ACCY212
Accounting for Marketing Decisions

Subject Program
Autumn Session 2000

Lectures:  Monday  4.30 – 5.30   20.4
           Wednesday  4.30 – 5.30   20.4

Lecturer:  Associate Professor Bob Williams   Room 40.318
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           Fax (02) 4221 4297

Subject Description

Management needs to be informed in order to make effective decisions, this is as true for the marketing function as for other areas of business activity. ACCY212 is designed to provide a series of financial tools to provide information to assist more effective decision making. The subject is oriented towards addressing the information needs of those involved in marketing.

Objectives:

Upon completion of this subject students will be able to:
- Appreciate the relevance of cost information in the marketing context.
- Analyse business information to assist decision making.
- Understand cost behaviour and cost determination.
- Develop budgets.
- Understand and use selected financial tools.

Prescribed text


Internet Site

Our Internet address is:


Check it out!
Subject Requirements and Assessment

For the purposes of determining final grades for ACCY 212, student performance will be evaluated on a composite mark, determined as follows:

<table>
<thead>
<tr>
<th>Component</th>
<th>Mark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Essay</td>
<td>15</td>
</tr>
<tr>
<td>Computer Assignment</td>
<td>10</td>
</tr>
<tr>
<td>Final Exam</td>
<td>60</td>
</tr>
<tr>
<td>Tutorial Problems and Participation</td>
<td>15</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

NB. Marks may be scaled.

To be awarded a Pass or higher grade in this subject, students must achieve at least 45% in the final exam.

When the composite mark is just below the mark required for a particular grade, it will be reviewed in the light of tutorial attendances and all work submitted (including any assignments or other work which has not been counted directly towards the composite mark).

Dates to Remember

<table>
<thead>
<tr>
<th>Component</th>
<th>Date</th>
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<tbody>
<tr>
<td>Essay</td>
<td>May 3</td>
</tr>
<tr>
<td>Computer Assignment</td>
<td>May 17</td>
</tr>
</tbody>
</table>

Tutorial Attendance

Attendance at tutorials is a compulsory requirement of this subject.

Solutions to tutorial problems are to be submitted to tutors as required. Your tutors will provide further details on what is required.

Your participation in weekly tutorial discussions will be taken into account when awarding your mark for tutorial work (see above).

Students will be able to seek help from tutors during consultation times. Tutors will indicate their availability at the first tutorial and their consultation times will be posted on their doors.

Workshops

Workshops are intended to provide experience in practical aspects of this subject and it is expected that all students will attend.

Access to Solutions

Each Monday copies of the solutions of the previous week’s tutorial problems will be placed in the Closed Reserve section of the library and in the Faculty Resource Room in Building 40. Students are advised to refer to the solutions provided.
Computer Assignment

The computer assignment is attached to this subject outline. It is to be completed using a spreadsheet package (either in the faculty computer laboratory or using your own equipment) and placed in the assignment box outside 40.318.

Due date: 5.30 pm May 17

Submission by Facsimilie

Note the University policy covering submission of assignments by fax on page 8 of the 1999 Undergraduate Calendar. Generally assignments will NOT be accepted or marked if submitted by fax.

Exams

These will include subject matter covered in lectures and/or tutorials. You should study from your notes and tutorial work, supplementing this material with explanations and further example problems from the textbook. The objective is to test your understanding of the material rather than mere memory.

Essay

You may select any one of the three essay topics below.

Length: 1,500 words
Due Date: Place your essay in the box outside 40.318 by 5.30 pm on May 3.

Topic A “To be successful a marketing campaign needs to take into consideration accounting information.” Discuss.

Topic B “Budgets can cause counter-productive behaviour”. Discuss.

Topic C “The accounting system is intertwined with operating management. Business operations would be a hopeless tangle without the paperwork that is so often regarded with disdain”. Discuss, giving examples.

Mandatory essay presentation standards are as follows:

1. The essay is to be typed using a computer word processing package.
2. A duplicate of the essay is not required. You must ensure, however, that you have the capacity to provide a duplicate, should this be requested. Problems with computers, software, lost disks etc will not be accepted as excuses for late submissions.
3. The pages should be numbered.
4. At the front of the essay there must be a title page showing your name, your tutorial class, the date the essay is due and the topic as given.
5. A synopsis of no more than 150 words is to preface the essay.
6. There must be a margin of about 40mm to allow for written comments.
7. All essays should include a list of references in academic form. All sourced material, including direct quotations, should be appropriately acknowledged.

The essay will be penalised for failure to meet any of these requirements.

Any essays submitted after the due date will incur a penalty (one mark per day) which may reduce the mark to zero, unless special exemption has been granted.
Students not submitting the essay by the last day of classes, in the absence of accepted documented reasons, will fail the subject.

Essays will be returned during tutorial classes.

Assignment Cover Sheet

A cover sheet should be attached to the essay and assignments containing the following:

- Your name and Student Number.
- Your tutor and tutorial group.
- The topic.
- A signed declaration using the following wording:

  I have read and adopted the University of Wollongong Acknowledgement Practice Code as set out in the 1999 Undergraduate Calendar, pages 86 to 87.
  Signed .............................................    Date .....................

Supplementary Final Examinations

See the statement of Departmental policy, copies of which are available in the Faculty of Commerce Resource Room in Building 40.

Cheating and Plagiarism

Cases of cheating or plagiarism will be severely penalised and reported to the Head of Department. The following paragraph from the University statement on final examinations indicates the seriousness of such offences:

Academic Misconduct

Students are reminded that the University regards academic misconduct as a very serious matter.

Students found guilty of academic misconduct may be excluded from the University. Because of the circumstances in individual cases the exclusion can range from one session to permanent exclusion from the University.

The following are some of the actions which have resulted in students being found guilty of academic misconduct in recent years.

- use of unauthorised aids in an examination;
- submitting work for assessment knowing it to be the work of another person;
- improperly obtaining prior knowledge of an examination paper and using that knowledge in the examination;
- failing to acknowledge the source of material in an assignment.
SUBJECT REQUIREMENTS, ILLNESS AND MISADVENTURE

Section 10 of the Bachelor Degree regulations covers subject requirements and assessment. Note in particular 10(7) which says:

*Should performance in a subject be affected by illness or other cause beyond the control of a candidate, the circumstances should be reported to the Vice-Principal (Administration) in writing, supported by evidence, normally no later than seven days following the illness or other cause. The circumstances shall be referred to the Head and may be taken into account when assessment of the candidate in that subject is made.*

Students who are in the unfortunate position referred to in the above paragraph should note the following:

(i) The formal letter requesting special consideration must be submitted to the University administration and not to the Department.

(ii) As a matter of courtesy and to facilitate prompt action, the relevant staff member should be advised and you should ensure that she/he is supplied with an up-to-date address and, where possible, a contact telephone number.

(iv) Students do not have a right to a supplementary examination and should refer to the Departmental policy.

Disability

If a student with a disability requires reasonable accommodation in this subject, they are strongly advised to discuss the issues early in the session with one of the following people: the Disability Liaison Officer, Faculty Disability Advisor and/or the subject co-ordinator.
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<thead>
<tr>
<th>Week</th>
<th>Lecture</th>
<th>Date</th>
<th>Lecture Topic</th>
<th>Tutorial Questions</th>
<th>Workshop</th>
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</thead>
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<tr>
<td>1</td>
<td>1</td>
<td>Feb 28</td>
<td>Introduction</td>
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<tr>
<td>2</td>
<td>2</td>
<td>March 1</td>
<td>Ch 7 The Role of Management Accounting</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>3</td>
<td></td>
<td>Ch 2 Cost Behaviour</td>
<td>1-B1, 1-B2, 1-9, 1-30, 1-39</td>
<td>2-A1, 2-A2</td>
</tr>
<tr>
<td>4</td>
<td>7</td>
<td></td>
<td>Ch 4 Cost Management Systems</td>
<td>3-A1, 3-B1, 3-25, 3-33, 3-40</td>
<td>4-A3</td>
</tr>
<tr>
<td>8</td>
<td>22</td>
<td></td>
<td>Sources of Finance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>9</td>
<td></td>
<td>Time Value of Money</td>
<td>4-29, 4-30, 4-31, 4-43</td>
<td>11-A1</td>
</tr>
<tr>
<td>10</td>
<td>29</td>
<td></td>
<td>Time Value of Money</td>
<td></td>
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<td>6</td>
<td>11</td>
<td>April 3</td>
<td>Ch 11 Capital Budgeting</td>
<td>11-B1, 11-24, 11-23, 11-25, 11-27, 11-30</td>
<td>11-A2, 11-A3</td>
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<tr>
<td>12</td>
<td>5</td>
<td></td>
<td>Capital Budgeting</td>
<td></td>
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<td>7</td>
<td>13</td>
<td></td>
<td>Ch 5 Relevant Information</td>
<td>11-29, 11-31, 11-38, 11-42</td>
<td>5-A1, 5-B2</td>
</tr>
<tr>
<td>14</td>
<td>12</td>
<td></td>
<td>Relevant Information</td>
<td></td>
<td></td>
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<tr>
<td>8</td>
<td>15</td>
<td></td>
<td>Ch 7 The Budget</td>
<td>5-A3, 5B3, 5-26, 5-28, 5-35, 5-36</td>
<td>7-A1</td>
</tr>
<tr>
<td>16</td>
<td>19</td>
<td></td>
<td>The Budget</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>17</td>
<td>May 1</td>
<td>Ch 8 Flexible Budgets</td>
<td>7-1, 7-2, 7-5, 7-12, 7-26, 7-33, 7-36</td>
<td>8-A1</td>
</tr>
<tr>
<td>10</td>
<td>19</td>
<td></td>
<td>Ch 10 Management Control</td>
<td>8-20, 8-21, 9-1, 9-5, 9-29</td>
<td>9-A2, 9-A3</td>
</tr>
<tr>
<td>11</td>
<td>21</td>
<td></td>
<td>Ch 12 Cost Allocation</td>
<td>10-12, 10-22, 10-23</td>
<td>12-A2, 12-A4</td>
</tr>
<tr>
<td>12</td>
<td>24</td>
<td></td>
<td>Ch 15 Overhead Allocation</td>
<td>12-24, 12-25, 12-26, 12-27</td>
<td>13-A2, 13-B1</td>
</tr>
<tr>
<td>26</td>
<td>31</td>
<td>Review</td>
<td></td>
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</tbody>
</table>
Consider the following problem and prepare a presentation outlining your suggested solution to the dilemma faced by the management.

Your presentation must be prepared using a computer and must include a spreadsheet showing the analysis that you have undertaken in your development of a solution to the problem. Marks will be awarded for originality and creativity.

The Problem:

You are employed by a fashion retailer in downtown Wollongong. The store sells both designer and moderately priced women’s wear. Over the past few months profits have varied considerably and the managing director is trying to decide whether to drop the designer clothes or the moderately priced clothes; or to retain the status quo.

The accountants have provided the following data:

<table>
<thead>
<tr>
<th>Per Item</th>
<th>Designer</th>
<th>Moderately Priced</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average selling price</td>
<td>$240</td>
<td>$150</td>
</tr>
<tr>
<td>Average variable expenses</td>
<td>$120</td>
<td>$ 85</td>
</tr>
<tr>
<td>Average contribution margin</td>
<td>$120</td>
<td>$ 65</td>
</tr>
<tr>
<td>Average contribution margin %</td>
<td>50%</td>
<td>43%</td>
</tr>
</tbody>
</table>

If moderately priced goods are sold exclusively then 400 items can be displayed in the floor space available. If designer goods are sold exclusively only 300 items can be displayed. Moreover, the rate of sale (turnover) of the designer items will be two-thirds the rate of moderately priced goods.

Your analysis must address the question of whether one of these product lines should be dropped and should also detail other factors that should be taken into consideration.