MN2002—Management & Analysis

Analysis of Financial Data

Module Type/Semester: Second Year/Core (20 Credits)/Semester 2

Pre-requisite(s): MN1001, MN1002 and MN2001

Modules Required For: MN3102

Module Co-ordinator: Dr Anna Brown

Module Tutor(s): Dr François Puyou
Dr Samuel Mansell

Contact Details:
Dr Anna Brown
ab222@st-andrews.ac.uk

Dr François Puyou
frp2@st-andrews.ac.uk

Dr Samuel Mansell
sfm5@st-andrews.ac.uk

AIM:
This module will build on module MN1002 Introduction to Financial Accounting which introduced some popular accounting techniques. Accounting and finance are central to organizational life. Organisations, both public and private alike, are increasingly subjected to the pressures of producing accounts. Similarly, the global economy hinges on the effective flow of money around the financial system. This module seeks to engage with accounting and finance from a broader sociological perspective, through trying to make sense of the production of accounting knowledge and the effects that it can have upon organisations and society alike. In Parts 1 and 2, through case studies on Enron and the financial crisis of 2007-08, we develop a critical perspective on the accountancy profession, auditing practices, corporate governance and accountability. This will involve looking at accounting as a set of calculative practices that are socially constructed. In Part 3, we examine the norm of shareholder wealth maximisation and explore alternative theories of the corporate purpose. The module provides an innovative foundation for future studies in management, especially modules such as corporate finance, dynamic strategic management, organization studies, social theory, international banking, and the management of change.
METHOD OF TEACHING & LEARNING:
• Lectures
• Tutorials
• Specified book and journal reading
• Tutorial preparation and discussion

LEARNING OUTCOMES:
This course is designed to develop relevant knowledge and understanding of accounting from an organizational and societal perspective.

The skills developed are those required at a managerial level of business practice, and the studies make further contributions to aptitudes in problem solving, analysis, decision-making, and effective communication.

INDICATIVE TOPIC OUTLINE:
Lecture Topics:
Part One: Enron and the Commercialisation of Accounting
  1. Module Introduction and Culture of Enron
  2. Accounting for Enron (1) Mark-to-Market accounting
  3. Accounting for Enron (2) Off-Balance-Sheet-Financing
  4. The Fall of Arthur Andersen
  5. The Commercialisation of the Accountancy Profession
  6. Corporate Governance after Enron
  7. What is Accountability?

Part Two: The Audit Society and the Financial Crisis
  8. Audit Explosion
  9. Fraud Detection and the ‘Expectations Gap’
  10. Auditing, Trust and Risk
  11. The Financial Crisis (1)
  12. Class-Test
  13. The Financial Crisis (2)
  14. Social Dimensions of the Analysis of Financial Documents

Part Three: Towards a New Corporate Civilisation?
  15. What of Kind of Person is the Corporation?
  16. Critical Perspectives on Shareholder Value Maximisation
  17. Rethinking the Corporate Purpose: Managing for Stakeholders
  18. Rethinking the Corporate Purpose: Accounting for Society
  19. 2006 Companies Act and Directors’ Duties
  20. Political Corporate Social Responsibility

  21. Revision Session
ASSESSMENT:
- The coursework assessment, which will count toward 30% of final assessment of MN2002. In this section of MN2002, the coursework assessment will consist of a class test that will assess Part One of the module on Enron and the commercialisation of accounting.
- Examination: two hour written exam in the May exam diet (70%).

CORE READING LIST:
Various readings will be recommended in the lectures, but students are recommended to buy: