

Midstate College
411 W. Northmoor Rd.
Peoria, IL 61614
(309) 692-4092 (800) 251-4299
Spring 2019

Course: ACC 409 Controllership

Credit Hours: 4 Quarter Hours Method of Delivery: ELearning

Course Description: A study of the conceptual foundations of the accounting controller, the course starts with a review of the functions of the controller. It then moves to a more detailed view of the management of the income statement, followed by a review of the management of the balance sheet. The course also covers financial analyses, taxes, managing an information system, change management and offshore information technology and outsourcing.

Prerequisite: Consent of Program director.

Text: The Controller's Function, The Work of the Managerial Accountant, 4th Edition

Authors: Steven M. Bragg

Publisher: John Wiley & Sons, 2011

Topics to be covered:

Management of the Income Statement: Annual Business Plan, Sales, Distribution Expenses and resources within the business (labor, material, overhead & SG & A) and the Closing Process

Management of the Balance Sheet elements: Cash, Receivables, Inventory, PP & E (fixed assets), Liabilities, and Equity

Case Study

Operational Accounting

Performance Measurement & Financial Analysis

Taxes & other risk management activities

Identifying & implementing a Business Process

Identifying Controls needed in Business Process

Understanding & understanding Change Management & Offshore Activities

The controllership function within an organization

Learning Objectives: Upon completion of this course, students will be able to:

1. Understand and interpret business processes
2. Evaluate existing and new accounting applications
3. Interpret and evaluate processes that help manage the Income Statement
4. Understand how accounting information design affects the management of Income Statement and Balance Sheet items
5. Understand the role of the controller in today's economy.

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<u>Midstate Grading Scale:</u>	90 - 100	A
	80 - 89	B
	70 - 79	C
	60 - 69	D
	less than 59	F

Midstate Plagiarism Policy:

Plagiarism is using another person's words, either by paraphrase or direct quotation, without giving credit to the author(s). Plagiarism can also consist of cutting and pasting material from electronic sources by submitting all or a portion of work for assignment credit. This includes papers, computer programs, music, sculptures, paintings, photographs, etc. authored by another person without explicitly citing the original source(s). These actions violate the trust and honesty expected in academic work. Plagiarism is strictly against the academic policy of Midstate College. Its seriousness requires a measured, forceful response which includes consequences for inappropriate and/or no citation.

In courses containing writing assignments, the College promotes the use of an electronic resource which compares the student's writing against previously submitted papers, journals, periodicals, books, and web pages. Students and instructors can use this service to reduce the incidence of plagiarism. This electronic resource has been found to conform to legal requirements for fair use and student confidentiality. It is able to provide a report to the student indicating the parts of the assignment that match.

Student Success:

The Office of Student Success is available to students seeking tutoring for individual classes or who need assistance with writing assignments. Information is also available on test taking techniques, how to take notes, developing good study skills, etc. Contact Student Success in Room 217 (in person); (309) 692-4092, extension 2170 (phone); studentsuccess@midstate.edu (email).

Instructor: Thomas Razo, CPA, CHFP

e-mail: tmrazo@midstate.edu

Hours: By appointment only.

Course Requirements: C or higher grade on the five case studies and participation in weekly classes through discussion questions and summary questions.

Case assignments must be turned in on time. Any assignments turned in late will be subject to a 10% deduction from the grade on that case assignment.

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Examination Information: No traditional examinations or quizzes are utilized in the course since the basis of the concepts taught in this class have been assessed via traditional examinations in prior accounting classes. The purpose of the method of assessment utilized in this class is to apply the concepts learned in prior accounting classes and add advanced/practical application to those concepts. To assess performance in resulting in a grade in this class; five case studies, twelve discussion question, and twelve summary question will be utilized.

Measurement of Evaluating Student Performance: The objectives will be measured as the student completes a series of case studies and discussion and summary question. These papers & class participation will constitute the student's grade in the class.

Class grades may be curved to fit into the Midstate Scale (90-A, 80-B, 70-C,60-D,<60-F).

Grades will be based on the following:

Internal Control Memo (Case Study #1)	50 points
Activity Based Costing Allocation (Case Study #2)	50 points
Budgeting Problem (Case Study #3)	100 points
Journal Entries and Closing Problem (Case Study #4)	100 points
Financial Analysis and Results Problem (Case Study #5)	100 points
Weekly Discussion Questions (3 points ea)	36 points
<u>Weekly Summary Questions (3 points ea)</u>	<u>36 points</u>
Total	472 points

Policies and Procedures: Good attendance/contact (number 1 correlation for good grades) and keeping up with assignments is recommended to be successful in this class. Assignments MUST BE turned in on time as assigned in order to receive full credit. **For each week case studies or an individual case study is turned in late, 10 points will be deducted from the final grade of the respective assignment for each week late. For example if case study is turned in two weeks late, 20 points will be deducted from the final grade of the late turned in assignment. Weekly discussion and summary questions are required to be turned in time or a zero grade will be recorded.**

The only exception to the above policy is a pre-arranged in advance with the instructor and/or a note from a medical professional is forwarded to the instructor.

Tentative Course Outline:

Week 1 Ground rules (Please review under week 1's folder for the expectations for this course.

Topics

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The Controller's Job
Internal Controls

Learning Objectives

Understand the role of the controller in today's economy.
Understand how accounting information design affects the management of income statement and balance sheet items.

Weekly Assignment

Read Chapters 1 and 2

Discussion Question:

DQ – over Chapter 1 – ***in your own words***, what functions/jobs/duties does a successful controller perform within a company?

Summary Question:

SQ – over Chapters 2 – What is the purpose of internal controls? Give an example of an internal control with a company or what you have experienced in your current job or a prior job?

Internal Control Memo (Case Study #1): Write a 1 - 2 page business style memo to the president and CFO of a company noting the internal control issues with the inventory, receivables, fixed assets, or cash (you can choose any of these topics or from each of these topics). Describe the problem and provide a solution for improving the internal control problem you describe. (Due at the end of week 2 but can be submitted prior to that time.) (Individual requirements for memo is found on Joule.) This memo is designed based upon your career experience or you can interview other people with this experience to develop this memo. You create the name of the company, company president, and company CFO.

Week 2

Topics

Planning and the Strategic Plan
Long-Range Financial Plan

Learning Objectives

Understand the role of the controller in today's economy.
Understand how accounting information design affects the management of income statement and balance sheet items.
Understand and interpret business processes

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Weekly Assignment

Read Chapters 3 and 4

Discussion Question:

DQ – over Chapter 3 – Why is strategic planning important in a business operation? Give an example of a business plan within a business that you have observed during your career or interview a friend about an example of a business plan.

Summary Question:

SQ – over Chapter 4 – Name three topics covered within a risk analysis. Select one of these topics and explain why this topic is important to analyze for risk. Tailor your answer to a business you are familiar with or would like to be familiar with.

Internal Control Memo – (Case Study #1) due at the end of week 2.

Week 3

Topics

Overhead

General and Administrative Expenses

Learning Objectives

Understand the role of the controller in today's economy.
Understand how accounting information design affects the management of income statement and balance sheet items.
Evaluate existing and new accounting applications.

Weekly Assignment

Read Chapters 9 and 10

Discussion Question:

DQ – over Chapter 9 – Give an example of overhead. Name two examples of cost allocation and explain (in your own words) how each cost allocation method works. You may want to consider cost allocations you have experienced during your career. If you have not experienced this during your career, discuss this concept with a friend or colleague that may have experienced working with cost allocations.

Summary Question:

SQ – over Chapter 10 – Name three examples of general and administrative expenses. For one of these three examples, cite an example of how to control this general and administrative expense.

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Consider items asked within this summary question in consideration of your career path or where you would like to position yourself for your next job in your career.

Activity Based Costing Allocation (Case Study #2): You will need to recommend if traditional costing is recommended or activity base costing allocation method. (Due at the end of week 4 but can be submitted prior to that time.) (Individual requirements for memo is found on Joule.)

Activity Based Costing Update – A status posting is required as to what you have worked on related to Case Study #2. (See Joule for what is required for this update.) (Reminder: Case Study #2 is due at the end of week 4.)

The purpose of status posting is to require you to work on a portion of the assignment and also get feedback from me. If you are experiencing challenges with the assignment, posting your answer in a status posting will potentially assist you in earning a higher grade when the final assignment is due.

Week 4

Topics

Distribution Expenses

Direct Materials and Labor

Learning Objectives

Understand the role of the controller in today's economy.

Understand how accounting information design affects the management of income statement and balance sheet items.

Interpret and evaluate processes that help manage the income statement.

Weekly Assignment

Read Chapters 7 and 8

Discussion questions:

DQ – over Chapter 7 – Name one way to analyze distribution costs. Provide an example of how a company uses this way to analyze their distribution costs and what results the company may observe as a result of this analysis. Think about answering this question from your company's experience or another company you are familiar with.

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Summary questions:

SQ – over Chapter 8 – What are the objectives of labor accounting?

Activity Based Costing Allocation (Case Study #2): You will need to recommend if traditional costing is recommended or activity base costing allocation method. (Due at the end of week 4 – this week.)

Week 5

Topics

Annual Plan

Sales

Learning Objectives

Understand the role of the controller in today's economy.

Evaluate existing and new accounting applications.

Interpret and evaluate processes that help manage the income statement.

Understand and interpret business processes

Weekly Assignment

Read Chapters 5 and 6

Discussion questions:

DQ – over Chapter 5 – What particular budget is the base of all business plans? Why is this particular type of budget the base for all business plans?

Summary questions:

SQ – over Chapter 6 - Give an example of sales standards and explain why this standard is important for a business to monitor and/or hold as a standard. Consider this example in light of your current company, a company you formerly worked at, or a company you would like to work at.

Budgeting (Case Study #3): You will need to create a master budget and all of the budgets that interrelate and support the master budget. (Case Study #3 is due at the end of week 6.)

Budgeting Update – A status posting is required as to what you have worked on related to Case Study #3. (See Joule for what is required for this update.) (Reminder: Case Study #3 is due at the end of week 6.)

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As a reminder, the purpose of a status posting is to require you to turn in a portion of the assignment and receive feedback. Based upon this feedback you will have the opportunity to improve your grade.

Week 6

Topics

Operational Accounting
The Fast Close

Learning Objectives

Understand the role of the controller in today's economy.
Understand how accounting information design affects the management of income statement and balance sheet items.
Evaluate existing and new accounting applications.

Weekly Assignment

Read Chapters 17 and 18

Discussion questions:

DQ – over Chapter 17 – Name one example of an accounting function that could be outsourced. Provide a brief description of how outsourcing this accounting function would benefit a company. You can want to consider answering this question from your experience at your current job, job you formerly held, or a job you would like to hold.

Summary questions:

SQ – over Chapter 18 – In your own words, what does the term “closing the books” mean?

Budgeting (Case Study #3): You will need to create a master budget and all of the budgets that interrelate and support the master budget. (Case Study #3 is due at the end of week 6 – this week.)

Week 7

Topics

Cash and Investments
Receivables

Learning Objectives

Understand the role of the controller in today's economy.
Understand how accounting information design affects the management of income statement and balance sheet items.
Evaluate existing and new accounting applications.

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Weekly Assignment

Read Chapters 11 and 12

Discussion questions:

DQ – over Chapter 11 – Controls over Cash is important. Cite two examples of how cash can be misappropriated/stolen/embezzled. Then suggest controls to prevent the cash from being misappropriation in the examples that you cite. Think about controls (or lack of controls) at your current company, a company you would have worked for, or a company someone you know works for.

Summary questions:

SQ – over Chapter 12 – Name a ratios related to accounts receivables. Explain what information this ratio provide and how a business can utilize this ratio information to improve their business performance. You may want to consider this question in your current company, a company you formerly worked for, or a company that you would like to work for.

Journal Entries and Closing Problem (Case Study #4): You will need to provide adjusting journal entries and closing entries and all of the required financial statements to close a company's books. (Reminder: Case Study #4 is due at the end of week 9.)

Journal Entries and Closing Problem Update – A status posting is required as to what you have worked on related to Case Study #4. (See Joule for what is required for this update.)(Reminder: Case Study #4 is due at the end of week 9.)

As a reminder, status postings are required and allow you to receive feedback to improve your final grade on this case study.

Week 8

Topics

Inventory

Property, Plant, and Equipment

Learning Objectives

Understand the role of the controller in today's economy.
Understand how accounting information design affects the management of income statement and balance sheet items.
Evaluate existing and new accounting applications.

Weekly Assignment

Read Chapters 13 and 14

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Discussion questions:

DQ – over Chapter 13 – How does a manufacturing company know how quickly their inventory is selling? In your own words, why is knowing how quickly inventory is sold important to a company.

Summary questions;

SQ – over Chapter 14 – Name a task of a controller in relationship to property, plant, and equipment. Why are these tasks important for a controller to do/establish/complete/oversee? Think about this question in light of your current company, a former company you were employed with, or a company you would like to be employed with in the future.

Journal Entries and Closing Problem Update – A status posting is required as to what you have worked on related to Case Study #4. (See Joule for what is required for this update.)(Reminder: Case Study #4 is due at the end of week 9.)

As a reminder, status posting allows you to receive feedback and improve your final grade for this case study.

Week 9

Topics
Liabilities
Equity

Learning Objectives

Understand the role of the controller in today's economy.
Understand how accounting information design affects the management of income statement and balance sheet items.
Evaluate existing and new accounting applications.

Weekly Assignment

Read Chapters 15 and 16

Discussion questions:

DQ – over Chapter 15 – Name one important (or more if you would

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like) concept/item/etc on the income statement that a controller should monitor? Think about this question in terms of your current company, a company you were formerly employed with, or a company that you would like to be employed with.

Summary questions:

SQ – over Chapter 16 - Name one component of the cost of capital. In your own words, provide a description for this cost of capital component.

Journal Entries and Closing Problem (Case Study #4): You will need to provide adjusting journal entries and closing entries and all of the required financial statements to close a company's books. (Reminder: Case Study #4 is due at the end of week 9 – this week.)

Week 10

Topics

Performance Measurements and Trends
Financial Analysis

Learning Objectives

Understand the role of the controller in today's economy.
Understand how accounting information design affects the management of income statement and balance sheet items.
Understand and interpret business processes.

Weekly Assignment

Read Chapters 20 and 21

Discussion questions:

DQ – over Chapter 20 – Why is reviewing performance measures, trends, and ratios in a business important? In your career experience, what performance measure of a company have you reviewed, or considered?

Summary questions:

SQ – over Chapter 21 - What is working capital? Why is working capital important to a business?

Financial Analysis and Results Paper (Case Study #5): You will need to provide financial analysis and results paper (See Joule for requirement details.) (Reminder: Case Study #5 is due at the end of week 12.)

Financial Analysis and Results Paper Update – A status posting is required as to what you have worked on related to Case Study #5.

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(See Joule for what is required for this update.)(Reminder: Case Study #6 is due at the end of week 12.)

A status posting enables you to received feedback from me in order to potentially earn a higher grade on this case study when the final case study is turned in.

Week 11

Topics

Cost Reduction

Taxes

Learning Objectives

Understand the role of the controller in today's economy.

Understand how accounting information design affects the management of income statement and balance sheet items.

Evaluate existing and new accounting applications.

Interpret and evaluate processes that help manage the income statement.

Weekly Assignment

Read Chapters 22 and 23

Discussion questions:

DQ – over Chapter 22 – In your career – (either past, present, or future), which of the cost reduction reports do you anticipate you will utilize? Why would this report apply to your career situation?

Summary questions:

SQ – over Chapter 23 – Name a difference between tax and book accounting. Explain what causes this difference.

Financial Analysis and Results Paper Update – A status posting is required as to what you have worked on related to Case Study #5. (See Joule for what is required for this update.)(Reminder: Case Study #5 is due at the end of week 12.)

Week 12

Topics

Cost Reduction

Taxes

Learning Objectives

Understand the role of the controller in today's economy.

Understand how accounting information design affects the

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management of income statement and balance sheet items.
Evaluate existing and new accounting applications.

Weekly Assignment

No Chapters to Read

Discussion questions:

DQ – What concept did you find the most interesting in this course?

Summary questions:

SQ – What concept were you surprised that controllers need to be aware of in this course? If you were not surprised by anything, what concept provided the most challenge for you in this course?

Financial Analysis and Results Paper (Case Study #5): You will need to provide financial analysis and results paper (See Joule for requirement details.) (Reminder: Case Study #5 is due at the end of week 12 – this week.)

Syllabus is subject to change.