***MSc. Program in Accounting***

***Course Syllabus***

***SPRING 2021/2022***

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# Course Name : **Strategic Cost Management (572)**

Course Number : 1020572

Faculty Name : Dr. Metwally Kayed

Number of Registered Students: 11

Class Schedule: □ Tue. (3)

Time: 05:00-08:00 p.m.

Location: C1-1020 /Shadadiah

Contact Information:

Office Location: 1037-4th floor- Acc. Dep.

Tel. #: 24988504

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Office Hours: 30 minutes before and after the lecture or By an appointment

**Social Media: Microsoft Teams and Watsapp.**

**Teaching Assistant:---------**

**Name: :---------**

**Location:**

**Email :**

**Office Hours:**

**Tutorial :**

**Course Description**

The changing role of managerial accounting in organizations includes calls for managerial accountants to expand their horizons to incorporate a broad range of issues that they have traditionally not considered to be in their domain. In targeting this course toward prospective Audience and students in graduate programs, this course addresses this expanding role of managerial accounting in a number of ways. Strategic Cost Management includes a number of new topics which are not usually covered (or covered only briefly) in most undergraduate cost and managerial accounting courses. These include strategic positioning (how a firm determines its strategy), Value Chain Analysis, the Balanced Score Card, target costing,  theory of constraints, life-cycle costing, economic value added, managing quality and time,  customer costing and profitability analysis, managerial uses of accounting information, and the role of activity-based-costing (ABC) in enforcing activity-based-management (ABM).

**Course Learning Objectives (CLO**s)

Upon successful completion of the course, students will be able to complete the following key tasks:

CLO1:

Understanding and evaluate the contemporary business environment, and the contemporary management techniques for the resolution of problems.

CLO2:

Identify, implement and evaluate different types of competitive strategies.

CLO3:

Addresses the ways in which strategic cost management information can help an organization succeed with emphasis on the strategic management function in different types of organizations.

CLO4:

Understanding and applying of contemporary practice in managerial accounting at an advanced level for analyzing data.

CLO5:

Carrying out costing and quantitative techniques at an advanced level for analyzing data to generate accurate management accounting reports.

CLO6:

Defending the appropriateness of techniques to the production and presentation of information for strategic management by using case studies, with increasing awareness of situations that involve ethical dilemmas.

CLO Mapping to CBA skill Based competency Goals:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | Competency Goals |  |  |
| CLO | Decision-Making | Ethical reasoning | Communication | |
| 1 | I | I |  | |
| 2 | I | I |  | |
| 3 | A |  | I | |
| 4 | A |  |  | |
| 5 | A |  | I | |
| 6 |  | A | A | |

***Type of Emphases:***

* ***(I)Introduce: Students will be introduced to the skill and their grasp of it assessed in the course.***
* ***(A)Apply: The course will not cover the skill. Students should have a high-level grasp of the skill and are required to apply it in the course.***
* ***(R)Reinforce: Students should have an introductory-level grasp of the skill and the course will improve their mastery to a higher level.***

**REQUIRED TEXTBOOK:**

Blocher, E.J., Stout, D.E., Cokins, G., and Chen, K.H, Cost Management: A Strategic Emphasis by McGraw-Hill Irwin. 2016 ISBN 978-0-07-312815-3

**OPTIONAL REFERENCES:**

* Kaplan, Robert., & Anthony Atkinson, Advanced Management Accounting, Third Edition. London: FT/Prentice Hall. 1998.
* Anthony, Robert. & Vijay Govindarajan, Management Control Systems: McGraw Hill.

Eleventh Edition, 2004

* Hilton, R.W.,M.W. Maher, and F.H. Selto. Cost Management: Strategies for Business Decisions, Irwin McGraw-Hill, 2012.

**GRADING:**

Grading will be established based on two mid-term exams, three quizzes and a final exam. The relative weighting of the grading components is as follows:

Class Participation & quizzes 15%

Individual Work

Case Presentation & Written Assignments 10%

Group Work

Term Project 15%

1 Mid-term Exam 25%

Final Exam 35%

Total 100%

**Mid-Term and Final Examination:**

The mid-term exams will be given in class. I will describe the format of the exams in more detail closer to these dates.

**Class Participation & quizzes (10%):**

Class participation is an essential part of the course. Students are expected to study the assigned materials in advance, attempt the assigned problems and cases, and be prepared to discuss them during class. Marks assigned for class participation will be based mostly on discussions of management accounting topics, cases and problems. There are no marks assigned for class attendance.

For each class, students who do not participate at all in class discussion will receive a mark of ***ZERO***, students whose contribution to class discussion is deemed satisfactory will receive a mark of ***0.5*** and students who actively participate and contribute to class discussion will receive a mark of ***ONE***.

**Individual Class Presentation (5%):**

In every class, we will discuss one or two problems/cases that are relevant to the topic covered in the same class or the previous class. One student will be nominated to lead the discussion and be responsible for the presentation of the case/problem. The time taken for doing each case/problem will be between 15 to 20 minutes. Any student that exceeds 20 minutes will lose marks for exceeding time. Each presenting student will be encouraged o stimulate the class discussion and answer questions from the audience. Students will be expected to show all workings (power/point/transparencies are a great idea) and explain to the class in a clear manner how they achieved their answer/conclusion. Each presenting student will be required to have a printed summary sheet to distribute to the other groups that are listening. Each student will attempt one class problem throughout the term. The weighting of this assessment will be 5%, which will be instructor evaluation.

**Individual Written Assignments (10%):**

Two cases/problems will be assigned for some of the topics we cover. These assignments are individual work that should be turned in by all the students. I expect you to work on these assignments individually. NO COOPERATION is allowed among students in performing these assignments. Exchange ideas or collaborative activities will be treated as a form of **PLAGIARISM.**

**Group Term Project (15%)**

The objective of the term project is to study a management accounting issue in depth and provide a solution so as to improve the management accounting system in a real world organization. The focus of the project can be on cost assignment or cost management in a specific organization, an organization’s strategic performance measurement system, an issue related to budgeting, or an issue of interest or concern in management accounting.

For an organization specific project, your report should include:

1. A brief description of the organization
2. A description of the management accounting topics or aspects of the management accounting system (cost assignment and cost management or strategic performance measurement) that you study in this organization.
3. A detailed discussion of the organizational application of these topics.
4. A Thorough evaluation of this application
5. Conclusions (containing any recommendations for improvement or change)

**Course Schedule:**

|  |  |  |  |
| --- | --- | --- | --- |
| **week** | **Topic** | **Ch** | **Prepare** |
| 1 | Strategic Cost Management – Strategy | 1,2 | 1-45,49; 2-47,51 |
| 2 | Strategic Cost Management – The Value Chain. Strategic Cost Management – The Balanced Scorecard. | 2 | 2-49,53,63, 2-50,54,62 |
| 3,4 | Activity Based Costing – Introduction  Activity Based Costing – The Calculations  Activity Based Costing – Customer Profitability Analysis, and Capacity | 5 | 5-24,5-26,5-28  5-39,5-41  5-34,5-42,5-43 |
| 5 | Cost Allocation: Departments, Joint Products, and By-Products | 7 |  |
| 6,7 | The Flexible Budget for Performance Evaluation – Standard Costing.  The Flexible Budget – Problems and cases. | 14 | 14-23,24,25,26,27, 14-38,37,46,52 |
| 8,9 | Performance Measurement – Strategic Business Units and the Balanced Scorecard  Performance Measurement – Cost Allocation and Profit Centers. | 18 | 18-47,48,59, 18-29,31,39, 18-51,55,58 |
| 10 | **Mid Term Exam** |  |  |
| 11,12 | Performance Measurement – Investment Centers | 19 | 19-23,26,35 |
| 13 | Executive Compensation  Business Valuation | 20 | 20-25,28,34,46,47, 20-53,54 |
| 14 | Course Overview and Review |  |  |
| 15 | Final Exam- comprehensive |  |  |

**Grade Distribution:**

|  |  |
| --- | --- |
| **Grade** | **Range** |
| A | ≥ 95 |
| A- | ≥ 90 and < 95 |
| B+ | ≥ 87 and < 90 |
| B | ≥ 83 and < 87 |
| B- | ≥ 80 and < 83 |
| C+ | ≥ 77 and < 80 |
| C | ≥ 73 and < 77 |
| C- | ≥ 70 and < 73 |
| D+ | ≥ 65 and < 70 |
| D | ≥ 60 and < 65 |
| F | < 60 |

**Important Dates**

|  |  |
| --- | --- |
| **Date** | **Event** |
| May 5th, 2022 | First Mid-Term Exam, ch1-5-7-14. |
| June 14th, 2022 | Final Exam: from 5.00-20.00 p.m. |

**Class Preparation – Readings, Videos, and Online Quizzes:**

**Attendance and Participation:** Every student in this course must abide by the Kuwait University Policy on Attendance (published in the Student Guide, Chapter 3, Section: 13). A copy of the student guide can be accessed online on:

http://www.kuniv.edu/cs/groups/ku/documents/ku\_content/kuw055940.pdf

This course has a significant seminar component and class participation is critical to the learning experience. Participation will be assessed in each class period. Your class participation and attendance will both contribute to your score of in-class performance.

**Cheating and Plagiarism:** Every student in this course must abide by the Kuwait University Policy on Cheating and Plagiarism (published in the Student Guide, Chapter 3, Section 2). A copy of the student guide can be accessed online on:

http://www.kuniv.edu/cs/groups/ku/documents/ku\_content/kuw055940.pdf

Please carefully note all sources and assistance when you turn in your work. Under no circumstances should you take credit for work that is not yours. You should neither receive nor give any unauthorized assistance on any deliverable. If you have any questions about what constitutes “unauthorized assistance” please email me before the deliverable is submitted.

**Writing Style:** Students must refer to APA writing style for their assignments and report writing. Refer to the English Language Center for help.

**Master of Accounting Program Competency Goals:**

* 1. **Accounting Knowledge:** Our students will be proficient in bth conceptual and technical accounting knowledge.

Student Learning Objective:

* 1. Apply advanced principles of financial accounting theory.
  2. Analyze corporate financial statements.
  3. **Decision-Making Skills:** Our students will demonstrate advanced data-driven decision-making skills and supported by advanced analytical skills.

Student learning Objectives:

2.1 Apply advanced quantitative and qualitative methods to solve business problems.

2.2 Recognize the importance of business decisions , evaluate different proposals based upon available facts, and make well-supported business decisions.

3. Ethical Reasoning Skills: Our students will be ethically conscious business leaders.

3.1 Evaluate business decisions within an ethical framework.

4**.** **Communication Skills**: Our students will demonstrate advanced communication skills in a variety of business settings.

Student learning Objectives:

4.1 Deliver clear, concise, and persuasive presentations.

4.2 Write clear, concise, and persuasive business documents.