

SYLLABUS REVISED JUNE 26, 2004

Accounting II (Managerial Accounting)

Instructor	Professor Sudhakar V. Balachandran 620 Uris Hall Phone: 212-854-4582, Fax: 212-316-9219, svb34@columbia.edu
Office Hours	TBA
Assistants	Ms. Wendy Li, Mr. Eric Hall West cubicle 6 th floor Uris Hall
Teaching Assistants	Mr. Marc Badia, mb2323@columbia.edu Mr. Sharon Katz, sk2280@columbia.edu Mr. Ron Shalev, rs2258@columbia.edu
Review Sessions	TBA

Objective: The purpose of this course is to provide a graduate level overview of managerial accounting.

The course focuses on using accounting information to:

- 1. Measure profitability and performance*
- 2. Analyze critical business decisions*
- 3. Manage in centralized and decentralized settings*

The prerequisite for this course is the successful completion of the Accounting I core course at Columbia Business School.

Text: Horngren, Foster, and Datar, *Cost Accounting- A Managerial Emphasis*, Columbia Custom Edition (version 3, light blue and gray cover). Relevant readings and practice problems will be assigned from this text.

Website: You may access the course website through the BOLD System

The website will contain updated information about the course, as well as downloadable copies of class handouts.

Course organization: To enhance class participation, please make sure that you have skimmed the assigned readings in the textbook *before* class. Class time will primarily be a mix of discussion, lecture, and case analysis.

Grading: Your course grade will be determined as follows:

Final exam	60%
Homework (4 assignments – 7.5% each)	30%
Class Participation	10%

There are 5 homework assignments for this course. In order to receive full credit for course homework, you must successfully complete 4 out of the 5 assignments. While you are only required to complete 4 of the 5 homework assignments, you are responsible for all the material covered in those assignments.

Final Exam: The final will be closed book. You will be allowed to bring in one page of notes (double sided). You will need a calculator. Computers will not be allowed.

Homework Submissions: During the course there will be 5 homework assignments. You may work on these in groups of up to 4 people. Be sure to indicate the names of each group member and section/cluster affiliation in order to ensure that you receive credit for the case memos. ***Homework must be submitted before class. Late submissions will not be allowed.*** Please also bring an extra copy of your memo to class for your reference.

Course Outline

1. Module 1
Introduction, Control in organizations
(June 26, 2004)

Readings: HFD Ch. 1 & 2 (Skim)
Simons, R. “Control in an age of empowerment.”

Case: *Kidder Peabody & Co, Creating Elusive Profits*

Assignment: *Submit Assignment #1, (Due June 26)*
Practice Problems: *HFD: 2-18, 2-21*
2. Module 2
Performance Measurement and Shareholder Value *(July 9, 2004)*

Reading: HFD Ch. 23

Case: *Vyaderm, Mission Impossible*

Assignment: *Submit Assignment #2 (Due July 9)*
Practice Problems: *HFD: 23-18, 23-22, 23-33*
3. Module 3
Non-Financial Performance Measurement, Centralized Decision Making, and Cost Information *(July 10)*

Reading: Kaplan, R., and Norton, D., “Linking the Balanced Scorecard to Strategy.”

HFD Ch. 11

Case: *Citibank, Very Specialized Bicycles Co.,*

Practice Problems: *HFD: 23-27, 11-18, 11-22, 11-24*

4. Module 4 **Absorption Costing, Variable Costing and Activity Based Costing, Intro. to Budgeting**
(July 23)
- Reading: Cooper, R, and Kaplan, R., “Measure Costs Right: Make The Right Decisions.”
Kaplan, R, “Using ABC to Manage Customer Mix and Relationships.”
Balachandran, B. V. “Strategic Activity Based Accounting.”
- HFD Ch 5, Ch 9 (skim pages 290-299),
- Cases: *Destin Brass, Kanthal*
- Assignment: *Submit Assignment #3, (Due July 23)*
Practice Problems: *HFD: 5-18, 5-20, 5-35, 5-37*
5. Module 5 **Budgeting, Variance Analysis, and Intro. To Transfer Pricing**
(August 6)
- Reading: HFD Ch 7
- Cases: *Domingo Cigars, Beanie Kids Holiday Camp.*
Assignment: *Submit Assignment #4, (Due August 6)*
Practice Problems: *HFD: 7-16, 7-17, 7-19*
6. Module 6 **Complete Transfer Pricing, Integration, and Course Review** (August 7)
- Reading: HFD 22
- Case: *Sub-Micron, Birch Paper*
- Assignment: *Submit Assignment #5 (Due August 7)*
Practice Problems: *HFD 22-16, 22-25, 22-26, 22-33*
- Final** **Final Exam– Date and Time To Be Announced.**