<tr>
<td>June 30</td>
<td>Chp 3</td>
<td>Chp 1: 23,29 Chp 2: 34,35,39</td>
</tr>
<tr>
<td>July 5</td>
<td>* No Class Independence Day Holiday *</td>
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</tr>
<tr>
<td>July 7</td>
<td>Chp 10</td>
<td>Chp 3: 24,27,28</td>
</tr>
<tr>
<td>July 12</td>
<td>Chp 6</td>
<td>Chp 10: 12,13,14,19,20,15</td>
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<tr>
<td>July 14</td>
<td>Chp 11</td>
<td>Chp 6: 34,36,47</td>
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<tr>
<td></td>
<td></td>
<td>* Written proposal is due today *</td>
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<tr>
<td>July 19</td>
<td>Chp 12</td>
<td>Chp 11: 14,16,25,21</td>
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<tr>
<td></td>
<td>Chp 21</td>
<td></td>
</tr>
<tr>
<td>July 21</td>
<td>* Exam I Chapters 1,2,3,10,6,11 *</td>
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<tr>
<td>July 26</td>
<td>Chp 22</td>
<td>Chp 12: 15,16,17</td>
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<td></td>
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<td>Chp 21: 12,14,16,19</td>
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<tr>
<td>July 28</td>
<td>Chp 23</td>
<td>Chp 22: 14,15,24,18</td>
</tr>
<tr>
<td>Aug 2</td>
<td>Chp 13</td>
<td>Chp 23: 16,17,18,20,23</td>
</tr>
<tr>
<td>Aug 4</td>
<td>Chp 27</td>
<td>Chp 13: 17,23,26</td>
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<tr>
<td></td>
<td>Chp 28</td>
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<tr>
<td></td>
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<td>* Term Paper/Project is due today *</td>
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<tr>
<td>Aug 9</td>
<td>Chp 29</td>
<td>Chp 27: 14,15,18,22</td>
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<tr>
<td></td>
<td></td>
<td>Chp 28: 13,14,23</td>
</tr>
<tr>
<td>Aug 11</td>
<td>* Exam II Chapters 12,21,22,23,13,27,28,29 *</td>
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</tbody>
</table>
The objective of the class project is to present a significant report on one or more topics covered in this class.

Your report must be your own original work written specifically for this class.

The report must be double-spaced and type-written. In general the length of your report should be in the 7-9 page range. Your papers must reflect a professional standard and be free of spelling and grammatical errors. Your grade will be reduced if spelling and grammatical errors are found. A class presentation of approximately 3 minutes is required.

Your written project proposal is due July 12. The one page proposal must be typed and include the title of your report, the purpose of your study, the scope of the report, materials, resources, interview subjects to be used and an explanation of why the study is relevant for this course. Class reports that do not conform to the proposal will not be accepted.

There are several approaches that may be taken. Below are a few suggestions.

1. Find an organization (For-profit or Not-for-profit) that will allow you to do a cost study. The study should clearly relate to a topic in the course. The study should include an in depth analysis of some aspect of the firms’ cost system at the current time. The study should include a complete description of the current system under study, an analysis of strengths and weaknesses, and proposed changes or additions to the system.

2. Interview cost/managerial accounting professionals. Arrange to interview 3 or 4 cost accounting managers, assistant controllers, budget directors or similar individuals. Prepare a list of questions that pertain to one or two topics covered in the class. Write up the questions, responses and your analysis of the interviews. Your evaluation and analysis must constitute at least 50% of the report.

3. Find 8-10 current articles concerning a class topic in practice or academic journals. Briefly summarize the major points of each article. Compare the articles. Point out the benefits and limitations of each. Indicate what the significance is of the articles taken as a whole. Your analysis must compromise at least 60% of the report.

4. Other idea are welcome. Write a brief (1 page) proposal and visit the instructor for approval.