Weatherhead School of Management,  
Case Western Reserve University

Accounting 413

PRELIMINARY SYLLABUS (Updates to Follow)  
Spring 2004

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Course Description (per catalog):  
This is an integrative case oriented course intended to examine the characteristics and elements of planning and control systems and the requirements for the development and implementation of such systems. Planning and control systems in service, nonprofit and multinational organizations are analyzed. The course explores the role accounting plays in the development and support of planning and control systems, and the problems and implications for developing accounting systems for different types of organizations. Prereq: ACCT 401 or MBAC 415.

Course Description and Objectives (per instructor):  
Management accounting is a supporting system that can help you, as a manager, to run a businesses or organization. This course will build upon your knowledge of microeconomics, organizational design and behavior, production, and logistics. You will explore how management accounting provides information for decisions and control activities managers commonly undertake.

We will consider issues relevant to the design and use of management accounting systems. Unlike financial accounting classes, we will not do any bookkeeping, nor will we concentrate on drafting financial statements for external parties (although some numbers we compute can and do appear on corporate financial statements). Management accounting concerns meeting the very different needs of internal users, and we will not be bound by GAAP or SEC disclosure requirements. You will instead be bound by intuition and critical thinking skills as we consider how to design, use, and evaluate accounting systems and techniques.

Course Materials  
Supplementary: Supplementary materials will be handed out in class or posted on Blackboard.
Course Approach
Management accounting seems especially prone to zealotry. Many management accountants (and teachers of the subject) advocate the use of certain accounting methods or systems almost to the point of blind faith, ignoring or minimizing key weaknesses or lack of proper context. In class we will consider the ‘best practices’ or most popular methods and systems, putting them to theoretical and contextual tests. For just as there are many different types of organizations and processes, there should evolve many different methods and systems to support them.

During the term, we will cover a few of the key cost accounting methods. The purpose of this is not to drown you in minutiae; it is to help you better use reported cost numbers through understanding how the accounting system generates them. Once armed with this knowledge, you can consider, for example, the measurement and motivational issues associated with these (and related) methods. Relatively soon in the semester we will begin to examine cases simultaneously with new material, with many cases serving to integrate key concepts and method-related issues. Therefore, the material is cumulative by nature, and keeping up with the work becomes quite important to your success in the class.

Course Evaluation
You will earn a grade based on five activities, as follows:

1. Class Participation 20%
2. Homework Portfolio 20%
3. Midterm Exam 20%
4. Case Presentation 20%
5. Final Exam 20%

Note that the activities are equally weighted. Each of these activities requires a significant amount of preparation and time, while emphasizing slightly different skills.

1. Class Participation
You will take the most from this class when you actively participate. I structure class periods to facilitate discussion and debate among all class members (including me). I take my cue in part from my 8-year-old daughter, who asks her mother and I “Why?” questions in a never-ending spiral. While this is a bit irritating at times for us, her curiosity serves her well in understanding how the world works, and how she can use this to craft solutions to problems. Your ability to more fully understand businesses and processes will provide rich context with which to solve the problems you will face as a businessperson.

Attendance alone will not suffice to bring you success for this activity. You must regularly contribute to class discussions, ask significant questions (not verification or off-topic), and otherwise show that you are living, breathing, and thinking. The exercises and cases we cover in class will, for the large part, not come from the Garrison and Noreen text. I will hand them out the week before they are covered in class. You should read them (usually once lightly and then once in more detail works well), think about the issues to be highlighted in class, prepare any analyses that you think may be relevant, and come ready to chat.
2. Homework Portfolio
You will earn homework points on the problems you choose to do from the end of each chapter we cover. The homework assignment for this class is done portfolio-style (or menu-style, if you wish). I have selected a few problems from each chapter. From these selected homework problems, you can choose whichever combination of problems that have possible points summing to a total for each unit we cover. It is your responsibility to monitor the possible points you can earn with the problems you select. While I encourage you to do all of the problems for practice, only those that meet the portfolio total are formally graded. (In other words, no, you won’t receive extra credit for doing more problems than those needed to meet the total.) Homework problems are graded 50% on effort, and 50% on content quality.

3. Midterm Exam and 5. Final Exam
The midterm exam will be split in two parts: one testing you on relatively basic concepts, and one requiring you to think more generally about issues, and start to integrate what you have learned to date. The final exam will be entirely oriented around higher-level concepts and application of them in various contexts. You may bring a calculator to both exams. For both the midterm and the final exam, make-ups will only be given when proper notice has been given in advance of a conflict with exam dates. If you miss the midterm exam, the points from it will be added on to the final exam.

4. Case Presentation
Each of you will take part in the team preparation and presentation of a case. Your team will be in charge of leading the discussion of the case for one class period. Details of this assignment will be distributed later.

Teaching Ethics
What you learn about ethics as an adult is usually based on your own personal experiences and observation of others’ experiences. Therefore, I take two approaches to giving you relevant ethical experiences in class. Interwoven with the class content are several examples, exercises, and some of my own personal experiences. These are meant to inform you of some of the issues and situations that you may well face in a professional environment, and the short and long-term consequences of the various actions you might take. When you are fully informed about the context and all consequences of decisions, you’re a better decision maker, regardless of the ethical forces acting on you.

In addition, I (try to) structure the class to minimize the ethical conflicts of interest that you might face. This includes informing you of the consequences of violating class policy, stated in proper legalese: You are expected to be familiar with and adhere to the University’s academic honesty standards. If you are unfamiliar with these standards, it is your responsibility to learn them. Please check with me if you are unsure about any aspect of these standards or how they apply to particular assignments. You may work on homework problems in study groups. However, the exams are individual assignments, and thus should reflect only your own work. Cases are assigned to individual teams, which should not work together or consult with one another on the required materials. I will tolerate no cheating, plagiarism, or any other form of unacceptable behavior on these assignments. Any suspected cases of academic dishonesty will automatically be turned in to the WSOM disciplinary process.