

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

ACCOUNTING FOR DECISION MAKING
Syllabus (2018)

Instructor

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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.

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|-------------------------|-----|
| 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 |