University of Otago
ŌTĀKOU WHAKAIHU WAKA

ACCT 222
Cost and Management Accounting

Course Outline | Whakamārama Akoraka

Semester Two 2024

Department of Accountancy and Finance

Otago Business School – Te Kura Pakihi

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Course Description and Aims | *Whāinga o te Akoranga*

ACCT 222 aims to provide students with an understanding of, and ability to produce and apply cost and management accounting information that is used in planning and control of organisations (with special reference to New Zealand organisations). Emphasis is placed on mastering the topics of budgeting, variances and performance evaluation, relevant costs for decision making, pricing, treatment of overhead and allocations, and considering the influence that human behaviour and strategic direction have on those processes and the use of this cost accounting information.

Prerequisites:
ACCT 102 and (BSNS 107 or 115) and 54 further points from Commerce Schedule C

Learning Outcomes | *Hua Akoranga*

Upon successful completion of this paper, you should have achieved:

1) An understanding of and ability to calculate and apply the costing techniques under **Core Topics** listed below.
2) An understanding of the interrelationship of these costing techniques with other business functions (e.g. marketing, human resource management, strategy) and their role in real organisations, with special reference to New Zealand organisations.
3) Problem-framing and analytical skills, information seeking and retrieval skills, problem-solving skills. More specifically you will be able to:
    i. Critically evaluate a previously unseen organisational situation for its cost and management accounting issues.
    ii. Formulate clear ideas about the problems and issues involved, and about any likely further information and knowledge that might be required to deal with the issues identified.
    iii. Gather the necessary information and knowledge and re-formulate an understanding of the issues.
    iv. Apply any necessary analysis and understanding to formulate alternatives to resolve the identified issues. Be aware of the strengths and weaknesses of various alternative courses of action.
    v. Recommend a set of actions to resolve the issues.
4) More independence and self-direction in your approaches to learning.
5) An improvement in teamwork skills.

These learning outcomes concur with the following attributes described in the University of Otago Graduate Profile: Information literacy, Critical thinking, Scholarship, Integrated Business Knowledge, Communication, Teamwork and Self-motivation. (https://www.otago.ac.nz/courses/the-university-of-otago-graduate-profile).

Core topics:

A) Relevant costing
B) Cost - volume - profit analysis
C) Cost allocation
D) Budgeting and standard costing
E) Strategic and behavioural management.

The terms and concepts under these topics will arise during the course. **However, every week, you are expected to do a considerable amount of reading on these topics for yourself.** Most readings will be from the required textbook for the course (DR17, see page 7), but for some topics and for the case studies, students will need to research in other cost accounting texts (see Close Reserve in Central Library), management and marketing texts, accounting journals (both hard-copy and e-journals), materials on e-reserve on Blackboard and on the internet. MyAccountingLab (see page 7) is also extremely useful for practice of technical examples and is highly recommended.

Teaching Team | *Kaiako*

Paper Coordinator
Name: Dr Hoa Luong
Office: OBS 414
Email: hoa.luong@otago.ac.nz
Office Hours: Tue: 2 – 3 pm; Thu: 4 – 5 pm

Lecturer
Name: Dr Iki Mafi Uele
Office: OBS 408
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Office Hours: Wed: 1 -2 pm; Thu 9 – 10 am

Iki is the lecturer and seminar facilitator for the first half of the semester.
Hoa is the paper coordinator, lecturer, and seminar facilitator for the last half of the semester.

Course Information | *Mōhiohio akoranga*

Lectures:

Monday: 10 - 10.50 am (1 hour)	Location: TBA
Tuesday: 12 - 1.50 pm (2 hours)	Location: TBA

Lectures present the key conceptual material with illustrations. Lectures are supported by readings. It is to your benefit that you read the suggested readings and attempt questions **before** each lecture. Lecture outline will be uploaded prior to the lecture. These are **not comprehensive** slides and are **not substitute** for the lecture.

Seminars: one of the below:

Seminar Stream	Time	Location
A1	Friday 09 – 9:50 am	TBA
A2	Friday 10 – 10:50 pm	TBA
A3	Friday 12 – 12:50 pm	TBA
A4	Friday 01 – 01:50 pm	TBA
A5	Friday 03 – 03:50 pm	TBA
A6	Friday 04 – 04:50 pm	TBA

Seminars are used for practice of further examples related to the lecture content, for discussion of related topics, and for student business case presentations. For best learning, students should attempt the specified questions before coming to the seminar class.

Seminars start in Week 1 of the course. Seminars are as important as the lectures and should not be missed. Students are required to stay in the same stream throughout the course.

Seminar Stream changes: If you have a valid reason to necessitate a seminar stream change (e.g. due to a timetable clash due to late enrolment after formal Course Approval), then email Accountancy Finance accountancyfinance@otago.ac.nz or go to **5th floor OBS reception** between **2 -4pm each day for the first 2 weeks of semester**. You must provide a valid reason to **change, paper code and student I.D**. This **must be completed by Wednesday 24th July** as **group allocation occurs within the seminars on 26th July**. We intend to keep the number of students in seminar classes balanced so that the groups for group case studies are of suitable size.

If a student misses a class, it is their responsibility to catch up on what happened during the class and take steps to learn the material. All topics covered in the course are potentially examinable.

The course calendar details semester dates, lecture and seminar topics, readings, and assessment related scheduling information. Note that this calendar may change as the course proceeds.

Learning Resources | *Rauemi Ako*

Essential Resources
Required Textbook - Datar, S. M., and Rajan, M. (2021). *Horngren's Cost Accounting: A Managerial Emphasis,* **17th edition (Global Edition)**, Essex, England, Pearson Education. (=DR17). It is available either as (with estimated price):

- Hard copy (https://www.pearsoned.co.nz/9781292363073 or University Book shop)
- e-text (https://www.pearsoned.co.nz/9781292363165)
- Hard copy + MyAccountingLab access (University Book Shop)
- e-text with MyAccountingLab access (https://www.pearsoned.co.nz/9781292363226)

Optional Resource
Recommended: MyAccounting Lab (MAL)
MAL is a computer-based interactive learning and practice set available on http://www.pearsonmylabandmastering.com. To access MAL, you need a student access code which is available with purchase (see above). The course code **luong75877.** Full instructions can be found on Blackboard.
All readings and exercises will be specified in terms of the pages and exercises in DR17).
Hard copies of the required textbook, the Student Solutions Manual (even-numbered questions) to HDR13 (13th edition, before the advent of MyAccountingLab), a student study guide and a range of other useful cost and management texts are available under Course Reserve at the Central Library.

Blackboard

We use Blackboard https://blackboard.otago.ac.nz/ for teaching, learning, community building and knowledge sharing.

Course Calendar | *Maramataka*

	Week	Monday lecture	Tuesday lecture	Friday seminar	Assessment Tasks
1	Mon 15 July	Introduction to Cost and management accounting Reading: Chap 1	1. Cost terms 2. Decision making and relevant information Reading: Chaps 2, 12	**Practice:** Decision making and relevant information	"What do I know already?" Self-test Quiz 1 (answers on Blackboard)
2	Mon 22 July	Determining how costs behave: cost function. Reading: Chap 10	Cost - Volume - Profit and sensitivity analysis Reading: Chap 3	1. Group allocation 2. Industry allocation 3. Group discussion in preparation for case study:	

				TQM, kaizen, benchmarking, product lifecycles, BCG and SWOT Reading: pg 25, 236, 280-82, Blackboard / internet	
3	Mon 29 July	Job/product costing Reading: Chap 4	Job/product costing (cont.) Reading : Chap 4	Business case study approach **Sample case:** Craddock Cup	
4	Mon 4 August	Activity based costing. Reading: Chap 5	1. Activity based costing (cont.) 2. Customer profitability analysis Reading 1: Chaps 5,15	**Case study:** Breeden Electronics A	Problem 1 released on Tue and due on Friday.
5	Mon 12 Aug	Allocation of support department cost Reading: Chap 16	Allocation of support department cost (cont.) Reading: Chap 16	**Practice:** Costing methods	
6	Mon 19 Aug	Strategy and pricing decisions Reading: Chap 13,14	Strategy and pricing decisions (cont.) Reading: Chap 13,14	**Practice:** Strategy and pricing decisions	
7	Mon 26 Aug	Cost allocation: joint products and by-products Reading: Chap 17	Cost allocation: joint products and by-products (cont.) Reading: Chap 17	**Practice:** Joint products and by-products	Problem 2 released on Tue and due on Friday
Mid Semester Break 2 September – 6 September					
8	Mon 9 Sep	Budgeting: master budget and flexible budgets variances Reading: Chaps 6,7	Budgeting: flexible budgets and direct-cost variances (cont.) Reading: Chap 7	**Case study 1:** Group 1 **Practice:** flexible budgets and direct-cost variances	Case report due on Friday “What do I know already?” Self-test Quiz 2 (answers on Blackboard)
9	Mon 15 Sep	Budgeting: flexible budgets and overhead cost variances Reading: Chap 8	Budgeting: flexible budgets and overhead cost variances (cont.) Reading: Chap 8 continued	**Case study 2:** Group 2 **Practice:** overhead cost variances	Case report due on Friday

10	Mon 23 Sep	Budgeting: sales variances Reading: Chap 4	Budgeting: sales variances (cont.) Reading: Chaps 15	**Practice:** sales variances	Problem 3 released on Tue and due on Friday.
11	Mon 30 Sep	Inventory management: Just-in-time. Reading: Chap 21	Determining how costs behave: learning curves. Reading: Chap 10	**Case study 3:** Group 3 **Practice:** learning curves	Case report due on Friday
12	Mon 7 Oct	Inventory costing. Reading: Chaps 9	Life cycle costing Reading: Chaps 14	**Case study 4:** Group 4 Practice: inventory costing	Case report due on Friday
13	Mon 14 Oct	Performance measurement and incentives Reading: Chaps 24	Revision	**Case study 5:** Group 5 **Practice:** Performance measurement and incentives	

Assessments | *Aromatawai*

All material presented is examinable (except were stated otherwise) by assignments and the final examination. All-important assessment information such as due dates and times, content, guidelines and so on will be discussed at lectures and, where appropriate, detailed on Blackboard. *Students are responsible for ensuring that they are aware of this information, keeping track of their own progress, and catching up on any missed classes.*

Details of the assessment tasks follow:

1) Three Problems - 24%.

The three problem marks will count for 24% of your total course grade. No assistance will be provided by the ACCT 222 teaching staff (do NOT email them). Students can work together on the solving of the problem, but the submitted problem answer must be the student's own work and typed or handwritten by that student alone. **Late submission will not be accepted.**

2) Group Case Study - 21%.

There is no option with this activity. This consists of:

- Case report (9%)
- New Zealand business poster (4%)
- Presentation (8%)

You will be randomly allocated to a group. Case study requirements are discussed in more detail in the Case Study Approach document on Blackboard.

4) Final Exam - 55%.

3 hours long consisting of 4 questions. Further details will be provided one month before the examination. You will be provided with a formula sheet. Only the List A University approved calculators (**Casio FX82, Casio FX100, Casio FX570, Casio FX95 and Sharp EL531**) are allowed to be used in the ACCT 222 final examination.

Assessment	Due date	% of final grade
Problem x 3	See course calendar	24%
Group Case Study – report and presentation	See course calendar	21%
Final Exam	TBA	55%
TOTAL		100%

Aligning Learning Outcomes with Assessments

Learning Outcome	Three problems	Group Business case	Exam	Total
1) Understand, calculate and apply specified costing techniques.	√	√	√	
2) Explain the implications of specified costing techniques in business functions.	√	√	√	
3) Develop problem-framing and analytical skills, information seeking and retrieval skills, problem-solving skills.	√	√	√	
4) Develop independence and self-direction in approaches to learning.		√		
5) Improve teamwork skills.		√		
Total	20%	25%	55%	100 %

Grading System

The grading scheme used at Otago is:

A+	90-100	**C+**	60-64
A	85-89	**C**	55-59
A-	80-84	**C-**	50-54
B+	75-79	**D**	40-49
B	70-74	**E**	<40
B-	65-69		

Expectations and Workload | *Te Nui o te Mahi*

This course conforms to the 18-point course format comprising approximately 180 hours spent in class, private study, preparing assignments, and other activities.

We expect you to come to each session of lectures and seminar prepared. You should have pens, paper, and a networked device.

Course Requirements | *Ko ngā whakataunga me ngā paearu*

To successfully complete the course**, a student must achieve at least 45% on the final exam**. **Exceptional internal marks will not be used to cross subsidise poor final examination performance. If students achieve less than 45% in the final exam but their calculated course marks are greater than 50% then they will still fail the course, and this will be designated by the words "Failed compulsory assessment" on their final course results.**

In our experience, failure of the course is usually due to failure to achieve the minimum mark on the exam, not poor internal assessment marks.

Terms requirements:

To be eligible to sit the final exam, students must have:

1) Participated in group case study report and presentation.
2) Attended at least 2 of the other presentations that they do not present.

Referencing | *Tohutoro*

In this course, we accept any referencing style listed on the University Library website. Referencing showcases your commitment to academic integrity and respect for other scholars' work. Accurate referencing not only demonstrates your scholarly diligence but also enables readers to trace the sources you've used, enriching the academic conversation.

To master the referencing style, visit the University Library website for comprehensive style guides: http://otago.libguides.com/citation_styles.

Academic Integrity | *Pono-ā-wānanga*

Academic integrity means being honest in your studying and assessments. It is the basis for ethical decision-making and behaviour in an academic context. Academic integrity is informed by the values of honesty, trust, responsibility, fairness, respect and courage.

Students are expected to be aware of, and act in accordance with, the University's Academic Integrity Policy.

Academic Misconduct, such as plagiarism or cheating, is a breach of Academic Integrity and is taken very seriously by the University. Types of misconduct include plagiarism, copying, unauthorised collaboration, submitting work written by someone else (including from a file sharing website, text generation software, or purchased work) taking unauthorised material into a test or exam, impersonation, and assisting someone else's misconduct. A more extensive list of the types of academic misconduct and associated processes and penalties is available in the University's Student Academic Misconduct Procedures.

It is your responsibility to be aware of and use acceptable academic practices when completing your assessments. To access the information in the Academic Integrity Policy and learn more, please visit the University's Academic Integrity website at **www.otago.ac.nz/study/academicintegrity**, or ask at the Student Learning Centre (HEDC) or the Library, or seek advice from your paper co-ordinator.

For further information:
Academic Integrity Policy
http://www.otago.ac.nz/administration/policies/otago116838.html

Student Academic Misconduct Procedures
http://www.otago.ac.nz/administration/policies/otago116850.html

Class Representatives | *Māngai mō te Akoranga*

The class (or student) representative system is an avenue for encouraging communication and consultation between staff and students. It provides you with a vehicle for communicating your views on the teaching and delivery of the course and provides staff with an opportunity to communicate information and gain constructive feedback from students. It contributes to developing a sense of community within a department and adds a further dimension to the range of support services offered to students.

Volunteers for class representatives will be called early in the semester. The OUSA invites all class representatives to a training session conducted by OUSA about what it means to be a class representative, and some of the possible procedures for dealing with issues that arise. They also provide information on the services that OUSA offers and the role OUSA can play in solving problems that may occur. The OUSA provides support to class representatives during the semester. Department staff will also meet with class representatives during the semester to discuss general issues or matters they wish to have considered.

Your class representative's name and contact details will be posted on Blackboard early in the semester.

Disclaimer | *Kupu Whakatonu*

While every effort is made to ensure that the information contained in this document is accurate, it is subject to change. Changes will be notified in class and via Blackboard. Students are encouraged to check Blackboard regularly. It is the student's responsibility to be informed.