

## ACCT 7320: Controllership

Spring 2010, Tuesday, 7:10–10:10 p.m., Fogelman Classroom Bldg.

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Professor Charles Bailey, Ph.D., CMA

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Office Hours: Monday 8:00–noon *or* by appointment. I will be glad to see you if I'm in the office.  
Most issues don't require face-to-face meetings, but I'll be glad to schedule one.

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### Course Description/Objectives

Catalog Description: Controllership function; evolution of management accounting; conceptual framework of management accounting compared and contrasted with financial accounting; functional tools used by controllers; emphasis on research, written and oral communication skills in context of management accounting.

PREREQUISITE: ACCT 3310 or ACCT 7110.

I plan to make the course relevant to you as possible, so your personal interests may influence the exact content of the course.

### Required Textbook

- *The Controller's Function: The Work of the Managerial Accountant*, by Janice M. Roehl-Anderson, Steven M. Bragg, **3<sup>rd</sup> Edition, 2005**. ISBN is 0-471-68330-2.
- Other readings will be primarily from articles in professional journals, as well as cases from the Institute of Management Accountants and other *free* sources. Articles that I **post on my website** will be security-protected; you are entitled to all of them, but I don't want to violate copyright law by allowing the general public access. The password to all of the pdf files is swordfishtrombones.

### Materials Available through Web Site and Library Reserve

Teaching materials will be available to you through my web site, <http://www.profbailey.com/acct7320/>. You should watch your e-mail daily for important announcements and relevant materials. I welcome e-mail and normally answer promptly even during evenings or weekends.

### Class Procedures and Participation

Applying the common rule of thumb of two hours outside class for each hour in, you should expect to spend about 5–6 hours/week of preparation time. The schedule calls for you to read some materials and/or prepare a presentation before class (except the first class). I will count on you to be prepared and enter into class discussions. *Please be on time. Absences beyond three must be excused absences.*

### Team Presentations (25% of grade)

I will assign you to two-person teams, to work on two class presentations lasting about 30 minutes each. The topic will normally build up one of the chapters in *The Controller's Function* that I have not already listed on the schedule. Let me know your interests; I will approve the topic and give you some guidance as to additional readings to round out the presentation. The reports should include appropriate handouts for the class and me. Guidelines for presentations are as follows:

1. Typical length with questions and answers: 30–40 minutes.
2. Cite the sources of your information.
3. Aim the presentation at your fellow students, not me. They will evaluate you on both style and substance, and their response will be the primary determinant of your grade.
4. Avoid jargon and define unusual terms.
5. Recommended dress is casual but neat.
6. *Do not read your material to us!* Avoid reading from notes.
7. Send me the file (PowerPoint, etc.) to post on website (in advance if you can).
8. No candy given as rewards, please, since it tends to become obligatory.

### Grading of Presentations

The other class members will provide feedback about your presentation, on forms they will complete immediately afterwards. I also will give you feedback and will assign the grade by taking the class comments and my own observations into account.<sup>1</sup>

### **Class Preparation and Participation (25%)**

Class participation will be measured in two ways:

- Often I will ask you to **prepare some notes to hand in at the beginning of class** for a formal grade. These should be a basis for you to participate in discussion of the case, readings, or research topic assigned for that day.
- The above written submissions will form a quantitative score, which allows even “quiet” persons to earn full credit. In addition, however, I will appreciate your thoughtful contributions to class discussions and may apply that to adjust the raw score upwards.

### **Exams (50%)**

We will have two exams (midterm and final), equally weighted and not cumulative. The format is subject to change but probably will be take-home assignments.

### **Grading**

Summary of weights:	Exams	50%
	Team presentations	25%
	Class preparation and participation	25%

Grading for the course will be on the traditional scale of 90–100 = A range, 80–89 = B range, etc. Within each letter grade category, I will assign + or - to those in the top or bottom three points (for example, 98–100 = A+, 90–92 = A-).

### **Student Disability Services**

If you have special needs related to the course, I will gladly work with you to ensure your success. Student Disability Services is located in 110 Wilder Tower, phone 678-2880.

### **Code of Conduct**

Obviously, the University regulations for expected conduct apply. See <http://saweb.memphis.edu/judicialaffairs/pdf/csrr.pdf> for details. Of particular importance in this course, note the following:

- All work on exams and reports must be your own (or joint with teammate, as instructed).
- Give credit to your sources for all materials (ideas as well as words) in reports.
  - If it's a direct quote, indicate by quotation marks.
- Your report cannot be the same as submitted for another class, past or future.

**Stay in touch. I look forward to working with you this semester.**

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<sup>1</sup>Within each team, contributions are assumed to be approximately equal. I am happy to say that I have seen few problems with unequal participation. If contributions are *not* equal, the grades will be distributed between/among the group members (normally two) as follows: **(Number in group) x (Grade assigned to group) x (your percentage contribution)**, with the limitation that no one's grade may be more than 5 percentage points *above* the group grade. Think carefully before deciding on unequal credit.

**Preliminary** Schedule—ACCT 7320—Spring 2010

Revised weekly on Wednesday for the following week. **Content may change substantially from this draft.**

Date 2010	Assignments to Prepare before Class (except first day)	Team Presentations
1/19	Introduction and Orientation (Including Ch. 1 in <i>The Controller's Function</i> ) Case on the ethics of software usage, handed out in class.	
1/26	Session on Excel skills, tips, & techniques. Excel has more formulas and functions than you can shake a stick at. On a single sheet of paper, name two of your favorites and briefly explain their usefulness. <b>Turn this in (computer-printed) at beginning of class for credit.</b>  Read "Internal Control," Ch. 2 in <i>The Controller's Function</i>	
2/2	<ul style="list-style-type: none"> <li>• Read Ch. 3 in <i>The Controller's Function</i>: "Planning and the Strategic Plan"</li> <li>• Go through this PowerPoint presentation on ABC: <a href="#">Lecture based on Managerial Accounting, 12th edition (2008), by R. H. Garrison, E. W. Noreen and P. C. Brewer.Lecture (ABC)</a>.               <ul style="list-style-type: none"> <li>○ Page through and read the notes beneath each slide. Preview the presentation, and we will discuss the points in detail. If you still have your cost/managerial accounting textbook, it will have a section on ABC.</li> <li>○ Read <a href="#">Is ABC Still Relevant?.pdf</a> (see syllabus for password).</li> </ul> </li> <li>• Additional reading assignment : <a href="#">iTunes software license 2009.doc</a> (Just kidding!! But note that it's 10 pages and 9305 words long. What have I just agreed to?!)</li> </ul>	
2/9	Read Ch.14 in <i>The Controller's Function</i> : "Property, Plant & Equipment" Read <a href="#">BuyGasCo.pdf</a> (copies passed out in class) and <a href="#">NextGenerationABC.pdf</a> . <a href="#">Midterm case</a> was assigned at this class meeting.	
2/16	Look over the midterm-exam case so we can clarify the task and get you started.  Study the "Pr. 14-32" <a href="#">Solution</a> . See my comments in the spreadsheet, which should be clearer than my presentation of 9/22. Feel free to e-mail or call me with any questions. Then adapt the spreadsheet to solve this <a href="#">problem from an article by Savage and Wilburn</a> . The format is very similar, since I adapted the spreadsheet from their article. <b>Bring to class and turn in two printed spreadsheets of your solution; one page will show the numbers, and another page will show the formulas.</b> To display formulas, press Ctrl+~ (control-tilde). Grading will be generous, but I want you to be prepared for a discussion.	
2/23	Work on setting up OROS Quick on your computer and setting up the problem. We will go over this and try to resolve any issues.  Review the detailed examples in the joint costing topic I briefly presented in last class (Joint Costs PowerPoint (handout) <a href="#">JointCosts9-29-09.pptx</a> ). Then solve the exercise: <a href="#">Joint Costs and Further Processing</a> and <b>hand in your solution to question 2 at the beginning of class.</b>  Read <a href="#">The Myth of shareholder ownership and its implications for accounting.pdf</a>	
3/2 [3/9 is break]	ABC Cost Analysis Case (midterm exam) is due. See <a href="#">10/6</a> agenda for submission requirements. Based on our discussion on 10/6, the in-class component that was to count 10% has been dropped. The submitted case material counts 100%.  Review the <a href="#">Overview of incentives and predicted outcomes.pdf</a> related to the transfer pricing case. If interested, also see the related <a href="#">article</a> , where these issues are discussed further.	
3/16	Read in <i>The Controller's Function</i> : <ul style="list-style-type: none"> <li>• Ch. 26, "Information Technology Offshore and Outsourcing"</li> <li>• Ch. 13, "Inventory"</li> </ul> Read <a href="#">SalesVariances.pdf</a> in preparation for a lecture.	
3/23	Complete and turn in <a href="#">Sales Variance Problem</a> . Read " <a href="#">The Constraint Theory</a> ." The theory of constraints offers a different approach from ABC!	
3/30	Complete the <a href="#">TOC template for Fox article.xlsx</a> and e-mail to me before class. Note the spaces to respond to requirements 3 and 4 on the first spreadsheet. Read <a href="#">Using Excel, TOC, and ABC to Solve Product Mix Decisions</a>	

4/6	<p>1. Follow-up assignment on "Using Excel. TOC, and ABC_to Solve Product Mix Decisions": Starting with this <a href="#">basic solution spreadsheet</a>, answer the three questions. <b>E-mail the Excel workbook to me before class.</b> (I showed you this in class on 11/10. But note the new tab labeled "Instructions," which gives important simplifying instructions.)</p> <ul style="list-style-type: none"> <li>o Note: Unfortunately, this file will not save as (or convert to) an earlier version, for reasons unknown.</li> </ul> <p>2. Read <a href="#">EVA Revisited.pdf</a></p>	
4/13	<p>Read Ch. 20, "Financial Analysis"  Read Ch. 4, "Long-Range Financial Plan"  Read <a href="#">Economic Value Added for Small Manufacturing Companies.pdf</a>  Read <a href="#">my article</a> in <i>Management Accounting Quarterly</i> that I passed out on 11/17. Download the learning curve Excel add-in from the link on my <a href="#">Home Page</a> and try some of the examples in the article.</p>	
4/20	<ul style="list-style-type: none"> <li>• Read Ch. 11, "Cash and Investments"</li> <li>• prepare <a href="#">Cash Management Assignment</a> to bring to class.</li> </ul>	
4/27	<p>Ch. 5 in <i>The Controller's Function: "Annual Plan"</i>  Read article: <a href="#">Corporate Budgeting Is Broken.pdf</a>  Read <a href="#">Maxims in Need of a Makeover.pdf</a>  Read <a href="#">Bonuses for Boneheads.pdf</a></p>	
5/4	Final Exam	