

## SYLLABUS

### PRINCIPLES OF MANAGERIAL ACCOUNTING

**Stern School of Business  
New York University  
Spring 2014**

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Location: TBA  
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#### **COURSE OVERVIEW & OBJECTIVES**

This course introduces you to the principles of managerial accounting – the *internal* use of accounting information to manage modern firms, including planning, analysis, and decision-making. The primary objective of this course is to equip you with the knowledge and ability to prepare, understand, evaluate, and execute financial and non-financial reports used in modern businesses. The purpose of this course is to help you become a better manager, not to merely have you read problems and solutions.

Managers face numerous business decisions every day that require the use of financial and non-financial information about their firms' products, processes, employees, suppliers, customers, competitors, resources, and constraints. These decisions range from evaluating profitability of investment projects (finance) to managing product-line portfolios and pricing (marketing), from supply chain and customer management (operations) to evaluating and motivating employees (human resources), and from making merger and acquisition decisions (strategy) to tax planning and management (regulation). Therefore, utilizing relevant information (financial and non-financial) to make informed decisions is vital to modern firms and is an important skill for a career in corporate management, business consulting, financial services, and so on.

Unlike financial accounting, this course focuses on information generated by *internal* accounting information systems. These systems provide managers with *reports* that describe the *reality* – the business processes and environment at their firms. However, these reports may not fully reflect or reflect inaccurately the reality, leading managers to make incorrect *decisions*. In class, we will discuss a number of pitfalls that these inaccurate reports can induce and the incorrect decisions these reports can lead to. We will also discuss how companies can create *value* through making informed decisions based on reliable reports that truthfully and accurately reflect reality.

Although you will need to be familiar with the mechanics of the many techniques used to prepare management reports, the emphasis in this course is on interpretation, evaluation, and decision-making.

## CLASS MEETINGS

The class meetings will be a combination lectures, cases, and discussions, which provides an interactive learning environment and allows for a deeper understanding of the managerial implications of information-system design and use. To prepare for classes, you should go through the readings and prepare the case questions (for classes where we discuss cases).

Students are expected to actively participate in case discussions, providing summaries of key facts of the case, analysis, and recommendations to management. The case discussions involve the preparation of the case and reading assignments before class and the active sharing of your insights during class.

Each student should carefully prepare the assigned case for the class and be ready to present their analysis or to comment on others' analyses. You are encouraged to prepare the cases in groups.

*Note that many managerial problems do not have unique or clear-cut correct answers or solutions. Therefore, you are encouraged to think creatively and critically.*

## GRADING (SUBJECT TO CHANGE BEFORE CLASS STARTS)

Your grade for this course will consist of four components: class participation, written case preparation, one closed-book midterm, and one closed-book final examination:

- In-class quizzes                      10%;
- Written case preparation            10%;
- Midterm examination                35%;
- Final examination                    45%.
- Total                                      100%**

### *IN-CLASS QUIZZES (10%)*

Usually when we start new lecture notes, I will give out a short quiz along with the new lecture notes at the beginning of the class. The quizzes will contain questions similar to the self-study problems assigned from the class before, and will be graded as pass/fail. As long as you have read the assigned course materials before class and make your best effort, you can expect to pass the quizzes. The purpose of the quizzes is to familiarize you with exam questions, and to prepare your mind for the class. The quizzes also motivate you to study regularly rather than just before the exams. Perhaps more so than other subjects, learning accounting requires hands-on practice and is difficult to learn by jamming. If you cannot attend a quiz, you must email me with convincing reasons before the start of the class.

### *WRITTEN CASE PREPARATION (10%)*

The course syllabus lists eight (8) cases to prepare for the classes. Each student must submit at least five (5) of the eight (8) case preparations during the course to receive the written homework credits (10%).<sup>1</sup> Although you may discuss the cases in small groups, the submitted case preparation must be your own individual work. No extra credit will be awarded for submitting additional case preparations. You are free to choose which five of the eight cases to hand in. I do

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<sup>1</sup> In case the class schedule changes and we cannot cover all eight cases. This requirement will change accordingly. For example, if we can only cover 7 cases, then you would only need to submit 4 preparations to get the 10% credits.

not expect any “correct” answer in preparing for a case, only that you have made an intelligent and determined effort to address the issues emerging from the case. The written submissions will be graded as either an “S” or “S-”. An S- will be awarded if the case preparation is incomplete or if a “Best Effort” was not made on the case preparation. I expect that all students will come to class prepared to discuss the case listed on the course syllabus. Written case preparations are due at the beginning of class on the day the case is listed on the syllabus. Submissions received after class starts will be graded an S-. All case preparations must be submitted in hard copy form. Electronic and fax submissions will NOT be accepted.

#### *EXAMS (MIDTERM – 35%, FINAL – 45%)*

Both exams are based on all material in the text, class, and problem assignments up to the date of the exam. The best way to prepare for the exam is to prepare carefully for each of the classes that precede it.

The midterm and final exams are both closed book and closed notes. You will need a small calculator for each exam. For the final exam (ONLY), you are allowed to bring one (double sided) page (8.5 x 11) of hand-written notes (not printed), to be handed in with the final exam.

#### *CLASS PARTICIPATION & ADDITIONAL EXERCISES (BORDER-LINE GRADES)*

The quality (rather than quantity) of your interaction and participation in class discussions will determine border-line grades. High quality comments are concise but to the point. You can contribute to the in-class case analysis by making comments to move the discussion toward a deeper understanding of the company and its issues. You can access additional exercises to enhance your learning by visiting the course Connect Plus site: [http://connect.mcgraw-hill.com/class/m\\_tang\\_fall\\_2013\\_tr\\_11am](http://connect.mcgraw-hill.com/class/m_tang_fall_2013_tr_11am).

#### **ACADEMIC INTEGRITY**

Integrity is critical to the learning process and to all that we do here at NYU Stern. All students are expected to abide by the **NYU Stern Student Code of Conduct**. A student’s responsibilities include, but are not limited to:

- A duty to acknowledge the work and efforts of others when submitting work as one’s own. Ideas, data, direct quotations, paraphrasing, creative expression, or any other incorporation of the work of others must be clearly referenced.
- A duty to exercise the utmost integrity when preparing for and completing examinations, including an obligation to report any observed violations.

For more information, please see:

<http://www.stern.nyu.edu/UC/CurrentStudents/Academics/PoliciesAndProcedures/index.htm>

#### **STUDENTS WITH DISABILITIES**

Students whose class performance may be affected due to a disability should notify the professor early in the semester so that arrangements can be made, in consultation with the Henry and Lucy Moses Center for Students with Disabilities, to accommodate their needs.

Please see [www.nyu.edu/csd](http://www.nyu.edu/csd) for more information.