



جامعة دبي
UNIVERSITY of DUBAI

COLLEGE OF BUSINESS ADMINISTRATION
MBA Course Syllabus
Term 3, 2010-2011

Course code & No.: MBA 610
 Course Title: Accounting Information and Financing Decisions
 Prerequisites: None
 Faculty Member: Professor Mohamed E. Ibrahim, PhD., CGA
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 Class Hours: Time: 06:30-9:30 pm..... Days: Monday Room: 407.
 Office Hours: Time: 05:25-06:25 pm..... Days: Monday..... Room: MBA

Brief Course Description: (As in UD Graduate Catalog)

This course blends the use of accounting information (financial and non-financial) for operating and financing decisions. It links information to managing organizations and financing their activities. Topics covered include financial reporting and fair value accounting, cost allocation, sources of financing business activities, equity analysis and valuation, risk analysis and decision making under uncertainty, performance evaluation, and capital budgeting decisions.

Course Objective (CO): This course has the following objectives:

1. Develop ability to use accounting information for effective management of organizational resources.
2. Develop ability to perform and use different analyses of accounting information to evaluate capital sources, decisions under risk and uncertainty, and value equity shares.
3. Develop capacity to evaluate capital investments, sources of finance, and managers performance
4. Develop ability to summarize and critique journal articles related to the topics covered in the course

Course Learning Outcomes (CLO):

Upon completion of this course, students should be able to demonstrate the following outcomes

1. **Recognize** how financing activities manifest themselves on the financial reports of the company
2. **Perform** cost analysis for single and multiple products under certainty and uncertainty
3. **Synthesize and evaluate** selected accounting articles dealing with company valuation, decision making, performance evaluation, financial reporting, transfer pricing, among others.
4. **Interpret and use** accounting information to make investment decisions and select financing sources,
5. **Evaluate** company's and managers performance and relate such evaluations to managers' financial compensations

Blooms Taxonomy

(The following levels of Bloom's taxonomy have been used while developing the above CLO)

Bloom's level	3.Application (AP)	4. Analysis (AN)	5. Synthesis (S)	6.Evaluation (E)
CLO #	1	2,4	3, 5	3, 5

CLO Mapping: This table maps CLO's to: CO

CLO	Linked to CO
1	1
2	1
3	4
4	2,3
5	3

CLO Assessment Scheme

CLO	Class Work (marks)		Final Exam (marks) 30%
	Cases & Problem Solving 40%	Group Project 30%	
1	40	30	30
2			
3			
4			
5			
Presentation			
Total	40	30	30

Each MBA course is assessed by a combination of class work (e.g., individual assignments, group assignments, simulations), and an examination. Class work constitutes 70% of the course marks and one examination at the end constitutes 30% of the course marks. The minimum required cumulative grade point average for MBA is 3.00 out of 4.00. Each course grade is distributed as under:

% Marks	Grade	Quality Points
≥ 95	A	4.0
90-94	A-	3.7
87-89	B+	3.5
83-86	B	3.0
80-82	B-	2.7
Below 80	F (Fail)	0

Case Assignment

The instructor will assign a set of cases from different sources with adaptation to the UAE/GCC environment. Two of these cases (Small Co Case and Tall Co Case) will be used in class. The other cases will be used as part of the individual and group assignments. One group assignment will require class presentation. Each individual case will deal with a management problem that may require data analysis, interpretation, and recommendation to management. Each student is expected to spend about 105 hour's out-of-class time on readings, cases, and problem solving.

Teaching Methods:

Teaching methods used in this course are Interactive learning, lectures, Case studies, and Problem Solving

Use of Modern Instructional Technology

Power-point, Internet, Audiovisual, Online Databases, and Moodle Learning System

Week	Topic	Contents	CLO	Assigned Readings
1	Introduction: Nature and role of the accounting and the finance functions in an organization	<ul style="list-style-type: none"> - Business functions in a typical UAE-company - Accounting Information - Uses of information - Users of information - Production system of information - Sources of information - Evolution of management accounting- 	1	Chapter 1 JR # 3
2	Financial Reporting Environment of UAE	<ul style="list-style-type: none"> - International Accounting Standards - Qualities of accounting information - Fair value accounting - How Financing Activities reflected on the financial reports: - Off-balance sheet financing 	1	JR # 1, 2 SR: Annual Report of ARABTEC (Dubai)

3	Nature of Costs	-Opportunity cost -Cost variation -CVP analysis -Accounting costs -Cost estimation	2	Chapter 2
4	Cost Allocation: Theory and Practice	- Reasons and incentives - Allocating capacity costs - Allocating service department costs	2, 3	Chapters 7 & 8 JR # 4 Mini Case: Tall Co P8-3
5	Risk analysis and Decision making: The case of Certainty VS uncertainty	- Assessing risk and uncertainty - Coping mechanisms with risk and uncertainty - CVP under uncertainty - Use of accounting information in risk analysis	2	SR on Risk Mini Case West Company
6	Equity analysis and valuation	-Equity elements on a balance sheet -Market values and the idea of capitalization - Use of accounting data to value equity shares	4	SR Valuation Models
7	Organizational Performance evaluation and Managerial Compensations	-Use of accounting data by lenders, creditors and shareholders to make investment and lending decisions - Application to ARABTEC Company	5	SR Financial Statement Analysis
8	Divisional Performance Evaluation and Managerial Compensations	- Responsibility accounting- - Managerial performance measures - Transfer pricing - Managerial compensations -Financing aspects of managerial compensations	3,5	Chapter 5 JR # 6 & 7 P5-1 and P5-3
9	Capital budgeting and Financing Decisions	-External Sources of long-term finance -External Sources of short-term finance -Evaluation of sources of finance -Internal sources of financing Types of investment opportunities - Evaluation of investment opportunities - Cost of capital -Financing selected investment opportunities	4	Chapter 3 Small Co. Case
10	Short-term Budgeting and Financing Decisions	-Decision Management and Decision control -Management of debtors and creditors -Cash budgets and cash management	2	Chapter 6 P 6-4
11		Final Examination	All	Open Book

Educational Resources

Educational Resource	Description
Text Books Required	- Accounting for Decision Making and Control, 6 th edition, by Jerry Zimmerman, (JZ), McGraw Hill, International Edition, 2009, ISBN 13: 978-0071283700
Journal Readings (JR)	The Instructor will assign selected journal articles for reading out of Journal of Accountancy, Accounting & Finance, Global Finance and similar journals that can be accessed from the University digital library (on-line database).
Supplemental Readings (SR)	Material from the Dubai environment (e.g., annual reports, daily paper articles, and others)

Journal Readings

1. Elifoglu, I Helmi, Adrian P. Fitzsimons, and Gerard A. Lange (2010), “FASB Proposal Clarifies Fair Value Measurement and Disclosure,” *Commercial Lending Review*, Vol. No 5, pp. 42-47
2. Wagner, Andrew and Don Gamer (2010), “Fair Value Accounting – Fact or Fancy?” *Journal of Business & Economic Research*, Vol. 8, No. 11, pp. 35-38
3. Brierley, John A; Christopher J Cowton, and Colin Drury (2007), “The identification and type of costs used in cost reduction decisions,” *Cost Management*; Vol. 21, No. 5; pp. 34-39.
4. Tinkelman, Daniel (2005), “Nonprofit Organizations' Cost Allocations”, *the CPA Journal*; Vol. 75, No. 7, pp. 50, 52, and 54.
5. Favere-Marchesi, Michael and Karen V. Pincus (2006), “The impact of Accountability on the processing of nondiagnostic evidence,” *Advances in Accounting Behavioral Research*, Vol. 9, pp. 1–25
6. Chwolka, Anne Jan Thomas Martini, Dirk Simons (2010), “The Value of Negotiating Cost-Based Transfer Prices,” *Open Access Journal of VHB*, Vol. 3 | No. 3, pp. 113—131
7. Dai, Xiling (2010), “Study on Transferring Price Problem of Multinational Corporations,” *International Business Research* Vol. 3, No. 3, pp. 122-125