A. Instructor and Contact Information

HWANG Soo Chiat

Room 5032, School of Accountancy
Singapore Management University
Singapore 178900

Tel: (65) 6828-0168
Fax: (65) 6828-0600
Email: schwang@smu.edu.sg

Consultation times: Phone and email enquiries can be done anytime during the day. Formal consultations by appointment only.

Teaching Assistant: To be appointed

B. Course Prerequisites:
Management Accounting (ACCT 102/112)

C. Course Description

This course aims at providing students with an understanding of topical issues in Strategic Management Accounting in an organizational setting. An important function of management is to motivate and empower employees while not losing track of the business. This course will examine the use of different advanced management accounting techniques in both the manufacturing and service industries. While some of the topics might seem familiar individually to students, this course tries to link all the various topics together in the context of management decision making and control.

D. Course Objectives and Skill Developments

Students are expected to demonstrate the following technical accounting competencies upon successful completion of the course.

1. Be able to differentiate Strategic Management and Strategic Management Accounting and see the similarities and differences between the two areas
2. Be able to link strategies, culture, leadership and other topics learnt from other accounting and business modules to strategic management accounting and its applications
3. Be able to understand and apply value creation processes and tools in Strategic Management Accounting, for example
   a. sustainability reporting and practices
   b. appropriate costing approaches: life cycle costing, backflush costing (for JIT system) and target costing
   c. cost allocation and transfer pricing
   d. time-driven Activity-Based costing as well as the traditional Activity-Based costing and management
e. cost of quality and quality management

4 Be able to apply advanced variance analysis to help control and evaluate performance
5 Be able to appreciate and apply responsibility accounting techniques to motivate divisional and individual performances that help improve corporate performance

However, learning outcomes should be beyond just technical accounting competencies. In particular, this course seeks to develop your versatility, individual competencies and awareness of ethics and responsibilities through the various class and assessment activities:

- **Analytical Skills:** Analytical skills will be developed through various problem solving, case discussions and analysis. The course will provide the tools for students to use and analyse accounting data and financial reports to make informed decisions.

- **Communication Skills:** Students will be required to actively participate in the class discussions and through written report and discussion of the company analysis project. The written report and individual presentation (in Sessions 12 & 13) will be assessed on clarity of communication appropriate for a business context.

- **Team work:** Team project and assignment will be important elements of the course as decision making in the real-world can be team based. All students will be required to work in teams. They are expected to work as equal partners and share the work load. Team members may be required to do a peer-evaluation of their respective team members and the marks will be assigned accordingly for the project reports and assignment.

- **Active learning:** Students will be expected to venture beyond prescribed readings and text. The company analysis project will allow students to take an active role in their understanding of how the end products of an accounting system serve information need of users.

- **Professional ethics:** Ethical issues are discussed and cases will be reviewed. This introductory course provides the opportunity to emphasize the needs for the highest ethical behaviour for corporate executives and corporations.

**E. Textbook and Other Resources**


*Additional references:* These will be provided when class begins.

In addition, due to the nature of the coverage on emerging issues, students will be expected to read widely from professional and business publications as well as newspapers. Prescribed readings will be examinable.

**F. Lesson Plan**

Class sessions are of 3-hour duration and will include a review of study materials, class discussions and other learning activities. Course materials will be published in SMU eLearn (http://elearn.smu.edu.sg).

An outline of topics to be covered can be found in Appendix 1.

**G. Assessment**

To pass the course, a student is required to obtain a TOTAL mark of 50% or better. The assessment components are listed below: Class Learning Activities (20%), Group Assignment (15%), Project (35%:- 20% for individual work and presentation, 15% for group’s effort) and Final Examination (30%).

Details are given in the next page
1. Class Learning Activities (20%)
   Students are expected to actively participate in class discussions. Students will be graded individually using the “Participation Matrix”. The matrix measures various aspects of students’ behavior in class. A large portion of the measure relates to student’s contribution to the class learning process. In this respect, students are expected to read the text and relevant materials before the commencement of each session so as to be able to contribute to the class proceedings.

2. Group Assignment (15%)
   Consist of a case study that will be given out during the term. Students will be given 2 days to submit the case report.
   **Word limit: 2,000 words**
   **Deadline: To be informed during class.** Soft copy of the assignment to be deposited in the eLearn Dropbox, hard copy to be deposited in my mailbox outside the SOA 5th floor lift lobby.

3. Project (35% :- 20% for individual work and presentation, 15% for group’s effort)
   See Appendix 2.

4. Final Examination (30%)
   Further information will be provided as the term progresses. The final examination is an open-book, of two-hour duration and covers the entire course.

   Requests by students to take the final exam on date/time other than the officially scheduled date/time **will not be approved except under extremely extenuating circumstances** entirely beyond the student’s control. Students who believe they may be unable to take the final exam on the scheduled date and time should not enrol for this course this term.

   **Scheduled time for the Final Examination: To be confirmed**

   Please check the examination timetable to be released by the Registrar Office closer to the scheduled date to ensure that you are at the examination hall on the right day and at the right time.

H. **Academic Integrity**

All acts of academic dishonesty (including, but not limited to, plagiarism, cheating, fabrication, facilitation of acts of academic dishonesty by others, unauthorized possession of exam questions, or tampering with the academic work of other students) are serious offences. All work (whether oral or written) submitted for purposes of assessment must be the student’s own work. Penalties for violation of the policy range from zero marks for the component assessment to expulsion, depending on the nature of the offense. When in doubt, students should consult the instructors of the course. Details on the **SMU Code of Academic Integrity** may be accessed at [http://www.smuscd.org/resources.html](http://www.smuscd.org/resources.html).

Prepared by: HWANG Soo Chiat
2 June 2015

Vetted by: SEOW Poh Sun
4 August 2015
# Appendix 1  Tentative Schedule

(this is only meant to be a guide, please **DO NOT** expect exact adherence to the schedule)

<table>
<thead>
<tr>
<th>Week</th>
<th>SMA Topic</th>
</tr>
</thead>
</table>
| 1    | **Topic 1: Overview of SMA**  
➢ Value Creation & its Processes: How and which strategic management accounting tools help achieve strategic goals and vision  
  • contemporary skills & techniques,  
  • differences from traditional management accounting,  
  • processes involved in creating and managing value,  
  • skill sets required (technical cognitive skills, Analytical skills and Interpersonal skills) for SMA, and  
  • basis for successful strategy  
➢ popular business strategies and tools: e.g. Porter’s competitive strategies and Blue Ocean  
➢ popular tools for strategic management accounting |
| 2    | **Topic 2: Planning: Value Creation and Strategic Management**  
➢ Examine strategic management, environmental scanning, culture, leadership implications on performance measures  
  • culture  
  • leadership  
  • industry and competitive analysis,  
  • industry value chain,  
  • performance evaluation system and indicators |
| 3    | **Topic 3: Planning and Value Creation: Corporate Governance, Ethics and Sustainability** |
| 4    | **Topic 4: Value Creation Process & Tools:**  
➢ value chain management (supplier management and customer profitability analysis)  
  • outsourcing and offshoring  
➢ life cycle and kaizen costing  
➢ backflush costing (for JIT)  
➢ target costing and pricing |
| 5    | **Topic 5: Value Creation Process & Tools: Designing Asset and Cost Allocation System**  
➢ evaluating assets and costs allocation of a company/group,  
➢ overhead cost allocation,  
➢ transfer pricing, and  
➢ behavioural consequences of asset and cost allocation |
| 6    | **Topic 6: Value Creation Process & Tools: Activity-based Costing and Management**  
➢ quick revision of basic ABC and ABM  
➢ time-driven ABC |
| 7    | **Topic 7: Value Creation Tools and Control: TQM and cost of quality** |
| 8    | **SCHOOL RECESS** |
| 9    | **Topic 9: Control and Performance evaluation: Advanced variance analysis**  
➢ building a profit plan  
➢ strategic profitability analysis (e.g. competitive effectiveness: market share and size variances, product mix variance)  
➢ variances for Activity-based costing results  
➢ Interpretation and implications on variances |
| 10   | **Topic 10: Performance evaluation: Creating Strategic Performance Measurement System**  
➢ effective strategic performance measures,  
➢ responsibility accounting and measures  
➢ ROI, residual income, and Economic Value Added  
➢ Variable costing based segmental report  
➢ executive incentives/compensation  
➢ strategic alignment of multiple scorecards |
<table>
<thead>
<tr>
<th>Week</th>
<th>SMA Topic</th>
</tr>
</thead>
</table>
| 11   | Topic 11: Academic or current issues in SMA  
• Contingency theory in SMA  
• Topics from press or accounting development e.g. Prevention of fraud and CFO institute on SMA development  
• Impact of corporate restructuring exercises such as M&A, IPO and MBO on SMA  
• Discussion of the course and cases |
| 12   | Project Presentation |
| 13   | Project Presentation |
Appendix 2

ACCT401 Strategic Management Accounting
Term 1 2015/16
Group Project Requirements

Objective

On 2 May 2012, the revised Code of Corporate Governance (CCG), administered jointly by SGX and Monetary Authority of Singapore (MAS) requires companies to include sustainability issues in its financial statements. In particular, Paragraph 1.1(f) of the revised Code states: “the Board’s role is to consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation”. SGX has hinted that it is considering making the disclosure mandatory for all listed companies in 2016/17, and the requirement may be extended to other companies in due course by the relevant authorities.

Many questions arise as a result of the revised Code of Corporate Governance. You are required to gauge how prepared your target company is able to comply with the requirement stated above should it become mandatory for the company and what needs to be done to prepare the company for making such disclosure.

In particular,
1. you will need to suggest the items that need to be disclosed to satisfy the requirements of the revised code especially with regards to the social /“OR environmental factors.
2. You will also need to consider how the various items can be disclosed (qualitatively AND quantitatively) and how these items will impact on the strategies of the selected company.

The key assessment objectives are:
1) to determine how relevant the items you have selected impact on the sustainability and strategies of the company, and
2) the usefulness of the items to the users of the company’s statements.

Written Report and Due Date

Maximum words allowed: 3,000 words (15 printed pages using Times New Roman Font Size 12). Executive summary, tables and charts, appendices are not included in the word count. You MUST include an executive summary in your report.

You are required to submit both soft copy (eLearn project drop box) and hard copy (my’s mailbox at the lift lobby of 5th floor, SOA building) of your report to the instructor.

Deadline: 12 pm 13.11.2015 (Friday, 13th week) eLearn Dropbox
No extension will be given. Penalty for late submission will apply.

Grading

Your project will take up 35% of your overall grade, and it is evaluated as indicated below:

20%: Individual group member’s work and presentation.

Each project group will be required to make a 20-minute presentation (depending on the number of project groups in the class) either on the 12th or 13th week of the term (week beginning 2nd November and week beginning 9th November 2015 respectively). Your class representative will arrange the presentation schedule. You will be assessed on your fluency of your presentation, familiarity of the subject matter, and your answer to queries of the class.
15%: Final report

**Total for project: 30%**

In grading your written project, the instructor will be using the following criteria:

- Content of the project (30%)
- Analysis & Application of principles and concepts underlying your project (40%)
- Presentation [inclusive of the use of executive summary, the proper use of charts, diagrams, tables, appendices, referencing etc.] (30%)

Refer to project <Objective> as a guideline for Content and Analysis & Application.

**Group Size and Disputes**

Group size: minimum of 3, maximum of 4 persons (may change depending on the size of the respective classes), the time allotted for project presentation by the individual groups may be increase dependent on the number of project groups.

You are required to submit the “Peer Review” form to your instructor for the assessment of the individual contribution to the project together with your project report.
### Appendix 3

**Group Project - Peer Evaluation Form**

<table>
<thead>
<tr>
<th>Session Date and Time:</th>
<th>G1/G2</th>
<th><strong>Circle the relevant details</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Project group Number:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Your Name:</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name of Group Members:</th>
<th>Contribution Score (0 – 10 max) for each of the following categories: search of company; data collection; research and contribution of ideas; and write-up inclusive of editorial works</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>