

Departmental/Program Assessment Report Form 2016-17

Assessment reports will be completed through Qualtrics to make it easier to share and compile data across campus. The reporting questions will be similar to the questions used in the past, but with some additional detail requested in some areas to help us in collecting and analyzing college and institution-wide data on assessment practices. Your assessment reports will be maintained on file electronically on a password secure site (SharePoint). Other individuals on campus will have access to your reports.

Please complete one Assessment report per learning outcome that you are reporting on.

Name Please identify your department or program and the name of your assessment liaison:

Department/Program: Accounting
Assessment Liaison: Dr. Michele Gee

Q1 1. What learning outcome did you assess for this report? (Reminder - if you assessed multiple learning outcomes this academic year, you should complete a separate report for each outcome.)

ACCTLG2-Students will be able to apply cost concepts to support management decision making.

Q2 2. Which of the institution-wide shared learning goals does this outcome connect to?

- Communication (1)
- Reasoned Judgment (2)**
- Social and Personal Responsibility (3)

Q3 3. What assessment tool(s) or method(s) did you utilize? (Check all that apply)

- Survey (1)
- Standardized exam (2)
- Exam from a course or courses (3)
- Assignment from a course or courses (4)
- Student portfolios (5)
- Direct observation of student work or performance (6)
- Other (7)** ___ Student's work based on a case study_____

Q4 4. What type of measurement did you utilize?

- Direct (asking students to demonstrate their learning) (1)**
- Indirect (asking students to self-report their perceived level of learning) (2)
- A combination of the above (3)

Q5 5. What type of methodology did you use?

- Qualitative (1)
- Quantitative (2)**
- A combination of the above (3)

Q6 6. What type of course delivery methods did you use to collect your data? If your assessment project is course-based, please identify the course delivery method.

- Face to face (1)**
- Online (2)
- Hybrid (3)
- Flex Option (Competency Based)
- A combination of the above (4)
- Other: Please Specify: _____

Q7 7. What was the process of analysis? How did you involve your department in the process of analysis? (100 words)

In ACCT 403: Advanced Cost Accounting class, Professor Ting He gave students a case study. See Appendix A for details of the case study. This case tested students on advanced cost accounting concepts. Students were asked to discuss the competitive strategy used in the case and whether the cost system supported the competitive strategy. Students were asked develop an analysis of the profitability of the three customer groups discussed in the case. As part of the analysis students were required to apply principles of cost accounting such as activity-based costing and computation of revenues. Student performance was analyzed along the following three rubric dimensions: (1) Student identified and analyzed correct cost accounting issues (including ethical issues) for the decision making situation; (2) Student linked management decision making to cost information, strategy, ethical behavior, and other related factors; (3) Written communication and documentation skills. Students were allowed to work in groups with no group containing more than three students. However, each student was assigned an individual grade.

Q8 8. What were the results of this analysis? (250 words)

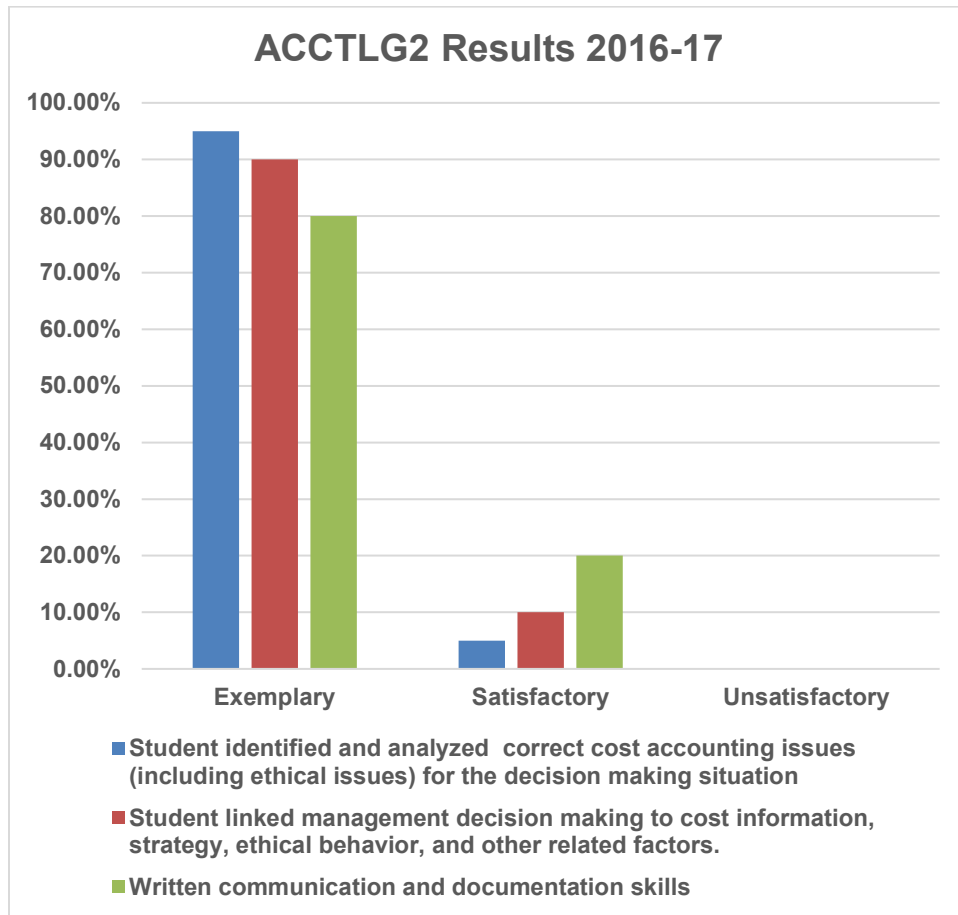
A total of 20 students were evaluated. Their performance along the three rubric dimensions is summarized in the table below.

	Exemplary	Satisfactory	Unsatisfactory
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Student identified and analyzed correct cost accounting issues (including ethical issues) for the decision making situation	19	1	0
Student linked management decision making to cost information, strategy, ethical behavior, and other related factors.	18	2	0
Written communication and documentation skills	16	4	0

These results are depicted as percentages and in the form of a chart below.

	Exemplary	Satisfactory	Unsatisfactory	TOTAL
Student identified and analyzed correct cost accounting issues (including ethical issues) for the decision making situation	95.00%	5.00%	0.00%	100.00%
Student linked management decision making to cost information, strategy, ethical behavior, and other related factors.	90.00%	10.00%	0.00%	100.00%
Written communication and documentation skills	80.00%	20.00%	0.00%	100.00%



Overall, student performances is good with 80% or more of the students scoring in the Exemplary category. There are no students in the unsatisfactory category. Written communication and documentation skills is a dimension where students seem to obtain *relatively* lower scores compared to other dimensions.

Q9 9. How were results shared/discussed with your department/external stakeholders? (Check all that apply)

- Special faculty meeting (1)
- Part of a regular faculty meeting (2)
- Shared electronically (3)
- Advisory board (4)
- Other (5)** _They will be discussed in a future Business department's undergraduate curriculum committee meeting. _____

Q10 10. As a result of your analysis, what changes will your department or program make to improve student learning? (250 words)

No major changes are planned at this point. The main change being proposed is to add practice assessments to improve student work in the areas of developing research objectives and arriving at research designs.

Q11 11. Looking back at your last assessment report, what is the current status of the plan for improvement of student learning that was discussed in your past reports? (Check all that apply)

- Proposed (1)
- In consideration (2)
- Implemented (3)
- Being assessed (4)
- Other (5)**

Q12 12. Indicate all changes made to your program to improve student learning since the last assessment report you submitted. Some example changes include the following: Revising learning goals, outcomes and rubrics; Revising pre-requisites; Improving hands-on learning and labs; Introducing new courses; Changing emphasis on topics; Providing more tutoring help; Progressive measurement of the same learning goals in multiple courses; Redesigning assessment instruments such as assignments, exams, labs, and quizzes. (250 words)

Accounting major was implemented only a few years ago and the learning goals are still under evaluation. Accounting learning goal #2 and its coverage remained relatively stable over the years. No major changes have been made to this learning goal or related curriculum in recent years.

Q13 13. Please write an abstract of no more than 250 words to summarize your assessment report this year. Your abstract should address items completed above, including which learning outcome was assessed, which data were collected and analyzed, how the department discussed the findings, and what changes are planned as a result of what was learned. In addition, please emphasize the changes made to your program since the last assessment report (see questions 11 and 12). This abstract will be the basis of the assessment poster that the OIE will generate for the Assessment Showcase, and will be used as an easy way to share a summary of your report with others on campus.

Abstract:

In 2016-17, we assessed learning goal #2 for the Accounting major: ACCTLG2-Students will be able to apply cost concepts to support management decision making.

In ACCT 403: Advanced Cost Accounting class, Professor Ting He gave students a case study. See Appendix A for details of the case study. This case tested students on advanced cost accounting concepts. Students were asked to discuss the competitive strategy used in the case and whether the cost system supported the competitive strategy. Students were asked develop an analysis of the profitability of the three customer groups discussed in the case. As part of the analysis students were required to apply principles of cost accounting such as activity-based costing and computation of revenues. Student performance was analyzed along the following three rubric dimensions: (1) Student identified and analyzed correct cost accounting issues (including ethical issues) for the decision making situation; (2) Student linked management decision making to cost information, strategy, ethical behavior, and other related factors; (3) Written communication and documentation skills. Students were allowed to work in groups with no group containing more than three students. However, each student was assigned an individual grade. Overall, student performances is good with 80% or more of the students scoring in the Exemplary category. There are no students in the unsatisfactory category. Written communication and documentation skills is a dimension where students seem to obtain *relatively* lower scores compared to other dimensions. Accounting major was implemented only a few years ago and the learning goals are still under evaluation. Accounting learning goal #2 and its coverage remained relatively stable over the years. No major changes have been made to this learning goal or related curriculum in recent years, and no major changes are planned at this time.

The deadline for submission of reports is May 31. (Note, if due to the timing of your data gathering you would like to request a different deadline, please contact the Institutional Research Office, John Standard, standard@uwp.edu. The Assessment Showcase this year will be held on November 3, 2017.

SPECIAL QUESTION RELATED TO DISTANCE EDUCATION COURSES:

If your program is delivered fully or partly via distance education (online, hybrid, or flex-option/competency-based), please indicate the assessment efforts/plans undertaken in distance education (DE) courses/programs. Please emphasize topics such as assessment plans for distance education courses/programs, assessment results for DE courses/programs. (No limit on the length)

Accounting major is not a DE major.

Appendix A: ACCT 403 (Advanced Cost Accounting) Case for ACCTLG#2

Fall 2016 ACCT 403 Group Case

(No more than 3 people in a group)

BACKGROUND:

Blue Ridge Manufacturing is one of a dozen companies that produces and sells towels for the U.S. "sports towel" market. A "sports towel" is a towel that has the promotion of an event or a logo printed on it. They're called sports towels because their most popular use is for distribution in connection with major sporting events such as the Super Bowl, NCAA Final Four, Augusta National Golf Tournament and the U.S. Open Tennis Tournament. Towels with college, NBA and NFL team logos, and promotions for commercial products such as soft drinks, beer, fast food chains, etc., are also big sellers.

The firm designs, knits, prints and embroiders towels. The firm knits all the towels it sells and tracks costs for towel production separately from the cost to customize the towels. Seventy-five percent of its orders include logo design, while the balance are print only and require the payment of a license fee for the logo used. However, about 15% of its orders include embroidery. Towels are made in three sizes: regular (18" x 30"), hand (12" x 20") and mid-range (15"x 24"). The normal production cycle for an order of white towels is three days. If a customer wants a colored towel, the basic white towel made by Blue Ridge is sent to a dyeing firm, which extends the production cycle of an order by three days. Also, occasionally, customers order towels in sizes other than the three standard sizes. These towels are called "special".

The firm now produces a "medium" quality towel. They have had some difficulty with the "staying power" of the material printed on these towels, which is attributed to the towel quality, the ink and the printing process. Customers have complained that the ink "lays on the surface" and it cracks and peels off.

Blue Ridge recently made a break-through in developing an ink that soaks into the towel, won't wash out and is non-toxic. A big advantage of this ink is that it avoids EPA disposal requirements because it can be "washed down the drain". Due to these characteristics of its new ink, Blue Ridge is considering upgrading the quality of the basic towel it produces because it will "take" the ink better, both the towel and the ink will last longer and the product will sell at a higher price. If it takes this step, the company will evaluate expanding its marketing and sales area with the objective of "going national".

CUSTOMERS:

Except for a few non-regional chains, Blue Ridge's sales are predominantly in the southeastern states. The company sells its products to 986 different customers. These customers differ primarily in the volume of their purchases, so management classifies each customer in one of three groups: large (8 customers), medium (154 customers) and small (824 customers). Large customers are primarily national chains, small customers are single store operations (including pro shops at golf courses) and medium-sized customers are small chains, large single stores or licensing agents for professional sports teams and

manufacturers of consumer products. Table 1 gives the product and customer size statistics for 2001.

Blue Ridge has a different approach to customers in each of its three categories. A small group of in-house sales people sell directly to buyers in the large customer category. Independent manufacturer representatives, on commission, call on the license holder or the manager of a store in the medium customer category. Ads placed in regional and national magazines and newspapers target customers primarily in the small-customer segment, who call or mail in their orders.

Blue Ridge does not give discounts and it ships all order free on board (FOB) point of origin, i.e., customers pay their freight costs.

MANUFACTURING:

Blue Ridge has a modern knitting and printing plant in the foothills of North Carolina's Blue Ridge Mountains. Upgrading the facilities over recent years was accompanied by the introduction of an activity-based costing (ABC) system to determine product costs. The cost accounting system is fairly sophisticated and management has confidence in the accuracy of the manufacturing cost figures for each product line. Table 2 shows the firm's unit costs for various items.

Company management is committed to adopting advanced manufacturing techniques such as benchmarking and just-in-time (JIT). The corporate culture necessary for the success of such techniques is evolving and worker empowerment is already a major program. In addition, workers are allowed several hours away from regular work assignments each week for training programs conferring on budgets and work improvements and applying the ABC system.

PERFORMANCE:

The company is profitable. However, management has become concerned about the profitability of the customers in its three customer-size categories—large, medium and small. Different customers demand different levels of support. Management has no basis for identifying customers that generate high profits or to drop those that do not generate enough revenues to cover the expenses to support them. Under the previous accounting system, it wasn't possible to determine the costs of supporting individual customers.

With the introduction of ABC, it now may be possible to determine customer profitability. Table 3 shows how the administrative and selling costs are assigned and re-assigned between various functions within the selling and marketing areas and to sub-activities in the selling and marketing areas. Table 4 provides a list of selling and marketing activities and the activity base to use in assigning costs to each.

REQUIRED:

The managers of Blue Ridge Manufacturing have hired your consulting firm to advise them on the potential of using strategic cost analysis in assessing the profitability of their customer accounts.

Your analysis should include:

1. What is Blue Ridge's competitive strategy? Discuss the following strategic issues:
 - a) Is the new ink patented? How soon are competitors expected to meet this new innovation?
 - b) Are Blue Ridge's licenses with the sports teams of unique value, or do competitors have the same access as Blue Ridge?
 - c) How strong are Blue Ridge's ties to its customers, especially the large customers? Are these ties sufficiently strong to protect against competition for the next few years?
 - d) Has Blue Ridge integrated the marketing and manufacturing strategies, so that they are consistent? Given the changes in both manufacturing (new ink) and marketing (going national, seeking more profitable customers), the integration of these functions is important.

2. What type of cost system does Blue Ridge use, and is it consistent with their strategy?

3. Develop an analysis which can be used to assess the profitability of the three customer groups of Blue Ridge—large, medium and small customer account sizes. Use the information in Tables 1-4 to trace and allocate the costs necessary for the analysis.
 - a) Allocate SG & A Costs to SG & A Activities.
 - b) Allocate activity costs to Customer Type (Large, Medium, Small).
 - c) Calculate revenues for each customer group; calculate manufacturing cost (Regular, Midsize, Hand, Special), customizing cost (Inking, Embroidery, Dyeing), SG & A cost and total costs for each customer group; calculate profits for each customer type; calculate profit per customer for each customer type.

4. Discuss the benefits of activity based costing system. For example, how your analysis will help Blue Ridge to implement its strategy, offer discounts to customers, or reduce costs?

The report will be completed on a word process, double spaced. Please include computation working steps in your report. I only accept hard copies. However, you may email me your spreadsheet so that I can check the formulas you used in the spreadsheet.

TABLE 1 BLUE RIDGE MANUFACTURING Sales Information				
Product and Customer Size Statistics	Sales in Units by Customer Account Size			
	Large	Medium	Small	Total
Towel: Regular	27,250	16,600	10,550	54,400
Mid-Size	36,640	18,552	10,308	65,500
Hand	35,880	19,966	95,954	151,800
Special	480	3,426	594	4,500

Number of Units Sold	100,250	58,544	117,406	276,200	Number of Units
Embroidered	5,959	6,490	29,394	41,842	
Number of Units Dyed		20,536	9,935	12,328	42,798
Sales Volume Revenue		\$308,762	\$183,744	\$318,024	\$810,530
Number of Orders Received		133	845	5,130	6,108
Number of Shipments Made		147	923	5,431	6,501
Number of Invoices Sent		112	754	4,737	5,603
Accounts with Balance >60 Days		1	11	122	134

TABLE 2
BLUE RIDGE MANUFACTURING
Unit Cost Information

Line 1 Direct Manufacturing Costs Per Unit

Cost	Sales	Unit	Quantity	Price	<u>Material</u>	<u>Labor</u>	<u>Overhead</u>
Towels:	54,400	\$3.60	\$0.60	\$0.37	\$0.22	\$1.19	
Regular							
Mid-Size	65,500	3.20	0.50	0.33	0.20	1.03	
Hand	151,800	2.55	0.39	0.31	0.19	0.89	
Special	4,500	4.00	0.67	0.48	0.29	1.44	

Line 2 Direct Costs of Customizing Per Unit

	Quantity	Cost	<u>Material</u>	<u>Labor</u>	<u>Overhead</u>	<u>Total</u>
Inking (based on passes)	552,400	—	\$0.0030	\$0.0045	\$0.0742	\$0.0817
Dyeing	42,798	\$0.11	—	—	0.0000	0.1100
Embroidery	41,842	—	0.0026	0.1750	1.0994	1.2770

Direct Labor Wage Rate: \$9.00 (Including Fringes)

Inking requires one pass for each color used; average two colors per towel (i.e., 2 per unit), and is used on all towels.

**TABLE 3
BLUE RIDGE MANUFACTURING**

Selling and Administrative Costs and Activities

Costs Incurred in Each Function (Shipping, Sales, Marketing)

Directly Assigned To:

	Total	Shipping	Sales	Marketing	Other	Assigned	Unassigned	Total
Administration	\$170,000	\$ 17,000	\$ 37,400	\$20,400	\$56,100	\$130,900	\$39,100*	
Selling	<u>155,000</u>	<u>15,500</u>	<u>117,800</u>	<u>9,300</u>	<u>12,400</u>	155,000		
	<u>\$325,000</u>	<u>\$ 32,500</u>	<u>\$155,200</u>	<u>\$29,700</u>	<u>\$68,500</u>	<u>\$285,900</u>	<u>\$39,100</u>	

Each function is used for the Following Activities Percentage of:

<u>Selling and Administrative Activities:</u>	Shipping	Sales	Marketing	Other g
Entering Purchase Orders	55	10		
Commissions	10			
Shipping Activities		65	15	
Invoicing			20	
Cost to Make Sales Calls	30		10	
Checking Credit			10	
Samples, Catalog Info.		5		10
Special Handling Charges		5		5
Distribution Management		10		10
Marketing, by Customer Type	5			
Advertising/Promotion				30
Marketing		15		50
Administrative Office Support				20
Licenses, Fees				5
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

* Note that \$39,100 of the SG&A cost was not directly assigned. This amount represents the facility-sustaining activity cost.

**TABLE 4
BLUE RIDGE MANUFACTURING
Activities and Cost drivers**

Cost Drivers for Allocating Costs of Activities to Customer Groups (Large, Medium, Small)

Activity	Cost Driver
Entering Purchase Orders	Number of Orders

Commissions	Sales Dollars with Medium Customers
Shipping Activities	Number of Shipments
Invoicing	Number of Invoices
Cost to Make Sales Calls	Sales Dollars with Large Customers
Checking Credit	Percent Accounts >60 Days
Samples, Catalog Info.	Sales Dollars
Special Handling Charges	Management Estimate ¹
Distribution Management	Sales Dollars
Marketing, by Customer Type	Sales Dollars
Advertising/Promotion	Management Estimate ²
Marketing	Number of Units Sold ³
Administrative Office Support	Number of Units Sold ⁴
Licenses, Fees	Sales Dollars with Medium Customers

¹20% to medium-sized customers; 80% to small-sized customers.

²25% to medium-sized customers; 75% to small-sized customers.

³Excluding Specials

⁴Excluding Specials