

2013/9/12



The Association of
Accountants and
Financial Professionals
in Business

2013-2014

第四届 IMA 校园管理会计案例大赛

主办单位：美国管理会计师协会（IMA）

执行机构：华图教育集团好会计事业部

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第四届 IMA 校园管理会计案例大赛

邀请函

尊敬的领导:

感谢您对美国管理会计师协会 (IMA®) 的支持和信任!在新的学期里,首先祝您及贵校师生生活愉快,工作顺利!

为给在校大学生搭建一个校际沟通交流平台,提供与在职财务精英学习交流及到知名企业实习就业机会,帮助大学生有效检验理论知识的实际运用能力,透析商业环境,领略职场风景,提升组织、协调、沟通与领导能力,增强就业力。美国管理会计师协会 (IMA) 于 2009 年向中国大学生开发了其传统校园公益活动——大学生管理会计案例大赛,如今已成功举办三届,共吸引了 100 多所高校 60 多万名学生关注,1 万多名学生报名参赛,500 多位大学教师对参赛队伍进行指导,80 多位优秀参赛选手被知名企业选拔录用,实习,在学术界与实务界都取得了高度赞誉。

第四届 IMA 校园管理会计案例大赛在 IMA 授权机构——华图教育集团的大力支持下,将于 2013 年 10 月全面启动。本届大赛设华北、华东、华南、华中、西部五大赛区,通过校园宣讲、学校组织、初赛、区域半决赛、全国总决赛等环节进行,这对于在校大学生来讲,将是一次很好的锻炼机会。为此,我们诚邀贵校参与支持并鼓励组织学生参加“第四届 IMA 校园管理会计案例大赛”。

如贵校参与本次案例大赛,我们希望能提供如下支持:

1、将案例大赛的信息通告学生并鼓励学生参赛 (院系网站或协助将案例大赛宣传资料派发给学生);

2、为案例大赛的宣讲活动提供场地并组织学生出席宣讲会 (需要容纳 150 人左右的报告厅或大教室,需有音响及投影设备)。

我们将为参与院校提供如下支持:

1、提供一套 IMA 《管理会计公告》或《管理会计教学案例》以供学校作教学参考;

2、实务界行业人士 1-2 名,为学生介绍 IMA 案例大赛、管理会计知识体系及财经专业学生职业规划等;

3、一定数量的礼品供宣讲会现场抽奖使用 (该礼品为爱国者旗下月光宝盒提供的数码电子产品);

4、为赛事提供宣传用品 (海报、宣传单页等);

5、参与学校名称将在 IMA 案例大赛官网展示。

随函呈上“第四届 IMA 校园管理会计案例大赛方案”，希望能与贵校携手共进，共同促进管理会计在中国的发展，并让更多学生了解管理会计并学以致用。

第四届 IMA 校园管理会计案例大赛组委会

- 主办单位：美国管理会计师协会（IMA）中国代表处
 电话：010-8591 1378 转 602/606 邮箱：sma@imanet.org
 联系人：马丹女士
- 执行机构：华图教育集团好会计事业部
 电话：010-8298 2330 010-8298 2332 邮箱：htcmachina@163.com
 联系人：马晓慧小姐

确认函

(请于 2013 年 10 月 18 日之前将确认函回复至 htcmachina@163.com)

我们_____学校愿意参加“第四届 IMA 校园管理会计案

例大赛”，并可提供以下支持（方框前划“√”，可多选）

- 鼓励学生参赛，可协助张贴宣传海报和向学生派发宣传单页
- 希望 IMA 派员来我校举办校园宣讲会和讲座（希望时间：_____月_____日_____点）
- 我们希望按照大赛框架来组织校内竞赛以选拔和推荐进入半决赛的团队

大赛联系人信息：（请详细填写，便于邮寄材料与礼品）

老师姓名	联系电话	Email	联系地址	邮编

校园宣讲内容：

1. 管理会计知识体系和对未来学生职业发展规划；
2. IMA 校园管理会计案例大赛参赛介绍；
3. IMA 对学生的优惠政策和奖学金项目；

IMA 中国

2013 年 09 月 12 日

一、IMA 校园管理会计案例大赛背景

1.1 大赛简介

IMA 校园管理会计案例大赛是由美国管理会计师协会(IMA)组织的全球性校园公益活动，目的是给在校大学生提供透视商业环境、理解商业思维、提升职业竞争力，并在步入职场前



第三届 IMA (海尔杯) 校园管理会计案例大赛全国总决赛在北京大学举行

获得一次充分提升职业意识和商业知识的机会。该案例大赛于 2009 年首次为中国高校开放，至今已成功举办了三届，得到了众多企业和高校的大力支持，第三届赛事更是得到了青岛海尔集团冠名资助。前三届大赛共吸引了 100 多所高校 60 多万名学生关注，1 万多名学生报名参赛，500 多位大学教师对案例进行指导，80 多位优秀参赛选手被知名企业选拔录用，实习。

IMA 校园管理会计案例大赛不仅是各高校参赛队伍展现团队和个人风采的舞台，也是



全国总冠军队赴美国参加 IMA 全球年会并与其他国家学生同台竞技

提升学校学术影响力和国际知名度的绝佳机会，通过为中国高校学生搭建一个学习、展示和提升的平台，提升学生的综合分析能力、沟通技巧和团队协作能力。通过案例的形式，将学生培养成创新、创业人才，考察学生的综合分析能力、沟通技巧、团队协作，从而提高中国

未来管理精英们的管理实践能力。

1.2 主办单位简介

美国管理会计师协会(The Association of Accountants and Financial Professionals in Business , 简称 IMA) 成立于 1919 年 , 是全球领先的国际管理会计师组织 , 为企业内部的财务专业人士提供最具含金量的资格认证和高质量的服务。IMA 致力于通过开展研究、CMA®认证、继续教育、社交网络以及倡导最高职业道德标准等方式 , 转变传统财务领域思维模式 , 服务全球财会行业 , 从而推动企业优化绩效 , 成就会员个人职业发展。

IMA 在全球 120 个国家、200 家地方分会中拥有超过 68,000 名会员 , 在中国的会员数已有近 10000 名。自 2007 年进入中国以来 , IMA 发展迅速 , 已经成为凝聚财务高管和企业决策制定者的高端平台。IMA 会员遍布工商界、学术界、政府部门以及各类非营利机构内部 , 这些财务专业人士凭借其先进的财务理念、出色的战略思维、卓越的管理能力和严格的道德准则 , 不断推进企业和机构整体绩效的提升。

1.3 执行机构简介

华图教育集团创办于 2001 年 , 是集面授培训、图书策划与发行、网络教学于一体 , 下设 40 所直属分校、79 所直属分部和 300 多个学习中心 , 拥有专职教师、研究员及员工近 6000 人的综合性大型连锁教育企业 , 年营业收入约 15 亿元人民币。



华图教育集团北京分校部分员工风采

2012 年 , 华图教育集团好会计事业部与国家外国专家局、美国管理会计师协会(IMA) 达成战略合作 , 三方共同努力并依托华图教育的渠道优势 , 在全国范围内推广和开展美国注册管理会计师 (CMA®) 教育培训 , 培养满足企业升级转型所需的高层次财务管理人才。

同时 , 华图教育集团将自己 10 多年潜心研发的 “职业能力测验” 和 “面试” 课程融入 CMA® 培训课程体系 , 使在校大学生在取得 CMA® 资格认证的同时 , 具备参加公务员、事业单位、金融机构以及各大型企业招录考试的能力 , 帮助大学生提升就业竞争能力。

二、第四届 IMA 校园管理会计案例大赛方案

第四届 IMA 校园管理会计案例大赛于 2013 年 10 月在华北、华东、华南、华中、西部五大赛区同时展开选拔 , 将通前期宣传、校园宣讲、初赛、区域半决赛、全国总决赛等环节进行 , 预计覆盖全国约 150 所高校。

2.1 大赛时间

于 2013 年 10 月~2014 年 4 月，历时 7 个月。

2.2 比赛案例

IMA 校园管理会计案例大赛的案例由美国管理会计师协会 (IMA) 组织理论界和实务界专家设计开发,以现实企业典型管理会计实践运用为蓝本,着重突出具有商业潜质并熟练掌握财务、市场、管理、营销等知识的优秀团队选拔。大赛要求选手以团队形式报名参赛,在规定时间内完成对指定案例的分析并递交分析报告。比赛采用 CMA® 职业资格认证体系中“管理会计师职业资格胜任能力”要求的案例分析形式,重点考查学生灵活运用管理会计知识解决实际问题的能力,充分体现理论知识与实际运用的结合,以培养综合分析能力、沟通能力、团队协作能力强的创新型大学生,从而提高中国未来管理精英们的管理实践能力。附件为第三届大赛比赛案例,供参考。

2.3 比赛流程及赛程安排

比赛流程			时间安排
报 名	了解赛事	校园宣讲及有关案例大赛的单项、海报和宣传	2013 年 10 月 8 日-12 月 31 日
	在线报名	组队并选 1 名队员登录 www.imanet.org 注册成为 IMA 会员 以学生会员号登录 http://casecompetition.imanet.org.cn 报名	
初 赛	提交报告	各参赛队伍通过大赛官网下载比赛案例并在线提交分析报告	2013 年 12 月 1 日— 2014 年 2 月 14 日
	初赛评审	各赛区初赛报告评审,产生区域八强队伍	2014 年 2 月 15-2 月 27 日
	公布名单	在大赛官网上公布入围区域八强名单	2014 年 2 月 28 日
半 决 赛	报告提交	修改报告,并将展示报告提交大赛组委会	2014 年 3 月 14 日前
	现场展示	入围区域八强团队现场进行 20 分钟案例分析和解决方案陈述(包括团队和自我介绍) 5 分钟现场评委和参赛队伍问答 现场评委根据选手现场表现,评选团队一、二、三等奖各 1 名和优秀奖 3 名	2014 年 3 月 15-4 月 12 日
全国总决赛	各区域冠军队角逐全国总冠军	2014 年 4 月 20 日	
赴美展示	全国总冠军赴美国参加 IMA 全球年会(待定)	2014 年 6 月	
职业训练营	各区域冠、亚军代表队参加职业训练营	2014 年 7 月	

备注:以上时间如有调整,将及时通知,具体以大赛官网公布为准。

2.4 评分标准

➤ 初赛评分标准（采用在线评审方式）

项 目	分 值
案例分析	70
➤ 发现了案例中所有问题	10
➤ 进行合乎逻辑的分析	10
➤ 充分运用管理会计理念	15
➤ 定量与定性分析相结合	15
➤ 通过分析得出合理的解决方案	10
➤ 有可行的行动计划	10
演示文稿	30
➤ 文稿格式符合要求	10
➤ 语言顺畅	10
➤ 突出重点，便于阅读，内容安排恰当	10
总 分	100

➤ 决赛（含区域半决赛）评分标准

项 目	分 值
专业技术	70
➤ 有效发现了案例中所有问题	10
➤ 进行合乎逻辑的分析	10
➤ 充分运用管理会计理念	15
➤ 定量与定性分析相结合	15
➤ 通过分析得出合理的解决方案	10
➤ 有可行的行动计划	10
演讲表现	30
➤ 演讲技巧	10
➤ 英语表达流利、有效	10
➤ 现场应变灵活	5
➤ 成员分工明确，配合默契	5
总 分	100

2.5 参赛资格

- 各高校在校全日制本科生、研究生（含 MPAcc, MBA 学生），年级和专业不限；
- 以团队形式报名参赛，每支队伍由 4-5 名队员组成并选出一位队长（每位选手只能参加一支队伍），鼓励团队邀请老师或实务界人士作团队指导；
- 参赛队伍中至少一名队员是 IMA 学生会员。鼓励其他队员注册成为 IMA 学生会员，享受 IMA 提供的会员服务（案例大赛期间 IMA 学生会员享受优惠，会员年费为 25 美金/人）。

2.6 奖项设置

➤ 全国总决赛

冠军队：1 名，现金奖励人民币 10,000 元及冠军奖杯、证书，免费 CMA 课程培训，或赴美国参加 IMA 全球年会并与其他国家学生同台展示（待确认）

个人奖：1 名，获得“最佳管理会计精英奖”获奖证书

➤ 各区域决赛

冠军队：1 名，现金奖励人民币 5,000 元及区域冠军奖杯证书，或 CMA 学生奖学金

亚军队：1 名，现金奖励人民币 3,000 元及区域亚军获奖证书，或 CMA 学生奖学金

季军队：1 名，现金奖励人民币 2,000 元及区域季军获奖证书，或 CMA 学生奖学金

优秀奖：3 名，“优秀团队奖”获奖证书

2.7 赛区分布

各赛区所辖省市如下：

华北赛区：北京、天津、河北、山西、辽宁、吉林、黑龙江

华东赛区：上海、江苏、浙江、安徽、山东

华中赛区：河南、湖北、湖南、江西

华南赛区：广东、福建、海南、广西

西部赛区：陕西、甘肃、重庆、四川、贵州、云南

2.8 大赛形式

赛事语言：英文

展示形式：PPT 及团队全英文展示

具体形式参见第四届案例大赛官网 <http://casecompetition.imanet.org.cn>

2.9 大赛评委

邀请来自知名企业的高级管理者、财务经理人和 IMA 会员以及高校资深学者担任“IMA 校园管理会计案例大赛”评委嘉宾。围绕着案例中企业所处行业及市场背景，评委

们从实战角度出发，在五分钟问答环节中轮流提问。各代表队和每位选手在此环节的表现，最能体现团队配合以及选手个人的灵活应变能力，以及对于案例内容的把握和管理会计知识的综合运用。

往届大赛评委有美国巴德国际公司财务总监崔谨先生；中国注册会计师协会民营企业分会常务副秘书长许建刚先生；德勤中国审计合伙人顾珺女士；美国雅来动保亚太区首席财务官朴健先生；中国会计学会管理会计与应用专业委员会副主任委员、北京工商大学王斌教授；北京明帝电子商城项目经理张津先生；财政部内部控制专业委员会委员、美国管理会计师协会中国专家委员会委员、北京国家会计学院刘育仑教授；中国会计学会财务成本分会理事、中国企业国际化经营研究中心研究员、对外经济贸易大学国际商学院浦军教授 新理财 2011 年度十大 CFO、德国默克公司前 CFO、腾创科技原执行副总裁兼首席财务官邹志英女士以及华图教育集团副总裁、华图政信子集团 CEO 吴正杲先生及其他学术或实务界专家等。

三、往届 IMA 校园管理会计案例大赛回顾

IMA 校园管理会计案例大赛不仅考核选手在财务、市场、管理等方面的基本功，还考验各队的团队协作能力和现场表达能力，全英文答辩的要求对中国学生又是一项挑战。

3.1 赛事回顾

➤ **首届 IMA 校园管理会计案例大赛回顾**：首届 IMA 校园管理会计案例大赛于 2009 年 4 月 18 日启动，2009 年 6 月 14 日结束，大赛覆盖了全国 18 所重点高等院校约 10 万大学生，共吸引了 700 多名选手报名参赛。经过初赛，及华北、华东和华南三个分赛区半决赛历时一个多月的选拔，来自全国 6 个城市、6 所高校的 7 个代表队成功入围决赛。最终来自中央财经大学的 Jumper 代表队摘得桂冠，来自中央财经大学的 Wizard 代表队和南开大学的音速青年代表队分获二、三名。



➤ **第二届 IMA 校园管理会计案例大赛回顾**：第二届 IMA 校园管理会计案例大赛 2010 年 9 月启动，2010 年 11 月 27 日结束，大赛覆盖了全国 26 所重点院校约 15 万名大学生，吸引了 1600 多名同学报名参赛，本届大赛得到了院校领导和学校教师的高度认可。经过区域半决赛的选拔，共有 9 所高校代表队进入全国总决赛，最终来自中山大学的 Dream chaser 代表队摘得桂冠，获得了前往美国佛罗里达参加 2011 年第 92 届 IMA 年会，



与并美国高校团队一决高下的机会；来自上海财经大学的 Chasedream 代表队和中国人民大学的 Veritas 代表队分获第二、三名。

➤ **第三届 IMA 校园管理会计案例大赛回顾**：第三届 IMA 校园管理会计案例大赛 2012 年 9 月启动，2013 年 4 月结束。本次大赛由青岛海尔集团冠名赞助，并获得了国家外国专家局的支持，共吸引了来自北京大学、清华大学、中国人民大学、南开大学、中山大学、对外经济贸易大学、武汉大学、华中科技大学、北京师范大学、北京交通大学、中央财经大学、重庆大学、复旦大学、上海财经大学、西安交通大学等 77 所著名高校约 35 万大学关注，最终有 360 多支队伍共 1300 多名同学报名参赛，并有 138 名教授和讲师担任参赛队伍的辅导老师。经过初赛、区域半决赛两个阶段，共有 13 支队伍晋级全国总决赛。在全国总决赛中，各队伍经过近 8 个小时的精彩角逐，最终来自中山大学的 Pi 队脱颖而出，夺得第三届 IMA（海尔杯）校园管理会计案例大赛全国总冠军，获得代表中国高校前往美国参加全球比赛的机会。



第三届 IMA 校园管理会计案例大赛入选全国总决赛队伍合影

3.2 资助企业感言

青岛海尔集团管理创新研究院院长彭家钧先生：“海尔集团与 IMA 有着很长的合作，从 07 年开始我们就受到 IMA 的邀请到美国芝加哥参加 IMA 年会并介绍海尔集团管理会计实践，2010 年我们还和 IMA、对外经济贸易大学成立了管理会计研究中心。我们非常高兴能参与到 IMA 案例大赛，因为大赛选拔出来的选手都是学校优秀的学生，他们未来会是我们优秀的雇员，我们愿意参加这样的人才选拔中来。另外，通过案例大赛在全国近 100 多所

大学的宣传推广，也很好地宣传了我们海尔的理念。”

3.3 参赛队员感言

中山大学徐天天：“IMA 案例大赛为我们搭建了一个与各高校优秀学生和评委交流的平台，参赛过程中的这种经历是大学生生活中最难忘经历，我们提升了能力，增加了友谊，拓展了视野，积累了人脉，这些都是我们今后人生中最宝贵的财富。”

上海财经大学李心怡：“作为团队中唯一的一位大三成员，我无疑要承担更重的责任。在团队讨论中，我负责把握方向，引导和沟通。本着起步时“抓大放小”的思路，我注重对于大体流程的控制，并不拘泥于细枝末节。因此，平时即使有哪位队员由于时间紧张而没有完成任务，或完成得不是很理想，我也不会苛责。我会要求大家在大轮廓和内容基本确定以后，再精益求精、不断完善。”

中国人民大学沈鲁鲁：“团队从最初的磨合发展到赛前的最佳合作状态，而只有在比赛结束后，我们才意识到彼此已建立起深厚的感情。从校内赛到半决赛再到最后的决赛，我们至少共同度过了六个日日夜夜，一起为每一个可以完善的细节而乐此不疲地改进，为每一个新知识点的学习而挑灯夜战，为使思路框架更加严谨而反复修改。”

3.4 评委感言

中国会计学会管理会计与应用专业委员会副主任委员、北京工商大学王斌教授：“我觉得 IMA 案例大赛非常好，这对于推动管理会计在企业的应用具有重要的价值。IMA 的案例涉及企业运营的方方面面，同学们通过大赛的历练，今后进入企业工作都将不是问题”

中国注册会计师协会民营企业分会常务副秘书长许建刚先生：“以案例讲解的方式让选手们运用管理会计的知识来阐述本队的理论这一形式非常好。本次总决赛的案例比较复杂，但是能给选手们提供更多的展示和发挥的空间，以开放式的思维表达自己的观点。希望管理会计的培训可以为中国培养更多财会方面的人才。”

德勤中国审计合伙人顾珺女士：“非常荣幸参加本届案例大赛总决赛的评审工作，学生们在本届赛事中的表现令我印象深刻。参加案例大赛可以学习到很多财务管理方面的知识。”

新理财 2011 年度全国十大 CFO，德国默克公司前 CFO 邹志英女士：“很荣幸承任今天的评委，各代表队的表现太让我惊喜和兴奋，作为 CFO 的我，我非常喜欢你们，如果大家希望与我一起工作，请与我联系。”

美国雅来动保亚太区首席财务官朴健先生：各支代表队表现都很出色，选手们能够使用流利的英文以及多种论述方法来阐明自己的观点，选手们也应在将来的财务工作中注重现实性及逻辑性。”

3.5 历届大赛图片回顾





四、学校支持方案

4.1 宣讲会组织支持

我们希望贵校领导或老师能够支持大赛组委会在贵校组织第四届管理会计校园案例大赛宣讲会，支持主要包括场地的提供以及学生的组织，宣讲会希望覆盖到贵校会计，财务管理，经济类，管理类相关的学生，希望大赛能够被更多的学生认知并参与，以使此次公益竞技活动发挥更有效的作用，真正帮助学生综合能力的历练，以有效提升高校学生的就业能力。

4.2 宣传推广支持

我们希望贵校能够支持并帮助大赛组委会在贵校进行案例大赛的宣传，包括大赛海报的张贴，大赛宣传单页的发放，贵校网站上实时上传第四届案例大赛相关信息（如大赛赛事流程，宣讲会信息，大赛赛事进程等的发布与报道）。



部分高校对第三届 IMA 校园管理会计案例大赛的宣传报道

五、赛事联系

第四届 IMA 校园管理会计案例大赛组委会

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- IMA 官网：www.imanet.org.cn
- 大赛官网：<http://casecompetition.imanet.org.cn>
- 华图好会计官网：www.goodacc.net
- 好会计 C M A 官网：www.htcma.com

附件 第三届 IMA 校园管理会计案例大赛比赛案例

The Student Case Competition is sponsored annually by IMA® to provide an opportunity for students to interpret, analyze, evaluate, synthesize, and communicate a solution to a management accounting problem.

Product Costing at Fine Foods: Is It a Symptom or the Problem?



By David Axelsson, Marcus Fogelkvist, and Gary M. Cunningham, CPA

Kay Smith is frustrated. The manager of Strategic Marketing Unit Two (SMU2) for Fine Foods, Inc., a provider of branded high quality food products, Smith is unhappy with what she perceives to be unfair and inappropriate product costing for her unit, especially for what Fine Foods considers to be special orders. Smith's education, experience, and expertise as a food scientist and process engineer have earned her considerable respect at Fine Foods, but she has limited accounting knowledge. This lack of accounting knowledge has inhibited her ability to express and demonstrate her concerns, which she views as serious. Believing she is a fast learner with proper guidance, Smith has hired you, a recent accounting graduate, to develop a draft memorandum, a slide presentation, and a glossary of terms to help her make her case more forcefully to management.

Fine Foods, Inc.

Fine Foods, Inc., which has its roots in the upper Midwest United States, produces a wide range of food products in a competitive industry. Almost all its products are sold under the Fine 'n' Fast brand name, which is widely recognized for its high quality and has a loyal customer following. Most products are packaged in sizes for end consumption and are sold through supermarkets, convenience shops, and similar outlets. Depending on the nature of the product and consumer preferences, products are sold frozen, refrigerated, canned, boxed, or packaged in other ways. Some items, like small individual packets of ketchup, mayonnaise, and mustard, are sold to fast food restaurants and similar outlets. The company also sells half-gallon containers of salad dressings, ketchup, mustard, and similar items with a plastic pump

and branded with the company logo so that restaurant customers can serve themselves at salad bars and similar places. Other products are sold, often in bulk, to institutional users such as large food service groups, caterers, and the like. These products may or may not be branded. A small portion of sales is made to other food producers, for example, salad dressing packets are sold to producers of packaged fresh salad greens. Fine Foods, Inc. doesn't deal with fresh products.

Fine Foods, Inc. is owned by Great Plains Capital, a private equity firm. Great Plains Capital gives Fine Foods almost complete freedom and control over management, product selection, performance evaluation, and so forth. Because it is privately owned, there is no external financial reporting, nor is there any obligation to use any set of financial accounting standards for internal reporting. Any external financial reporting is on a group or consolidated basis and done by Great Plains Capital.

Great Plains Capital also owns Fine Foods Canada, Ltd., which sells products almost exclusively in Canada, with primary operations nearby in the prairie provinces. Fine Foods, Inc. and Fine Foods Canada, Ltd. don't have any mutual ownership in each other, and there's no management connection between the two. Because the two companies produce many identical products using the Fine 'n' Fast brand, they do share recipes and process technology. Fine Foods, Inc. also produces some products for Fine Foods Canada, Ltd. that don't have sufficient market size in Canada to justify separate production. Great Plains Capital also owns smaller companies with the Fine 'n' Fast name that are mostly importers of Fine 'n' Fast products in countries outside of the U.S. and

Canada where high quality, branded North American food products have niche markets. These products are produced by Fine Foods, Inc.

Fine Foods, Inc. (Fine Foods from this point forward) is organized into three strategic marketing units (SMUs) based on the markets they serve. SMU1 serves supermarkets and similar outlets. SMU2 serves mostly institutional customers who order in large volumes and often in bulk quantities. SMU2 also sells special orders from time to time that involve unbranded bulk products that are exported. SMU3 serves affiliated Fine Foods companies in other countries, mostly for import into those countries; governmental organizations that sell food and have food service facilities, such as military organizations; and similar customers that have special contracting requirements.

Products sold by all three SMUs are manufactured by the same production facilities, including warehouses, food preparation and cooking facilities, and packaging facilities. The SMUs also share most headquarters activities, such as IT, accounting and other administration, human resources, and similar activities. SMU1 and SMU2 have their own marketing and sales departments, while there are no separate departments for these tasks in SMU3. Figure 1 shows an organizational chart for Fine Foods, Inc.

Cost Allocation

Smith tells you somewhat strongly and persistently that she believes her unit is being treated unfairly in the way costs are allocated to products. In particular, she has a problem with the product cost allocation for special orders of product MP, a basic product that is widely con-

Figure 1: Fine Foods, Inc. Organization Chart

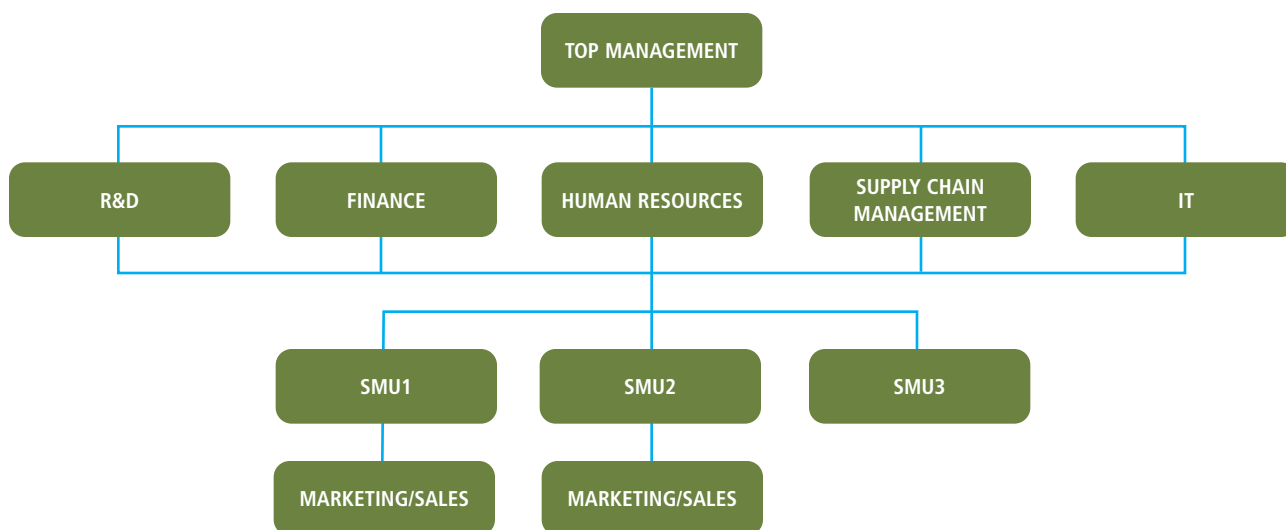
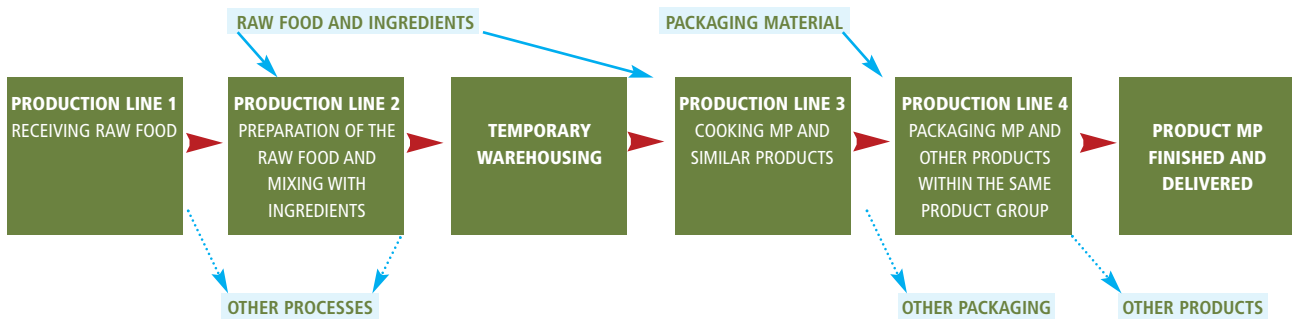


Figure 2: Production Process for Product MP



sumed in North America. SMU2 is the only unit with special orders, and almost all the special orders are for product MP. While all three units sell product MP, it represents a significantly larger percentage of total sales for SMU2 than it does for the other two units. SMU1 and SMU3 don't perceive a product-costing problem because a substantial portion of their sales come from other products, which means the product costs for product MP aren't a major part of their cost of sales.

After talking with Smith, you review what you learned in your accounting classes about product costing and special orders. With this knowledge, you set out to conduct an in-depth look at product costing and accounting for special orders at Fine Foods, especially in SMU2.

The Production Process

In order to learn about product costing at Fine Foods, you decide you first need to understand the physical flow of products through production lines. A simplified diagram of the product MP production process, which is typical of many of the company's products, is shown in Figure 2.

Basic raw food items begin production with preliminary inspection, sorting, and so forth. The raw material then goes to the first stage of preparation, which can involve chopping, peeling, and other preparation. Some preliminary cooking can also take place at this step. After possible temporary storage, additional ingredients are added, such as seasonings, flavorings, etc., and the final cooking and processing occur. The prepared product is then packaged, frozen, stored temporarily (if necessary), and then shipped to the customer.

Product Costing

The management of Fine Foods believes that it must allocate all costs to its products in order to get a true and accurate measure of each product's profitability. Here's a

look at the product-costing procedure that would apply to product MP as well as virtually all other products. (Product MP is one of several different products that come from the same initial raw material but are then processed and sold in different configurations and package sizes.)

Raw material, packaging material, and direct production salaries are added to determine what Fine Foods calls *direct calculated costs*. Electricity, steam, water, and warehouse costs are then allocated based on estimates and a mark-up to cover spoilage and other incalculable costs. This calculation gives an amount the company calls *variable manufacturing costs*. Material costs are determined based on the cost required for one unit of product. Direct salaries are determined by the amount of time normally required for one unit multiplied by the hourly labor cost.

Fine Foods allocates what it considers to be *fixed production costs* in a complicated process. A list of what Fine Foods considers to be fixed production costs is shown in Table 1.

Costs for production management, steam boilers, and quality are shared by different factories. Estimates are made about usage of these activities, and costs are allocated to factories based on these estimates. If only one factory uses a service, the entire cost of the service is allocated to that factory. When these and other costs are assigned to factories, two approaches are used for further allocation to product groups (which represent groups of similar products, such as salad dressings, canned soups and vegetables, and puddings) and products:

- ◆ All costs for steam boilers, building maintenance, vehicles, and sanitation are allocated directly to products using net weight or gross weight.

- ◆ Remaining factory costs are first allocated to product groups. One allocation is a fixed percentage based on estimates that don't change for each product group. Other costs are allocated based on the weight, labor time, and

Table 1: Fixed Production Costs Allocated to Product MP

Workshop Storage
Environment
Electricity
Maintenance Mechanics
Quality
Engineering
Production Line Maintenance
Production Line Cleaning
Lower Production Management
Handling Raw Material Department
Production Office Services
Production Manager and Related Costs
Warehouse/Storage
Internal Logistics/Resource Planning
Sanitation
Vehicles
Building Maintenance
Steam Boiler

production time of the product produced. If the allocation of remaining factory costs is a fixed percentage, then allocation to products is based on production time.

◆ For special orders (virtually all product MP), the total *freight out* is accumulated for a month and then allocated based on the weight of product shipped. The estimated freight cost is included in the sales price. Similar procedures are followed for other products, for which Fine Foods pays the freight.

Media and sales promotion costs for SMU1 and SMU2 are allocated to product groups and to individual products based on weight of product sold.

Fine Foods allocates what it calls *other fixed costs* in two ways:

◆ Sales and marketing costs, which are incurred only in SMU1 and SMU2, are allocated to products based on sales volume.

◆ Costs for top management, business administration, information systems, human resources, supply management, and logistics are allocated in two steps. Costs are first allocated to cost centers based on number of employees, labor time, production time, or set percentages. Then costs are further allocated to products based on gross sales, amount of time spent on internal reviews,

number of marketing campaigns, quantity sold, number of orders, net weight of product delivered, or equally to each product.

Smith is concerned that the amount of costs allocated to special orders for product MP is excessive and therefore causing her unit to be viewed less favorably than the other units. Among other things, she believes allocations based on weight are unfair because product MP is a relatively dense, bulky, and heavy product that, while profitable, has a relatively low profit per pound compared to other products.

Special Orders

Because of Smith's concerns, you further explore what Fine Foods considers to be *special orders*. According to Smith, a special order is one in which the contract specifies that it can be rejected within one year before delivery; otherwise it isn't special. Such special orders constitute 2% of total revenues for Fine Foods.

Virtually all of the special orders are for product MP and for a food distributor in Mexico. Product MP isn't a normal part of the diet of Mexican people, but there is a niche market for it. The market isn't large enough to motivate a Mexican food production company to produce the item, but Fine Foods is motivated to provide the items to Mexican food suppliers as so-called special orders because the company is already producing the product for a variety of customers in the U.S. and Canada. It's packaged unbranded for sale in Mexico because it will be used primarily by institutional food preparers; it's shipped frozen in 10-pound packages.

The raw material used to make product MP can be kept in storage for a fairly long time under proper conditions, and there's always a ready stock on hand because it's used in many other products. Once product MP is produced, it can be kept frozen for up to one year. These factors provide a high degree of flexibility in scheduling production to meet such special orders. Production of product MP can be readily scheduled when there's idle production capacity. Sometimes requests for these special orders come unexpectedly; other times, SMU2 approaches the customer to indicate that idle capacity is planned. Typically, orders are in relatively large quantities.

SMU2 accepts special orders when the contribution margin (CM1) is positive. As shown in Table 2, Fine Foods defines CM1 as net sales minus variable manufacturing costs (defined above) and freight out. Smith is convinced that decisions to accept the special orders are good for the company and contribute to Fine Foods'

Table 2: Contribution Margins and Operating Profit

Gross sales
(Standard discounts)
(Activity discounts)
(Special discount activities for customers)
Net sales
(Variable manufacturing cost)
(Fixed manufacturing cost)
(Freight out)
CONTRIBUTION MARGIN 1
(Media)
(Sales promotion)
CONTRIBUTION MARGIN 2
(Marketing and sales)
CONTRIBUTION MARGIN 3
(Top management)
(Business administration)
(Information system)
(Human resources)
(Supply chain)
(Production)
(External logistics for finished goods)
(Markup - Manufacture expenditures)
(Other fixed costs)
CONTRIBUTION MARGIN 4
(Structural costs)
(Total depreciation)
OPERATING PROFIT

overall profitability, but she's frustrated at the impact on the results of her unit's operations.

Performance Evaluation at Fine Foods

At about the time you were halfway through your project, you found yourself discussing it with friends and colleagues who are also recent accounting graduates. As you described Smith's concerns with Fine Foods' product costing, as well as your frustration as you attempt to analyze and develop recommendations, one friend interrupted to say that the product-costing problem appeared to be only a symptom of a larger issue. Your friend had recently covered the issue of symptoms vs. underlying problems in her management control class, and it seemed to her that the major issue is performance evaluation of the SMUs, not product costing.

Somewhat skeptical, you looked at some of your textbooks and other sources to brush up your knowledge of performance evaluation. You then explored performance evaluation at Fine Foods. You began by speaking to Peter Jones, the controller of Fine Foods, Inc., who explained how the company computes CM1, CM2, CM3, CM4, and operating profit for each unit (see Table 2). Jones said the SMUs have the ability to control the costs of their divisions, and other costs are allocated easily and fairly. Targets are established for CM1, CM2, CM3, CM4, and operating profit, and the numbers are reviewed monthly to see if corrective action is necessary. Evaluation of performance against the targets is made at the end of the year.

Smith, however, tells you that the primary evaluation for the SMUs is operating profit. This is confirmed by SMU2's controller and another unit controller. Smith feels the method used by Fine Foods to calculate operating profit doesn't reflect the true performance of the SMUs because unit management can't control several of the cost elements included in the calculation. Further, she believes using operating profit as the primary indicator for evaluating units has a negative motivational effect on the employees of her unit.

Your Report

With your analysis complete, you are ready to present your findings. For better organization, you decide to divide everything into four sections: product costing, special orders, performance evaluation, and conclusions and recommendations.

Part 1: Product Costing

1. Develop a glossary of terms and definitions to be used by Smith in her presentation and discussions to ensure consistency and mutual understanding of terms. In addition to definitions, provide a brief description of the applicability of terms to Fine Foods. The glossary should include, but not be limited to:

- ◆ Cost object
- ◆ Cost driver
- ◆ Product vs. period
- ◆ Fixed vs. variable
- ◆ Direct vs. indirect
- ◆ Incremental and common
- ◆ Relevant vs. irrelevant
- ◆ Controllable vs. Noncontrollable
- ◆ Dual allocation (sometimes called departmental)
- ◆ Volume allocation
- ◆ Activity-based allocation

2. Write a draft of a memorandum that Smith can present to her colleagues and management to support her case. The memo should include, but not be limited to, an analysis of current product costing approaches used at Fine Foods, Inc., changes she should recommend, and the extent to which the recommended changes would resolve her concerns.

Part 2: Special Orders

Write a draft of a memorandum that Smith can present to her colleagues and higher management that focuses on what Fine Foods calls special orders. The memo should include, but not be limited to:

- ◆ A description of the accounting and other considerations that should be considered with respect to special orders.
- ◆ A brief definition of the terms “by products” and “joint products” and the extent to which these items apply to special orders at Fine Foods, if at all.
- ◆ Identification of all the benefits that Fine Foods receives from special orders.
- ◆ An analysis of the way Fine Foods, Inc. handles its special orders and any recommended changes

Part 3: Performance Evaluation

1. Develop a glossary of terms and definitions to be used by Smith in her presentation and discussions to ensure consistency and mutual understanding of terms. In addition to definitions, provide a brief description of the applicability of terms to Fine Foods. The glossary should include, but not be limited to:

- ◆ Types of responsibility centers:
 - cost centers
 - revenue centers
 - profit centers
 - investment centers
- ◆ Computation methods of monetary amounts to evaluate performance:
 - contribution margin
 - operating profit
 - return on investment
 - residual income and similar value-added approaches, such as EVA™
- ◆ Agency costs

2. Prepare a draft of a memorandum for Smith to present to her colleagues and management that includes, but isn't limited to:

- ◆ What roles do performance-evaluation and reward systems play in organizations? Discuss individual vs. team-based performance evaluation in this context. Are

these roles relevant for all types of organizations and employees? To what extent, if any, do these roles apply to Fine Foods?

- ◆ Discuss basic concepts of performance evaluation, particularly results control. Discuss issues of financial vs. nonfinancial performance in this context.
- ◆ What types of responsibility centers are the SMUs in Fine Foods? Are these appropriate types of responsibility centers for Fine Foods? Why or why not?
- ◆ Identify potential agency costs that might occur within Fine Foods. Discuss performance measurement (monitoring) and incentive systems as mechanisms to decrease agency costs at Fine Foods. Identify and discuss any recommendations to implement a reward system. Analyze the extent to which your recommendations would solve the issues that concern Smith and would decrease agency costs.
- ◆ Analyze the performance evaluation approaches at Fine Foods. Identify and discuss any changes you might recommend. Analyze the extent to which these changes would resolve the issues raised by Smith.

Part 4: Conclusion and Recommendations

1. Prepare a draft memorandum for Smith to present to her colleagues and management that gives recommendations for changes and discusses their benefits for the company as a whole.
2. Prepare a draft of an executive summary of the entire memorandum (Parts 1-4).
3. Prepare a slide presentation for Smith to use when presenting the memorandum to her colleagues and management. **SF**

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