

EMBA AY 2015-2016 Assessment

Phase 1: Assessment Plan

Learning Outcome assessed:

08) Summarize Basic Principles of Business Areas

Summarize basic principles of all main business areas, including accounting, finance, strategy, management, marketing, supply chain management, and business law.

Assessment Method:

Selected conceptual and quantitative question on progress quiz.

Targeted performance, based on rubrics:

80% meet expectations

Evaluation Process:

Students were given a short answer/essay question progress quiz to assess the accounting portion of this learning outcome. An independent evaluator selected 10 questions off the quiz to assess the learning outcome.

Rubric:

The following rubric was used:

Unprepared: Student is unable to articulate clearly the meaning of key business concepts

Meets: Student is able to identify and explain key concepts; has some skill in relating concepts to business environment

Exceeds: Student is able to identify and explain key concepts, and relate concepts effectively towards the solution of business problems

Course where learning outcome was assessed:

EMBA 6904

Evaluator(s):

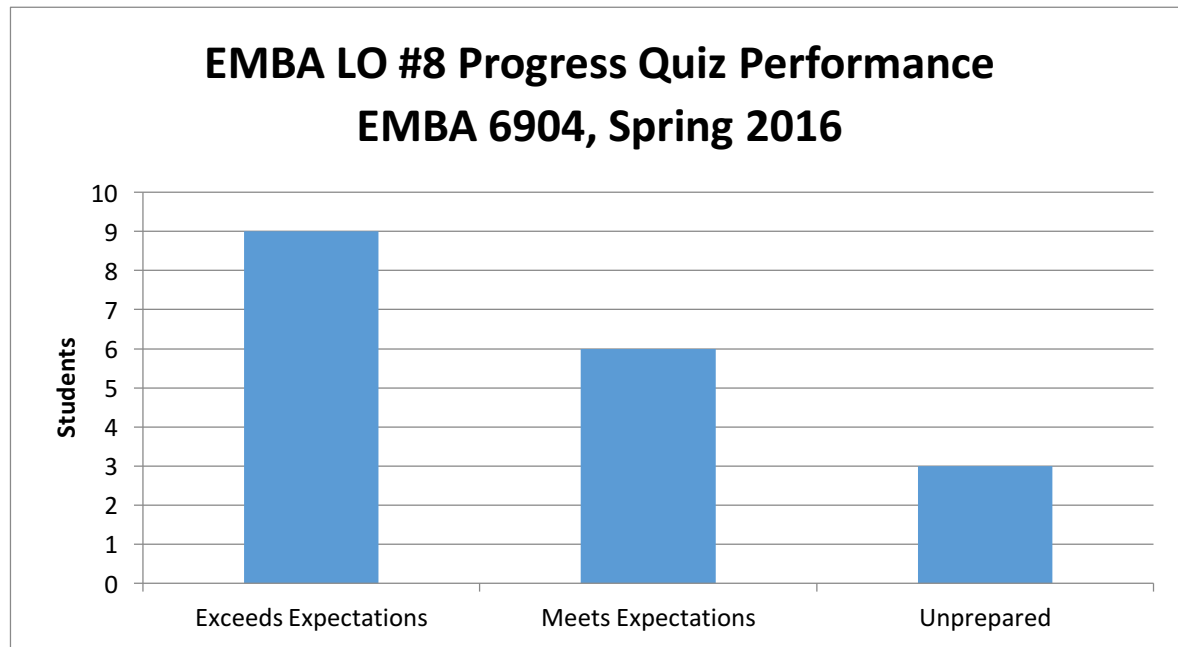
Dr. Tatiana Fedyk

Phase 2: Results Assessment and Planned Action

Results:

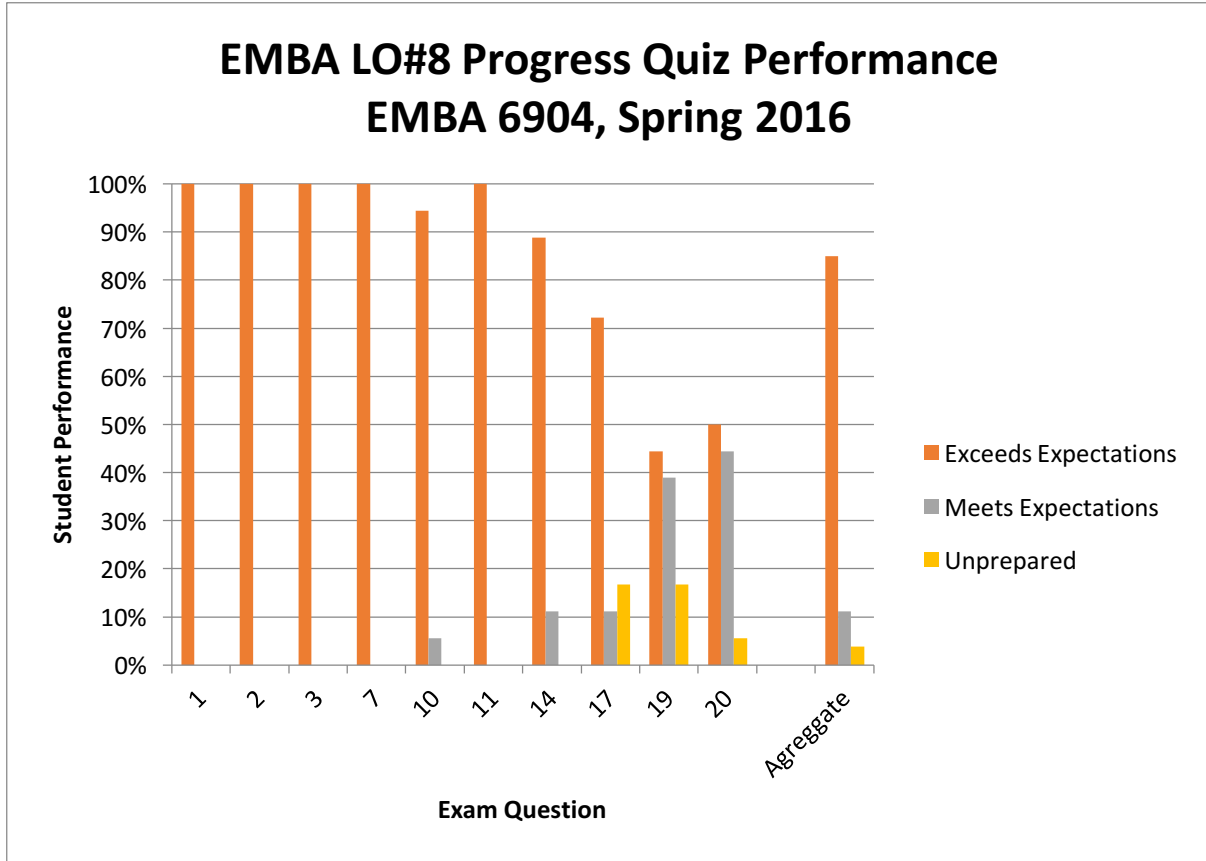
EMBA 6904 Progress Quiz Pooled Results

Number of students achieving target	Exceeds Expectations > 90%	Meets Expectations 80% - 90%	Unprepared < 80%	% Students Meeting or Exceeding Expectations
Final Exam	9	6	3	83%



Results by types of questions: conceptual versus quantitative

Number of students achieving target	Exceeds Expectations > 90%	Meets Expectations 80% - 90%	Unprepared < 70%	% Students Meeting or Exceeding Expectations
Conceptual Questions	13	5	0	100%
Quantitative Questions	5	6	7	61%



Action:

As worded, the learning outcome implies that all concepts will be assessed in a single assessment. This is difficult to do at any given point in the curriculum. The assessment for this report only measured the accounting portion of this learning outcome.

In the next assessment cycle, this learning outcome will be measured by a comprehensive standardized test.

Phase 3: Closing the Loop

To be filed the year after the results assessment.

Change Assessment

Discuss how the actions taken in Phase 2 were assessed, and the results of that assessment

Addendum: EMBA 6904 Progress Quiz Questions

1. The four main activities of a business are:
 - A) Goal & Strategy, Obtain financing, Obtain Investments, and Conduct Operations
 - B) Goal & Strategy, Obtain financing, Obtain Goodwill, and Conduct Operations
 - C) Create Financials, Obtain CPA designation, Obtain Investments, and Conduct Music
 - D) Create Financials, Obtain Goodwill, Obtain Investments, and Conduct Operations

2. Managerial accounting is primarily focused on:
 - A) Providing creditors information on the status of their loans
 - B) Providing investors with useful information for valuing securities
 - C) Providing the Internal Revenue Service with information to determine the amount of taxes owed
 - D) Providing managers with relevant information to help achieve organizational goals

3. In order to be useful to managers, management accounting reports:
 - A) Should be prepared according to the stated Institute of Management Accounting guidelines
 - B) Should be prepared according to Generally Accepted Accounting Principals
 - C) Should be prepared to meet the specific needs of decision makers
 - D) Should be prepared only by the Finance Dept. of the company.

For questions 7-9:

Quick Delivery Services has collected the following information about operating expenditures for its delivery truck fleet for the past five years:

Year	Miles	Operating Costs
2011	110,000	\$390,000
2012	140,000	\$420,000
2013	100,000	\$360,000
2014	130,000	\$410,000
2015	150,000	\$440,000

7. Using the high-low method, what is the cost estimate for variable costs for 2016?

- A) \$1.25
- B) \$2.00
- C) \$1.60
- D) \$1.50

$$\frac{\$440,000 - \$360,000}{150,000 - 100,000} = \frac{\$80,000}{50,000} = \$1.60$$

10. The contribution margin is:

- A) The difference between sales price and total variable cost
- B) The difference between total sales and total cost of goods sold
- C) The difference between total revenue and total variable cost
- D) Total sales minus total cost of goods sold

For questions 11-13: Golden Gate's income statement is as follows:

Sales (10,000 units)	\$120,000
Less variable costs	<u>- 48,000</u>
Contribution margin	\$72,000
Less fixed costs	<u>- 24,000</u>
Net income	<u>\$ 48,000</u>

11. What is the **unit contribution margin**?

- A) \$12.00
- B) \$ 7.20
- C) \$ 4.80
- D) \$ 2.40

$\$72,000 \div 10,000 \text{ units} = \7.20

14. **Happy Time's** income statement is as follows:

Sales (10,000 units)	\$80,000
Less variable costs	<u>- 48,000</u>
Contribution margin	\$32,000
Less fixed costs	<u>- 24,000</u>
Net income	\$ 8,000

If sales increase by \$15,000, profits will:

- A) Increase by \$1,000
- B) Increase by \$4,000
- C) Increase by \$6,000
- D) Increase by \$15,000

$\frac{\$32,000}{\$80,000} = 40\%$
 I like to use the CM ratio ...
 $CM \uparrow \$6,000 = \$15,000 \times 40\%$

17. Which of the following costs are treated as part of the cost of product?

- A) Wages of plant security guards
- B) Insurance on the plant building and equipment
- C) Depreciation on the kitchen sink in the plant cafeteria
- D) All of the above are product costs

19. Geysler Corp. obtained the following information from its accounting records:

Sales	\$36,000	X
Beginning Finished Goods Inventory	\$21,000	
Ending Finished Goods Inventory	\$17,000	
Cost of Goods Sold	\$16,000	

The Cost of Goods **Manufactured** this period equals:

- A) \$16,000
- B) \$18,000
- C) \$12,000
- D) \$23,000

$$\begin{array}{r}
 \$17,000 \\
 + 16,000 \\
 - 21,000 \\
 \hline
 \$12,000
 \end{array}$$

20. The Chat Company manufactures 5,000 telephones per year. The full manufacturing costs per telephone are as follows:

Direct materials	\$ 4	}	MAKE
Direct labor	16		
Variable manufacturing overhead	12		
Fixed manufacturing overhead	10		
Total	<u>\$42</u>		$(\$42 \times 5,000) = \$210,000$

The Electric Assembly Company has offered to sell Chat 5,000 telephones for \$31 per unit. If Chat accepts the offer, \$20,000 of fixed overhead will be eliminated. Chat should:

- A) Make the telephones; the savings is \$5,000
- B) Buy the telephones; the savings is \$35,000
- C) Buy the telephones; the savings is \$25,000
- D) Make the telephones; the savings is \$25,000

BUY

$$5,000 \times \$31 = \$155,000$$

$$\begin{array}{r}
 \$50,000 - \$20,000 = 30,000 \\
 \hline
 \$185,000
 \end{array}$$

Savings of \$25,000