

MASTER OF ACCOUNTANCY PROGRAM
FACULTY OF ECONOMICS AND BUSINESS
Universitas Gadjah Mada
Jogyakarta

ACCOUNTING FOR DECISION MAKING
Syllabus (2018)

Instructor

Ertambang Nahartyo, Ph.D., CMA, CA, Akt.
Assistant Professor of Accounting
Faculty of Economics and Business
Universitas Gadjah Mada

Office

Ex CGCG, 2nd Fl. West Wing
FEB Building, Universitas Gadjah Mada
Jalan Humaniora no. 1, Bulaksumur, Jogjakarta
Ph. (0274) 548510 Email: ertambang@ugm.ac.id; <https://sintesis.feb.ugm.ac.id>

Office Hours

Tue and Wed
by appointment

Course Description & Objectives

Our financial reporting system has changed greatly over the past 50 years and will continue to change. The financial world is experiencing unparalleled challenges, such as globalization, deregulation, and the widespread use of the World Wide Web. In the midst of these changes is the accounting profession that must provide reliable and relevant information to users. The role of the management accountants has evolved from serving internal customers into being a business partner. This means that accountants are no longer bean counters, scorekeepers, or corporate cops. Being a business partner means having equal responsibility and authority in making decisions for the well-being of a firm. As a business partner, a (management) accountant has the authority and responsibility to guide an operating executive in distinguishing relevant information for decision making and to improve the decision making quality.

This course focuses on how internal accounting systems (which includes budgets, product costing, financial reports, etc.) provide knowledge for decision making and help align employee interests with maximizing the organization's value (controlling organization which includes assigning responsibilities, measuring performance, and rewarding achievers). Therefore, the backbone of the course consists of two main parts: accounting systems (i.e. opportunity cost) and organizational architecture.

Course Reference

Zimmerman, J. L. 2009. *Accounting for Decision Making and Control*. New York, N.Y.: McGraw-Hill/Irwin (**Z**)

Learning Method

I do not agree to the idea of teaching a specific content as the purpose of education. To educate is to invite students to think and to prepare their own framework from that they can learn more when they encounter a new experience. An interesting educational process, to me, is that from which both students and the teacher get a richer context. Discussion is the most used method in this class. Consequently, this method requires a thorough preparation before class. In each and every session students are required to attend class bringing their perspective (executive summary and stories) regarding the study material. I will appoint students (on group basis) to present their materials before class.

Plagiarism is a serious offence and will lead to disciplinary actions. Please refer to the Program standard regarding this matter.

There will be a quiz every once in a while. The quiz covers the text rather thoroughly and requires careful reading and good comprehension of the material. Again, preparation before class is a must.

Grading

Your performance will be evaluated based upon the following parts.

Class participation	20%
Homeworks & Assignments	20%
Quizzes	10%
Exams (mid & final)	50%

Course Schedule

Sessions	Topics	Reference	Presenter
1	Management Accounting in Changing Environment	Z14	EN
2	Accounting: Information that Creates Value	Z1	EN
3	The Nature of Costs	Z2	EN
4	Organizational Architecture	Z4	Mhs 1
5	Responsibility Accounting and Transfer Pricing	Z5	Mhs 2
6	Budgeting	Z6	Mhs 3
7	Cost Allocation: Theory	Z7	Mhs 4
8	Cost Allocation: Practices	Z8	Mhs 5
9	Absorption Cost Systems	Z9	Mhs 6
10	Criticism of Absorption Cost Systems: Incentive to Overproduce	Z10	Mhs 7
11	Criticism of Absorption Cost Systems: Inaccurate Product costs	Z11	Mhs 8
12	Standard Costs: Direct Labor, Materials, Overhead, and Marketing Variances	Z12; Z13	Mhs ?
13	Capital and Capital Budgeting	Z3	Mhs ?
14	Wrap Up		EN