Module 10
Performance Management
Overview
Module 10 — Performance Management

INTRODUCTION
Welcome to Module 10, Performance Management. This six-week module is an introductory performance management course in a business context. You examine the importance of governance and corporate social responsibility and the pivotal roles they play in developing, formulating and implementing strategy. The strategy-development section takes you through the process of environmental scanning and industry analysis and the development of corporate mission, vision and values, while strategy formulation looks at types of strategies, the evaluation of strategic alternatives and the measurement of their performance. Finally, the strategy-implementation section explores company characteristics and other factors that can positively or adversely affect the implementation of a strategy, including the management of change.

COURSE PREREQUISITES
- The prerequisites for this course are the following courses or equivalent post-secondary course credits:
  - Introductory Financial Accounting
  - Introductory Management Accounting
  - Intermediate Management Accounting.
- Mathematics: You are expected to have a sound understanding of basic mathematics and their application in the business context. The required level of knowledge can be gained from any standard business mathematics text.
- Software skills: You are expected to have basic competence with Microsoft Windows and Microsoft Excel.

STRUCTURE AND DELIVERY
Module 10 is delivered over six weeks, and includes the following material:
- Student Notes
- Practice Problems with Solutions
- Student Slides (PDF format)
- In-Class Problems
- Quizzes
• Videos
• Suggested Study Plans
• Project 1 and Project 2

The student notes are the basis for learning the material presented in the course. The notes cover each concept in relation to the competency map. The practice problems give you individual practice in mastering the concepts taught in the student notes. The slides provide a summary of the concepts covered in the course and should be used concurrently while reviewing the videos and in-class lectures. In-class problems (ICPs) are facilitator led; they are either taught in-class, or, for distance students, taught through a video presentation of each ICP. ICPs help you establish an effective approach to use while working through the practice problems. The quizzes and projects are detailed in the assessment section of this course overview. Finally, suggested study plans are provided to assist in planning study time. You are encouraged to personalize these plans to meet your individual needs.

THE CPA WAY

You are encouraged to use the CPA Way, a methodical process for working through complex problems, when answering judgment-based questions in the course materials. CPA Way videos are located on the course homepage.

ASSESSMENTS

The overall mark needed to pass the module is 60% (with an average of 65% across all prerequisite modules required for entry into CPA PEP). There are three components to the evaluation of this module: quizzes, the projects and the final exam.

Quizzes

• Quizzes are worth 12% of the module mark.
• You are encouraged to print the quiz questions and work through them as you study each week’s material.
• Study group discussion/collaboration is encouraged, but you must individually complete all quizzes.
• Quizzes are due after each week. See D2L for specific due dates.
• Quizzes are due at the end of each week. Ensure that you submit your answers online by the required dates and times listed in the calendar in D2L. Do not wait until the last minute to submit in case you have an Internet connection problem. There is only one opportunity to submit each quiz.
• Quizzes are graded based on the marks you receive. (If you answer four out of the five questions on the quiz correctly, you would receive 80% on that quiz.)
Projects

- The projects are worth 18% of the module mark.
- Completion and submission of the projects is mandatory.
- Study group discussion/collaboration is encouraged, but you must individually complete and submit your projects.
- There are two separate projects:
  - Project 1 is due at the end of Week 3.
  - Project 2 is due at the end of Week 5.
- Ensure that you submit your work online by the required dates and times listed in the calendar in D2L. **The projects cannot be submitted late.**
- The projects will require approximately 15 to 20 hours of work in total.
- Upload your submission to D2L following the instructions in the Project Formatting document.
- **It is highly recommended you start working on the projects after you have reviewed the content for each week. This will prevent you from spending a large amount of time completing the projects near the due dates.**

Exam

- The exam is worth 70% of the module mark.
- It is four hours in length.
- It consists of approximately 50% multiple-choice questions and approximately 50% constructed-response questions.
- An exam review webinar will take place for study purposes. The webinar will be recorded and available on D2L.
- The exam tests material covered throughout the entire module.
- Your provincial/regional affiliate will communicate the date and time of your final exam.
- The exam must be written in order to pass the module.
Rewriting the exam

- Students who score 50% or more in the module but do not reach the required 60% can attempt to write the exam again in the next available offering of the module. The mark received on this exam attempt will replace the mark received for the previously written exam (70% of the module mark).
- Exam review materials will be posted for study purposes after the final module marks are released.
- Your provincial/regional affiliate will communicate the date and time of the next available offering of the module exam.

MARKS CALCULATION EXAMPLE

The following scenarios with Student A and Student B demonstrate how module marks are calculated.

Student A

Student A struggled to complete the quizzes and received a mark of 1/5 on three of the quizzes and 2/5 on the other three. Quizzes are worth 12% of the final mark, or 2% per quiz. Student A received a mark of 15 out of 40 on the first project and 15 out of 45 on the second. Projects are worth 18% of the final mark, or 9% each. Student A received a mark of 55% on the exam, which is worth 70% of the final mark. Student A’s final module mark would be calculated as follows:

Quizzes = \(\frac{1}{5} \times 2 + \frac{1}{5} \times 2 + \frac{1}{5} \times 2 + \frac{2}{5} \times 2 + \frac{2}{5} \times 2 + \frac{2}{5} \times 2 = 3.6\)
Project 1 = \(\frac{15}{40} \times 9 = 3.4\)
Project 2 = \(\frac{15}{45} \times 9 = 3.0\)
Exam = \(\frac{55}{100} \times 70 = 38.5\)

Final module mark = 3.6 + 3.4 + 3 + 38.5 = 48.5%

Student B

Student B did very well on the quizzes, and received a mark of 4/5 on four of the quizzes, and a perfect score of 5/5 on the other two quizzes. Quizzes are worth 12% of the final mark, or 2% per quiz. Student B received 35 out of 40 on the first project and 43 out of 45 on the second. Projects are worth 18% of the final mark, or 9% each. Student B received a mark of 85% on the exam, which is worth 70% of the final mark. Student B’s final module mark would be calculated as follows:

Quizzes = \(\frac{4}{5} \times 2 + \frac{4}{5} \times 2 + \frac{4}{5} \times 2 + \frac{4}{5} \times 2 + \frac{5}{5} \times 2 + \frac{5}{5} \times 2 = 10.4\)
Project 1 = \(\frac{35}{40} \times 9 = 7.9\)
Project 2 = \(\frac{43}{45} \times 9 = 8.6\)
Exam = \(\frac{85}{100} \times 70 = 59.5\)

Final module mark = 10.4 + 7.9 + 8.6 + 59.5 = 86.4%
OVERVIEW OF TOPICS

The following is a brief overview of the topics covered in Module 10 by week.

Week 1

Week 1 introduces corporate governance, environmental reporting and related issues, and environmental management systems. You will become familiar with the roles and obligations of the board and senior management in an organization, how governance helps mitigate the principal-agent problem, and the role of external oversight and regulation. You will also explore the importance of stakeholder groups, an organization’s obligations to act in a socially responsible manner and the ethical standards that guide professional conduct.

Week 2

Week 2 introduces mission and vision statements and the importance of an organization’s values, goals and objectives. External analysis and resources, capabilities and core competency analysis are also covered in this week. You will become familiar with assessing financial and non-financial goals and using environmental scanning and various analysis techniques, and you will learn how an organization can use its capabilities to gain sustainable competitive advantage.

Week 3

Week 3 explains strategy formulation, implementation and evaluation. You will examine various levels and types of strategies, internationalism and e-business in strategy. You will study cost and marketing strategies, alternative strategies designed to achieve various objectives and grow the organization, factors to consider when entering a new market, and implementation of strategies in organizations with different structures. You will also learn about evaluating how well a strategy has been implemented.

Week 4

Week 4 explains processes for measuring performance and managing risk. Issues related to strategic control and ongoing performance measurement are examined, along with incentive systems and policies to help keep performance on track. You will also study how to identify, estimate and manage risk and learn about risk-response alternatives and risk-management policies and procedures. This week concludes with a look at management reporting systems that support the performance management process.
Week 5

Week 5 shifts from higher-level governance and performance management roles to delve deeper into the tools used by all levels of management to achieve and evaluate ongoing organizational performance. You will study target costing and capacity management, as well as considerations of using outsourcing to reduce costs and expand capacity. You will learn about tools commonly used to improve an organization’s efficiency and effectiveness, and you will explore the issues related to managing quality of products and services.

Week 6

Week 6 concludes the course with an overview of tools for monitoring and evaluating performance and ensuring accountability in decision-making. You will be introduced to management by objectives and the balanced scorecard, and you will review activity-based costing before looking at activity-based management. The course concludes with a study of ensuring accountability through responsibility accounting in both profit-oriented and not-for-profit organizations.