



Adult Degree Completion Program

**Asbury College ACHIEVE
Program Student Guide
MGT 370
Accounting for Managers**

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Asbury College Mission Statement

Statement of Mission: The mission of Asbury College, as a Christian Liberal Arts College in the Wesleyan-Holiness tradition, is to equip men and women, through a commitment to academic excellence and spiritual vitality, for a lifetime of learning, leadership and service to the professions, society, the family and the Church, thereby preparing them to engage their cultures and advance the cause of Christ around the world.

Asbury College is intentional about outcomes. The College seeks to produce students who are academically equipped to meet the real challenges of faithful, responsible and contributive living in their world. Asbury College is committed to producing women and men who will realize their full potentials for leadership and service, who are confident in who they are, and who will negotiate their life's journey with insight, courage, and joy. The total learning experience is intended to produce students who appreciate the life of the mind and are capable of thinking critically. The College seeks to produce students who can read, speak and write effectively and who will be lifelong learners—'empowered, informed and responsible.'

The College endeavors to promote the development of a clear sense of commitment to Christ, to nurture a reasoned, resilient, and formidable faith, and to give students the tools of understanding they require to respond fully to God's call upon their lives. Students are encouraged to examine their faith, to cultivate a personally owned faith, to enter into an experience of scriptural holiness, and to develop a capacity for responding to life's realities with intelligence, creativity, moral responsibility, and compassion – students with servant hearts and a concern for others.

Asbury College Achieve Mission Statement

The mission of the ACHIEVE Program is to provide a quality academic program, within a Christian context, that equips nontraditional students to achieve professional excellence in their chosen field. The ACHIEVE Program prepares students for leadership and service to others, cultivates attitudes of lifelong learning, and fosters spiritual development.



Adult Degree Completion Program

MGT 370

Accounting for Managers

Letter to the Student from the Instructor

Many, if not all of you have been dreading this accounting course. Rest easy... you will survive! This course is designed to help you gain an understanding of what accountants do and why they do it. It is not intended to teach you how to be an accountant, but more so to teach you the terminology to better communicate with accountants and to provide you with tools to analyze and utilize the economic data produced through the accounting process. It is designed on the premise that you have had no or minimal exposure to accounting.

Each week you will have case studies and writing assignments to challenge you to apply the concepts presented to you in the reading and class discussion. The concepts that you learn are applicable to both your personal and professional life. As you go through your assignments, I would challenge you to go beyond the required reading and demonstrate your understanding of these concepts in your responses.

Do not be intimidated by this course and the concepts that will be reviewed. If you are struggling with an assignment or concept, utilize online tools, the PowerPoint slides, your classmates and your instructor as resources. The business world is a collaborative and resourceful environment and this class should be no different. You are encouraged to make use of the resources that you would have available to you in "the real world." Don't be afraid to use them!

I'm sure that you are all excited that there is no final exam for this course. The final project will act as a capstone for your learning experience, but don't wait to start working on it. The interim due dates are designed to help you stay on schedule and obtain feedback from your instructor on your progress.

I hope that by the end of this course you can appreciate what accountants do and how you can use the information that they provide to benefit you both personally and professionally.

Emily Walsh, MBA

Syllabus

Course Name: Accounting for Managers

Course Number: MGT 370

Text and Required Materials:

Bruns Jr., William J. *Accounting for Managers: Text and Cases*. Third Edition. Mason, OH: Thomson South-Western, 2005. ISBN: 0-324-29121-3.

Student Resources:

Student's CD-ROM – This CD includes PowerPoint slides of the text reading assignments and Excel spreadsheet templates for the assigned case studies.

principlesofaccounting.com – This website provides a complete text online. Chapter 1 and a portion of Chapters 16 & 17 will be used for assigned reading. This text can also be used as a more in-depth resource for other topics during this course.

The online text is divided into three sections: Financial Accounting, Understanding/Using Accounting Information, and Managerial Accounting. Financial Accounting and Understanding/Using Accounting Information will be covered in a condensed version during weeks 1 and 2. Managerial Accounting will be reviewed during weeks 3 and 4.

Asbury College received permission from Dr. Larry Walther, author of principlesofaccounting.com, on October 26, 2007 to use information from the text in the Power Point slides provided to students.

If there are any issues accessing this website or any other website referenced in the Student Guide, please contact the instructor.

Course Description:

A study of what accountants do and why they do it, designed to help managers utilize the reports and information available as effectively as possible.

Course Objectives:

The students will:

1. Have an understanding of the role of accounting and the impact that this has on non-financial managers. Chapters 1 & 17 (principlesofaccounting.com)
2. Be familiar with the accounting framework and how it is used in evaluating economic conditions and success and in decision making in organizations. Chapter 1 (principlesofaccounting.com), Part 1 (Bruns)
3. Have a sense for the conceptual basis of accounting as it is carried out in organizations today. Part 2 (Bruns)

4. Be familiar with financial statements, accounting reports, and the vocabulary found within them. Chapter 1 (principlesofaccounting.com), Part 1, 2 & 3 (Bruns)
5. Have a sense of how managers use a reporting strategy in communicating with each other and with parties external to their organization. Part 3 (Bruns)
6. Understand the complexity of determining and using information on the cost of products and services produced by the organization. Part 4, 5 & 6 (Bruns)
7. Understand the power of measurements in coordinating, motivating, and evaluating the activities of employees and managers in modern organizations. Part 7 (Bruns)

Student Evaluation

Students will be evaluated under the College's standard grading system. Refer to the Student Handbook or the College Catalog for additional details. The criteria for grading will be as follows:

1. (15%) Completion of case studies assigned as "complete questions" (see Required Assignments for assignments per week).
2. (15%) Completion of writing assignments (see Required Assignments for assignments per week).
3. (20%) Attendance and participation in class discussion and group activities. The criteria will be the quality and contribution to the class.
4. (50%) Project (see Final Project for details)

Case Studies: The assigned case studies will be used as part of the classroom discussion for this course. Case studies assigned as "complete questions" will also be collected after the class period. Questions for the case studies are either included at the end of the case or in your Required Assignments. *There are additional case studies included in the text; reviewing the unassigned case studies is optional reading.*

Writing Assignments: The writing assignments should be typewritten in a professional business format (i.e. headings/sub-headings). There is no page requirement for these assignments; however, ensure that all questions for the assignment are answered. Students are encouraged to apply class material and real-world examples in answering the questions.

Cite Resources: Use of material written by another person without giving credit to that person is plagiarism and will result in an "F" for the assignment. When using somebody else's work with either a direct quote or paraphrase, cite the resource within your paper. Instructions for citing a resource and preparing a works cited page are available on the Web.

Attendance: Adhere to the policy regarding class attendance in the ACHIEVE Program as written in the Asbury College Bulletin. Any class missed must be made up. The professor will assign an additional writing assignment or case study related to topics reviewed during the missed class. The student must turn in the assignment one week after the missed class in order to receive full participation points. The student is obligated to contact the instructor in case of any absence or tardiness.

Late Work or Work Not Handed In: Any case study, written assignment or Final Project handed in after 6 p.m. on the due date will result in a reduction of the grade for that item. Any item not turned in will result in an "F" for that item and a reduction of the grade for the course.

Final Exam: There is no final exam for this course. The Final Project will be the final assignment for this course. *Work on the Final Project should begin immediately by selecting a public company for the project.*

Required Assignments

Final Project

Every student must complete a Final Project. Students are allowed to use any material or talk to any person to develop the Final Project. Any references to the work of another person must be cited within your project.

The Final Project is “The Financial Reporting Project” case in the Brun Text, pages 1-72 to 1-77. The text indicates that this case is for a group project; however, it will be completed individually for this course. Otherwise, the case should be completed in accordance with the text instructions, including page requirements outlined on page 1-73.

Each student will review a publicly traded company approved by the instructor. No two students can analyze the same company. As a result, the student’s top two choices should be provided to the instructor at the first class. Companies will be formally assigned by the end of the first class.

The project is divided into three phases to ensure that the student is on track and to allow the instructor an opportunity to provide feedback for the next phase. Progress Report 1 (page 1-74) is due at the second class and will be returned to the student at the Week 3 class. Progress Report 2 (page 1-75) is due at the fourth class and will be returned at the Week 5 class. Progress Report 3 (pages 1-76 to 1-77) is due one week after the final class session.

The progress reports should include a cover page with the student’s name, course name and number, instructor’s name and the due date. The structure of each progress report should follow the outline presented in the text for that report. For example, Progress Report 1 should include sub-headings for “Company Background,” “Developments relating to the Company,” etc. Students are encouraged to use external resources to support ideas and findings.

Chapter 16 in the principlesofaccounting.com text is a good resource to use when completing the financial ratio analysis questions in Progress Reports 2 and 3.

Week One

1. Reading Assignment:

- A. Letter to Students (in the Student Guide)
- B. principlesofaccounting.com*:
 - Chapter 1
 - Chapter 17 (“Managerial Accounting” and “Planning, Directing and Controlling” sections only)
- C. Bruns Text:

- Introduction (page xii)
 - The Accounting Framework, Financial Statements, and Some Accounting Concepts (page 1-2)
 - Maria Hernandez & Associates (page 1-16)
 - Introduction to Accounting Records (page 1-19)
 - Monterrey Manufacturing Company (page 1-42)
 - Introduction to Financial Ratios and Financial Statement Analysis (page 1-50)
 - The Financial Reporting Project (1-72)
- D. “No More Mr. Nice Guy” (on the cfo.com website)
- E. “A Tough Act to Follow” (on the cfo.com website)
2. Writing Assignment 1**: Describe your perceptions of what accounting is and what accountants do. What are your expectations for this course?
3. Case Studies:
- A. *Maria Hernandez & Associates* – Complete questions on page 1-18 (use Excel template)
 - B. *Monterrey Manufacturing Company* – Be prepared to discuss in class (completed template available for review)
4. Writing Assignment 2: In response to the articles “No More Mr. Nice Guy” and “A Tough Act to Follow,” develop a written response to the following questions:
- A. What is Sarbanes-Oxley and why was it established?
 - B. How has this Act impacted today’s business world? How has it changed the role of auditors?
 - C. Does the cost of Sarbanes-Oxley have a real impact on the competitiveness of publicly traded companies?
5. Final Project: *The Final Project is “The Financial Reporting Project” case in the Bruns Text, pages 1-72 to 1-77.* Select your top two choices of publicly traded companies that you want to use for your final project.

**If there are any issues accessing the websites referenced in the Student Assignments, please contact the instructor.*

***Writing Assignment 1 will be treated as part of the Participation grade for week one.*

Week Two

1. Reading Assignment:

A. Bruns Text:

- Accounting for Current Assets (page 2-2)
- The Question of LIFO or FIFO; Which Is Preferable (page 2-13)

- Recognizing Revenues and Expenses: When Is Income Earned? (page 2-17)
- Circuit City Stores, Inc. (page 2-21)
- Accounting for Property, Plant, and Equipment and Other Assets (page 2-33)
- Liabilities and Time (page 2-73)
- Introduction to Owners' Equity (page 2-99)
- Solving the Puzzle of the Cash Flow Statement (page 2-107)
- Crystal Meadows of Tahoe, Inc. (page 2-121)

2. Case Studies:

- A. *The Question of LIFO or FIFO; Which Is Preferable* – Be prepared to discuss in class (completed template available for review)
- B. *Circuit City Stores, Inc.* – Be prepared to discuss in class
- C. *Crystal Meadows of Tahoe, Inc.* – Complete questions on page 2-122 (use Excel template)

3. Writing Assignment: There is no writing assignment due.

4. Final Project: Progress Report 1 is due (page 1-74). Be prepared to discuss the results of your report in class.

Week Three

1. Reading Assignment:

A. Bruns Text:

- Auditors and Their Opinions (page 3-2)
- Accounting's Global Rule Book; When it Comes to the Numbers, Why Can't the World Agree? (page 3-9)
- Diversity in Accounting Principles: A Problem, a Strategic Imperative, or a Strategic Opportunity? (page 3-31)
- Harnischfeger Corporation (page 3-61)
- Understanding Costs for Management Decisions (page 4-2)
- Prestige Telephone Company (page 4-13)
- Buying Time (page 2-67)
- A Brief Introduction to Cost Accounting (page 4-18)

B. Find an article in which management and auditors have disagreed on falsified financial statements (i.e. Enron and Arthur Andersen).

2. Case Studies:

- A. *Harnischfeger Corporation* – Be prepared to discuss in class (completed template available for review)

- i. Identify the accounting policy changes and accounting estimates made during 1984. Estimate the effect of these changes on the company's reported profits.
 - ii. What do you think are the motives of Harnischfeger's management in making the changes in its financial reporting policies? Do you think investors will "see through" these changes?
 - iii. Assess the company's future prospects given your insight from questions 1 and 2 and the information in the case on the company's turnaround strategy.
 - B. *Prestige Telephone Company* – Complete questions on page 4-15 (use Excel template)
 - C. *Buying Time* – Be prepared to discuss questions for Practice Example #2 on page 2-72 in class (completed template available for review)
3. Writing Assignment: In response to the article that you find, develop a written response to the following questions:
- A. What was the auditor's role in the situation?
 - B. Is it possible for high quality financial statements to be misleading?
 - C. Who should ultimately be held responsible for the accuracy of the financial statements?
4. Final Project: Progress Report 1 will be returned to students.

Week Four

1. Reading Assignment:

A. Bruns Text:

- Hilton Manufacturing Company (page 4-25)
- Accounting for Indirect Costs (page 5-2)
- Activity Accounting – Another Way to Measure Costs (page 5-16)
- Destin Brass Products Co. (page 5-19)
- Standard Costs and Variance Analysis (page 5-67)
- Mile High Cycles (page 5-80)
- Basic Capital Investment Analysis (page 6-2)
- Reto S.A. (page 6-8)

2. Case Studies:

- A. *Hilton Manufacturing Company* – Be prepared to discuss in class (completed template available for review)
- B. *Destin Brass Products Co.* – Be prepared to discuss questions 1 – 3 in class (completed template available for review)

- C. *Mile High Cycles* – Complete questions on page 5-81 (use Excel template)
 - D. *Reto S.A.* – Be prepared to discuss questions 1 – 3 in class (completed template available for review)
3. Writing Assignment: There is no writing assignment due.
 4. Final Project: Progress Report 2 is due (page 1-75). Be prepared to discuss the results section of your report in class.

Week Five

1. Reading Assignment:

A. principlesofaccounting.com:

- Chapter 16 (“Financial Statement Analysis” section only)

B. Bruns Text:

- Control in an Age of Empowerment (page 7-2)
- Nordstrom: Dissension in the Ranks? (page 7-31)
- Responsibility Centers and Performance Measurement (page 7-55)
- The Balanced Scorecard – Measures that Drive Performance (page 7-71)

C. Research the terms Capital Budgeting and the Time Value of Money.

2. Case Studies:

A. *Chapter 16, problem P-1* (principlesofaccounting.com) – Be prepared to discuss in class (completed template available for review)

B. *Nordstrom: Dissention in the Ranks* – Complete questions below

- i. What is the cause of the problems described in the case? How serious are these problems?
- ii. Are Nordstrom employees pressured inappropriately by the sales-per-hour system? By management?
- iii. How effective is the memo reproduced as **Exhibit 3** in clarifying the distinction between “sell” and “non-sell” time?
- iv. How would you change management systems in Nordstrom?

3. Writing Assignment: In response to the research that you have completed on the terms Capital Budgeting and the Time Value of Money, develop a written response to the following questions:

A. Describe your understanding of these terms.

B. How does an understanding of these concepts aid you both personally and professionally?

4. Final Project: Progress Report 2 will be returned to students.

Weekly Schedule

Course Name: Accounting for Managers

Course Number: MGT 370

Week One

Hour	Topic or Activity
One	Course Introduction The World of Accounting Accounting Framework, Financial Statements & Accounting Concepts
Two	(continued) Break
Three	Intro to Accounting Records Sarbanes-Oxley
Four	(continued) Intro to Financial Ratios & Financial Statement Analysis

Week Two

Hour	Topic/Activity
One	Accounting for Current Assets Recognizing Revenues and Expenses
Two	(continued) Accounting for Property, Plant & Equipment & Other Assets Break
Three	Liabilities and Time & Intro to Owner's Equity Solving the Puzzle of the Cash Flow Statement
Four	(continued) Progress Report I

Week Three

Hour	Topic/Activity
One	Auditors and Their Opinions & Accounting's Global Rule Book The Auditor's Role Diversity in Accounting Principles
Two	(continued) Break Understanding Costs for Management Decisions
Three	(continued)
Four	(continued) Introduction to Cost Accounting Review for Progress Report II

Week Four

Hour	Topic/Activity
One	Hilton Manufacturing Case Study (continuation from Week 3) Accounting for Indirect Costs Activity Accounting
Two	(continued) Break Standard Costs and Variance Analysis
Three	(continued) Basic Capital Investment Analysis
Four	(continued) Progress Report II

Week Five

Hour	Topic/Activity
One	Financial Ratios Control in an Age of Empowerment
Two	(continued) Break
Three	Responsibility Centers and Performance Measurement The Balanced Scorecard Capital Budgeting
Four	(continued) Course Summary Course Evaluation