

**THE OHIO STATE UNIVERSITY
FISHER COLLEGE OF BUSINESS
Managerial Accounting for Decision making
AMIS 7310, 2023-24**

Syllabus – Draft 1

ATTENTION: This is the first draft of the syllabus. There will be changes during the course. Please, keep checking for new drafts.

ADMINISTRATION

Class Time:	Tu, Th 9:45 am to 11:15 am
Classroom:	Gerlach Hall 375
Professor:	Carlos Corona
Office:	Fisher Hall 466
Office Hours:	By appointment
E-Mail:	corona.55@osu.edu

CANVAS

We will use the Canvas website to conduct most of our class administration. Class announcements, homework assignments, class notes, solutions, and other information will all be posted on Canvas. Please check the website regularly.

REQUIRED COURSE MATERIALS

Cases: This is a case-based class. Links to the cases used in class will be posted on the course website on Canvas.

Textbook: There is no required textbook in this course. There are some textbooks that contain material covered in this course and that you may want to use occasionally. You can find a list on the Canvas website that I update regularly. I will post readings when needed.

COURSE DESCRIPTION

The course studies the role of managerial accounting systems in communicating and implementing an organization's strategy. Much of the course is focused on performance measurement and incentive issues throughout the organization, including the board of directors (corporate governance), top management team (executive compensation), division heads (investment, profit, revenue, and cost centers), and lower-level managers.

The course is intended for anyone involved in developing, communicating, implementing, and evaluating an organization's strategy. Students who intend to have a career in corporate finance/accounting, operations management, general management, or consulting should find the course valuable.

COURSE FORMAT

This is a case-based class, but the cases will be supplemented by theory introduced in lectures or as part of the case discussions. We will also discuss some related empirical research.

Class time will be filled with a mix of lectures, in-class exercises, case discussions, and in-class games or simulations. Class sessions will include multiple sub-sessions, which will not necessarily be of the same length.

Some sub-sessions will cover a case related to a topic previously introduced. Other sub-sessions will be interactive mini-lectures that will introduce new material. The goal of the mini-lectures is to provide you with the skills you will need as you prepare to discuss cases that will be encountered later on in the course.

CLASS PREPARATION

It is important you read the assigned cases and think about the key issues before coming to class. The intent of the individual case write-up requirement is to foster preparation.

PERFORMANCE EVALUATION

A total of 100 points are possible in this course. The breakdown of how points are awarded is provided in the following table.

Individual Class Participation	10 points
Individual Case Write-ups	20 points
Group Presentations	30 points
<u>Group Final Project</u>	<u>40 points</u>
Total	<u>100 points</u>

Group Case Presentations

You will form a group of classmates that will present two of the cases to the class. Each case will be presented by two groups. Each of the two groups will be assigned a position to defend in the case. There will be a PRO group and a CON group, with clearly stated positions that they will have to defend. The assignment will provide a set of suggested questions that may help each group. The PRO group will present for a maximum of 20 minutes and will be in charge of introducing the relevant information in the case for 5 minutes and then defend its position for the remaining 15 minutes. The CON group will only have a maximum of 15 minutes to present, as the case will be already introduced. At the end of the presentations, the groups will have an opportunity to respond to each other, and will have to answer questions from the audience. Subsequently, the audience will vote on the PRO/CON positions and also on the performance of the two groups in their defense. Essentially, the audience will grade each group with a poll. The audience will be asked to assign a total of 15 possible points to each group, awarded according to the following rubric:

15 points	<ul style="list-style-type: none">Clearly and accurately stated the decision problem addressed in the case, including the decision maker's objective.Clearly explained what specific details from the situation made the decision problem particularly difficult. (Only providing background information that is relevant and informs the subsequent analysis—did not waste time by providing contextual details that are otherwise disconnected from the discussion.)Made the appropriate and convincing arguments, connecting to the issues we have addressed in this class. (Students often find case solutions online—or may have seen the same case in a different class—and parrot what is found without considering how it relates to the central issues of this course. Simply parroting what is found online does not warrant full credit. In this class, the point of the cases is to help us understand and evaluate the theory presented in the lectures given prior to the case discussion. If the case discussion is devoid of the previously discussed theory, we have missed the point of the case.)Provided clear recommendations that followed logically from an application of the decision making framework (reviewed during the first session of class). This includes a clear discussion of the tradeoffs associated with each decision option, which may require computation.
12 points	Excels on 3-4 of the items listed above, but mediocre on 1-2.
10 points	Excels on 1-2 items but mediocre on 3-4
8 points	Fails to excel on any item, but at least does a mediocre job on all items.
5 points	Sub-par performance on most items.
0 points	Presenters fail to show up.

Students can present the case in whatever way they feel will best help them achieve the objectives outlined above. In the past, the average score has been between 12 and 15, the median score has been 15. **On the day you present, please provide me with a copy of your slides and a spreadsheet with your calculations at least 2 hours before class.**

Please provide me with a list of your team's four or five most preferred cases, with a ranking over those, **by the end of the third class** via canvas. Also, if there are specific dates I should avoid because of commitments of individual group members, please indicate those commitments.

Participation

Class participation and discussion is an important part of the course. I will evaluate both the quantity and the quality of your class participation.

Individual Case Write-ups

I will count only the 7 best grades out of the 11 cases covered in the course. These write-ups do not need to be any longer than two pages. Generally speaking, your write-ups should answer two questions: 1) What is the key problem? and 2) How should it be solved? In particular, you should answer these questions by working through the decision making framework, which will be reviewed on the first day of class. Additional questions you can use to guide your analysis will be posted on Canvas.

Since the cases will sometimes be used to introduce ideas that have not been covered in class beforehand, I will be looking mostly for good effort and thoughtful analysis rather than a correct answer. Please turn in your assignment in **pdf format on Canvas before the start of class**. No late write-ups will be accepted. To receive credit for your write-ups, **you must attend the entire class in which the case is covered** and participate in the case discussion when called upon. The purpose of the write-ups is largely to make sure you come to class prepared to discuss the case.

Group Final Project

The final project is a major requirement in this course. With the same case presentation groups, you will have to write your own case study. In this course we will read, analyze, and discuss quite a few business cases. However, as a final project, you will write your own business case from scratch. The case should analyze an internal economic and/or financial reporting incentive problem faced by employees of a firm, a manager, a firm, a group of firms (i.e., industry), an auditor, a regulator (i.e., SEC, PCAOB, FED), or a standard setter (i.e., FASB, IASB). Ideally, the problem or situation should stem from an incentive misalignment, and the case question should be how to fix the problem.

It is very important that you start working immediately on this project because you have less than six weeks to produce a comprehensive case study. There are multiple information sources that may be useful in identifying a problem or a situation for your case. Here are a few of them:

- Your own experience in current or past employers.
- Other people's experience.
- Business press such as The Wall Street Journal, The Economist, Reuters Business News, ...
- SEC Press Releases on Financial Reporting Fraud (www.sec.gov/news/pressreleases)
- Stanford Law School Securities Class Action Clearinghouse (<http://securities.stanford.edu/index.html>)
- Financial Accounting Standards Board (<http://www.fasb.org/home>)

Final project deliverables:

(i) Case cover letter – Due 8:00 am on Monday, March 25

- A one page cover letter that “pitches” the case. It should be written as a memo and it should detail the key learning opportunities associated with the teaching of the case study, and identify the key economic and/or financial reporting incentive problems in the case.

(ii) Case study – Due 8:00am on Wednesday, April 17

- The case study needs to be presented with a standard format (single-spaced, 12- point font), ideally less than 10 pages in length, and involving exhibits of tables, charts, figures, or appendices (these additional items are not to be included in the 10 page limit). Ideally, the case does not suggest a solution. It only provides background, creates the tension through a story, and leaves it to the reader to try to find a solution.

(iii) Case study solutions – Due 8:00am on Wednesday, April 17

- The solution to the case study, or “Teaching Note” should have several sections: (a) synopsis and objectives, (b) suggested questions for advanced assignment to students, (c) hypothetical teaching plan involving specific questions and anticipated answers (for a hypothetical 60 minute discussion), (d) detailed case analysis (including any data or financial reporting analysis), and (e) an outline of what actually happened to the firm or organizations involved in the case (if applicable). This will also be written in a standard format, but it may also have supplementary materials in the form of spreadsheets, press clippings, extracts from corporate disclosures or financial statements, or other office filings.

(iv) Case presentation – Due 8:00am on Thursday, April 18

- A PowerPoint presentation that will be used in the final week of class by the group to present the case to the rest of the class. As they will last approximately 13 minutes each, these presentations will be about “pitching” the case to the class rather than a full case discussion. The presentation should have two parts. First, provide background and create the tension with a story. Second, clearly state that you transition to the solution of the case. In the solution, focus on the decisions made by those involved in the case and the incentive problems they face, and provide your view of a possible solution.

CLASS CALENDAR

Date	Session	Groups	Assignments due	
Feb 29	Introduction to the course Pricing Simulation			
Mar 5	Case: “Bridgeton Industries” Lecture: Introduction to ABC		Case write up	
Mar 7	Case: “Wilkerson” Lecture: ABC vs TOC		Case write up	
Mar 12 Mar 14	Spring Break			
Mar 19	Case: “Lehigh Steel” Lecture: Own vs Competitor Costs		Case write up	
Mar 21	Case: “Dogfight over Europe: Ryanair” Lecture: Capital Budgeting Simulation	<i>Pro: TBA</i> <i>Con: TBA</i>	Case write up	
Mar 26 ZOOM	Case: “Performance Pay at Safelite Auto” Lecture: Incentive Theory	<i>Pro: TBA</i> <i>Con: TBA</i>	Case write up	
Mar 28 ZOOM	Case: “Nordstrom” Lecture: Subjectivity and Balanced Scorecard	<i>Pro: TBA</i> <i>Con: TBA</i>	Case write up	
Apr 2 ZOOM	Case: “Citibank” Lecture: Refresher of Regression Analysis		Case write up	
Apr 4	Case: “Store24” Lecture: Executive Compensation		Case write up	
Apr 9	Case: “Executive Pay and the Credit Crisis” Lecture: Corporate Governance	<i>Pro: TBA</i> <i>Con: TBA</i>	Case write up	
Apr 11	Case: “Lehman Brothers and Repo 105” Lecture: Banking Regulation and Accounting	<i>Pro: TBA</i> <i>Con: TBA</i>	Case write up	
Apr 16	Case: “What happened at Enron” Lecture: Wrap up	<i>Pro: TBA</i> <i>Con: TBA</i>	Case write up	
Apr 18	Final Project Presentations			