

## The Wharton School of the University of Pennsylvania

### ACCOUNTING 1020 – Strategic Cost Analysis Course Syllabus Fall, 2023

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Office Hours: Beginning September 5, 2023, my office hours are online on Tuesday from 1:00 pm to 3:00 pm.

#### COURSE OVERVIEW:

Increasing business competition requires organizations to not only develop realistic and achievable strategies, but also to develop and analyze goals in financial terms and to evaluate performance. Organizational efficiency requires all spending to be viewed as an investment, with spending decisions based on strategic vision and the capabilities needed to deliver value from that investment. Managers must analyze decisions from a financial perspective, gain a deeper understanding of how resources are deployed throughout an organization, and understand how to leverage cost analysis to position the organization for strategic success.

*Strategic Cost Analysis* is the process of analyzing and managing costs in order to improve the strategic position of the business. This goal can be accomplished by having a thorough understanding of which activities and costs support an organization's strategic position and which activities and costs either weaken it or have no impact. Subsequent cost management efforts can then focus on reducing or limiting expenditures on activities that add little or no strategic value, while increasing expenditures on activities that support the strategic position of the organization. Performance can then be evaluated to ensure that the chosen actions are taken, and that these actions yield improved strategic performance.

#### COURSE RESOURCES:

##### 1. **Required:**

- a. Textbook:
  - i. Title: Loose-leaf, Managerial Accounting 18/e & Connect Code. *The E-text is available with the connect code.*
  - ii. Author: Garrison
  - iii. ISBN #: 978126657599
  - iv. Publisher: McGraw-Hill
  - v. Bookstore net \$70, 100% returnable

***The Connect Code is important because homework and most (if not all) exams will be administered through Connect.***

##### 2. Optional:

- a. If you would like more practice problems (with solutions) to practice the mechanics of many of the concepts we discuss in class:

Shim, Jae K. and Joel G. Siegel, *Shaum's Outlines, Managerial Accounting*, 2<sup>nd</sup> Edition, McGraw Hill (no e-book available, paperback approximately \$25)

### PERFORMANCE EVALUATION SYSTEM:

The course grade is based on relative performance evaluation (i.e., a curve), but no forced grade distribution is used.

I offer four exams during the semester. The last exam (Exam 4) is comprehensive and counts towards the final grade for all students. For the first three exams, the **two highest raw scores** will count towards the final grade for each student (that is, if you have raw scores of 60, 70, and 80 on the first three exams, I will count 70 and 80 towards the final grade, and your score on the last exam). Individual exam scores will not be normalized (e.g., I will not mean adjust the exam scores and I will not use z-scores). The first three exams are “cumulative” in the sense that all material covered in the course up until the exam is examinable, but the focus will be on material covered in the most recent unit. The schedule and weights of the grading components is as follows:

|         | Date   | Weight   |
|---------|--|--|
| Exam 1: | October 2 (Monday<br>during normal class time)   | 25% (if one of two best<br>in the first three exams) |
| Exam 2: | October 30 (Monday<br>during normal class time)  | 25% (if one of two best<br>in the first three exams) |
| Exam 3: | November 27 (Monday<br>during normal class time) | 25% (if one of two best<br>in the first three exams) |
| Exam 4: | TBD  | 25%  |

\* An alternative exam window will be offered for students who have a time conflict with another course.

In addition to the exam scores, 20% of the grade will be based on homework and 5% will be based on attendance and class participation. Class participation is assessed based on what you add to the learning experience of the entire class, and not simply on the basis of the number of times you speak in class.

Please note that the above weighting scheme will be strictly adhered to. There is no possibility of earning extra credit or of changing the above weights.

### COURSE RULES:

Both as a courtesy to your fellow students and the professor, and to ensure that everyone has the greatest opportunity to learn, please adhere to the following principles of professionalism:

- Students should sit in the same seat each class session and display their name tent (provided).
- Class starts and ends on time. If a unique situation arises such that you must come in late or leave early, please inform your professor ahead of time.
- Students should remain in attendance for the duration of class (unless there is a valid reason to leave).

- I expect that you will treat this course as a professional engagement. Please do not carry-on private conversations, messaging, etc. during class.
- Follow the Code of Academic Integrity. On behalf of the majority of the students who make an honest effort in this class, I will act against anyone suspected of breaching this Code. Students caught cheating will receive a grade of “F” for the course and will be remanded to the appropriate school disciplinary board(s).

**Electronics policy:** In the interests of maximizing learning outcomes for all students, I ask that phones be turned off for the duration of the class. Laptops and tablets are allowed for notetaking only.

### **EXAMINATIONS:**

All examinations are closed book and closed notes, with one exception. Students will be permitted to use **one page (8 ½" x 11", double-sided) of notes during the examination.**

### **EXAM ACCOMMODATIONS AND CONFLICTS:**

If you need additional time to complete an exam related to accommodations, please inform your instructor (by e-mail) and the Office of Student Disabilities Services (SDS) **within two weeks of the start of classes.** You will be provided with the accommodations that are approved by that Office.

**If you have a class or an exam for another course which is to be given at the same time as a scheduled exam, you must notify your instructor (not a TA) by e-mail within two weeks of the start of classes. Your e-mail must include your COMPLETE CLASS AND EXAM SCHEDULE FOR THE DAY OF THE CONFLICT.** In those cases of an acceptable exam conflict, arrangements will be made for you to take the exam at an alternate time. Note that if such an arrangement has been made and you fail to attend the exam at the arranged time, you may receive a grade of zero for the exam. If your schedule changes such that you no longer have a “conflict” with the regularly scheduled exam, you should notify your instructor by e-mail as soon as possible.

In other cases, documented evidence that you were **seriously ill, or unavailable for some other reason**, at the scheduled time of an exam is the only valid excuse for missing an exam. In order to be excused from an exam, you must email your instructor as soon as possible (prior to the exam, if possible), and you must provide the required documentation. **Please note that a job interview or your attendance at a social event are not sufficient reasons to miss an exam.**

**Students who fail to attend an exam without making arrangements with the instructor in accordance with the preceding requirements will receive a grade of 0 for the exam.**

If a student misses an exam (with a valid excuse), they will be required to take the make-up exam. Make-up exams will be given **only** on the make-up exam date, which is scheduled by the University (typically during the first week of classes for the **following** semester).

### **WITHDRAWAL FROM THE COURSE:**

I rarely refuse a student's request to withdraw from the course. However, while I am allowed to approve withdrawals up to the day before the final, **the undergraduate division has the final authority**, and, in most previous cases, it has refused all withdrawal requests submitted after the university deadline (**see below**). However, I urge students who are thinking of withdrawing in order to avoid a grade of C to think carefully about the costs of losing credit for the course and receiving a W versus the benefit of potentially getting a higher grade in the future.

**Be aware that, to withdraw from the course, you must meet the university deadline and requirements regarding withdrawals.** Please obtain the school's approval before you ask for mine.

### **RE-GRADES:**

**Exams will be administered online via Connect. If an exam question requires a written/typed response that must be manually graded, re-grades request are permissible.**

Occasionally, there may be a mistake in the grading of an exam, and the TA(s) and I are eager to correct such mistakes subject to the following limits. If you believe that there was a *mistake* in the grading of your exam, you must submit the original exam (with no adjustments), and a *written explanation* of the points of contention directly to your professor within one calendar week following the return of the exam. **We will only re-grade exams if they: (1) if applicable, were originally written entirely in non-erasable pen, (2) used no correction tape, white-out, etc., and (3) have not been edited or marked up in any way following their return and prior to the submission of the re-grade request.** *Please note, any exam submitted for re-grade is subject to a **complete review***, which may result in an increase or decrease in the total exam score. If the re-grade request is made after one calendar week or without an accompanying explanation, no re-grade will be permitted.

All re-grade decisions are *final*.

| Week | Date |       | Topic and readings   | Slides     |
|------|------|-------|--|------------|
| 1    | Wed  | 8/30  | Introduction<br>&<br>Chapter 1 – Managerial Accounting and Cost Concepts | Session 1  |
| 2    | Wed  | 9/6   | Chapter 1 – Managerial Accounting and Cost Concepts                      | Session 2  |
| 3    | Mon  | 9/11  | Chapter 2 – Job-Order Costing: Calculating Unit Product Costs            | Session 3  |
|      | Wed  | 9/13  | Chapter 2 – Job-Order Costing: Calculating Unit Product Costs            | Session 4  |
| 4    | Mon. | 9/18  | Chapter 3 – Job-Order Costing: Cost Flows and External Reporting         | Session 5  |
|      | Wed  | 9/20  | Chapter 3 – Job-Order Costing: Cost Flows and External Reporting         | Session 6  |
| 5    | Mon  | 9/25  | Chapter 4 – Process Costing  | Session 7  |
|      | Wed  | 9/27  | Exam 1 Review  | Session 8  |
| 6    | Mon  | 10/2  | Exam 1   | Session 9  |
|      | Wed  | 10/4  | Chapter 10 – Standard Costs and Variances                                | Session 10 |
| 7    | Mon  | 10/9  | Chapter 10 – Standard Costs and Variances                                | Session 11 |
|      | Wed  | 10/11 | Chapter 6 – Variable Costing and Segment Reporting                       | Session 12 |
| 8    | Mon  | 10/16 | Chapter 6 – Variable Costing and Segment Reporting                       | Session 13 |
|      | Wed  | 10/18 | Chapter 5 – Cost-Volume-Profit Relationships                             | Session 14 |
| 9    | Mon  | 10/23 | Chapter 5 – Cost-Volume-Profit Relationships                             | Session 15 |
|      | Wed  | 10/25 | Exam 2 Review  | Session 16 |
| 10   | Mon  | 10/30 | Exam 2   | Session 17 |
|      | Wed  | 11/1  | Chapter 13 – Differential Analysis – The Key to Decision-Making          | Session 18 |
| 11   | Mon  | 11/6  | Chapter 13 – Differential Analysis – The Key to Decision-Making          | Session 19 |
|      | Wed  | 11/8  | Chapter 8 – Master Budgeting   | Session 20 |
| 12   | Mon  | 11/13 | Chapter 8 – Master Budgeting   | Session 21 |
|      | Wed  | 11/15 | Chapter 9 – Flexible Budgets and Performance Analysis                    | Session 22 |
| 13   | Mon  | 11/20 | Chapter 9 – Flexible Budgets and Performance Analysis                    | Session 23 |
|      | Wed  | 11/22 | Exam 3 Review  | Session 24 |
| 14   | Mon  | 11/27 | Exam 3   | Session 25 |
|      | Wed  | 11/29 | Chapter 11 – Responsibility Accounting Systems                           | Session 26 |
| 15   | Mon  | 12/4  | Chapter 11 – Responsibility Accounting Systems                           | Session 27 |
|      | Wed  | 12/6  | Chapter 7 – Activity Based Costing                                       | Session 28 |
| 16   | Mon  | 12/11 | Chapter 7 – Activity Based Costing                                       | Session 29 |
|      | TBD  | TBD   | Exam 4   | Session 30 |

## Additional Resources

### Academic Support

The Weingarten Center offers a variety of resources to support all Penn students in reaching their academic goals. All services are free and confidential. To contact the Weingarten Center, call 215-573-9235. The office is located in Stouffer Commons at 3702 Spruce Street, Suite 300. Learning Consultations offers individual consultations and group workshops that support students in developing more efficient and effective study skills and learning strategies. Learning specialists work with students to address time and project management, academic reading and writing, note-taking, problem-solving, exam preparation, test-taking, self-regulation, and flexibility.

Tutoring offers free access to on-campus tutors for many Penn courses in both drop-in and weekly contract format. Tutoring may be individual or in small groups. Tutors will assist with applying course information, understanding key concepts, and developing course-specific strategies. Tutoring support is available throughout the term but is best accessed early in the semester. First-time users must meet with a staff member; returning users may submit their requests online.

Additionally, Marks Family Writing Center provides expert help in writing for undergraduate and graduate students. Communication Within the Curriculum helps students express themselves orally with clarity and confidence. Language Direct provides tutoring for foreign languages. Van Pelt Library supports students in research and instructional technologies through a range of workshops and consultations.

### Disability Services

The University of Pennsylvania provides reasonable accommodations to students with disabilities who have self-identified and received approval from Disability Services. Students can contact Disability Services and make appointments to discuss and/or request accommodations by calling 215-573-9235.

### Wellness Resources

Counseling and Psychological Services (CAPS) provides professional psychological and psychiatric services to students who need support in fulfilling their academic, social, and personal objectives. CAPS directly supports student mental health through counseling, crisis management, consultation, education and outreach, and training. CAPS has a satellite office in Huntsman Hall, and students with urgent concerns can talk with a CAPS clinician 24/7 at 215.898.7021 (press 1) or visit CAPS' main office at 3624 Market Street during business hours. Student Health Service provides students with accessible, cost-effective, culturally sensitive, and student-focused healthcare, including care for acute and chronic health problems, preventive health services, and health and wellness education.

Alcohol and Other Drug Program Initiatives (AOD) works to reduce harm related to alcohol and other drug use at Penn.

Penn Violence Prevention (PVP) engages the Penn community in the prevention of sexual violence, relationship violence, stalking, and sexual harassment on campus. PVP provides education and outreach and the staff serves as confidential resources for students. Public Safety: From riding your bike on campus, to preventing unattended theft, the Division of Public Safety wants to make sure you have the information you need to protect your safety and your belongings.

Penn Recreation: Penn offers many opportunities for students to participate in competitive team sports and stay physically fit at state-of-the-art, world-class training centers. Wharton Wellness is a division-sponsored student organization that works to implement initiatives targeted at specific wellness issues in the Wharton community by creating experiences, fostering a positive culture of well-being, and connecting clubs/students to wellness resources.

It is important to me that you have the resources you need to be able to focus on learning in this course – this includes both the necessary academic materials as well as taking care of your day-to-day needs. Students experiencing difficulty affording the course materials should reach out to the Penn First Plus office ([pennfirstplus@upenn.edu](mailto:pennfirstplus@upenn.edu)). Students who are struggling to afford sufficient food to eat every day and/or lack a safe and suitable space to live should contact Student Intervention Services ([vpul-sisteam@pobox.upenn.edu](mailto:vpul-sisteam@pobox.upenn.edu)). Students may also wish to contact their Financial Aid Counselor or Academic Advisor about these concerns. You are welcome to notify me if any of these challenges are affecting your success in this course, as long as you are comfortable doing so – I may have resources to support you.