MBA 694.65: Managerial Decision Making
Spring 2012 Syllabus

Required text: None, but required readings will be emailed prior to course

Values
Business decision makers need high quality (relevant and reliable) information upon which to base their decisions. Accounting systems are one source for such information. But how should information intermediaries (1) evaluate the quality of the accounting information they receive, and (2) communicate high quality information to others? Most accounting courses are taught from the accountant’s point of view, and downplay the needs of information users. This course is an intensive conceptual and applied introduction to accounting information quality, and assurance and decision-making in a business environment.

Objectives
Participants should anticipate engaging in significant critical thinking and communication about business professionals’ decision environments and decision-making processes. The following questions will be explored during the course:

1. How does management inform itself about aspects of its business and protect its assets?
2. How does management inform others about relevant aspects of its business?
3. How can management improve the quality of information for other decision makers, and what are the benefits to doing so?
4. How should management use accounting and other information to make decisions?

Expectations
I expect participants in this course to behave in a studious, professional manner. In other words, you are expected to come to class ready to learn; assigned readings should be completed before the beginning of the course, and will represent the starting point for course activities and discussions. You are expected to actively participate in all course discussions and activities. (Due to the intensive nature of this course, students are expected to attend all sessions. Missing any portion of any session will result in a lower score for the course.)

Rewards
The greatest reward of education is, of course, intangible: the expansion of knowledge about oneself and one’s environment. In a classroom setting, though, a somewhat more tangible evaluation of that greatest reward becomes necessary. Student grades will be based on the following components:

- Pre-class position memo: 15%
- In-class quizzes and exercises: 25%
- In-class action and participation: 25%
- Post-class position memo: 35%

Pre-class position memo: At the start of class on Friday, you should hand in a brief memo that describes your decision-making style. This memo is not meant to be a comprehensive research paper on decision-making; rather, it should be a description of how you approach major judgments and decisions. For example, how did you decide to pursue a graduate degree? How did you decide to come to UM? How will you (or did you) decide which company to work for.
after graduation? Your memo should be no longer than one page (single-spaced), and should follow a standard memo format.

**Quizzes and exercises:** We will explore decision-making from both theoretical and practical perspectives. In addition to discussing how decisions should be made, we will spend a large amount of time actively practicing techniques for good decision-making. These in-class activities will contribute to your course score. There will also be a “readings quiz” at the beginning of class on Friday. This quiz will cover all of the assigned readings and will consist of a number of multiple choice questions that are intended to cover the main “takeaways” from each reading.

**Participation:** Active participation in course activities and discussions is essential to the success of a course like this. We will discuss course participation and its evaluation on the first day of class.

**Post-class position memo:** Details about the post-class position memo will be given during class. Needless to say, this will be a comprehensive writing assignment, and will be due on Friday, 4 May 2012.

**Course readings**

*All course readings are provided in PDF or HTML format. Unless otherwise noted, you should read the entire article.*

Graham, Harvey, & Rajgopal (2005). The economic implications of corporate financial reporting. **NOTE:** Read only sections 1 and 6 of this paper.

Hannan, Hoffman, & Moser (2003). Bonus versus penalty: Does contract frame affect employee effort?


