

Week One: Business Strategy and Creating a Balanced Scorecard

Exercise #1

Grapevine Corporation plans to grow by offering a cellular phone model, the QWERTY Touch Screen, which is superior and unique from the competition. Grapevine believes that putting additional resources into R&D and staying ahead of the competition with technological innovations are critical to implementing its strategy.

Answer each of the following questions:

1. Is Grapevine's strategy one of product innovation and leadership, lowest total cost, or complete customer solutions? Briefly explain.

 2. Identify at least two key measures that you would expect to see included in the Balanced Scorecard and then explain why you choose each measure:
 - b. for the financial perspective
 - c. for the customer perspective
 - d. for the process perspective
 - e. for the learning and growth perspective
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Exercise #2

1. Describe the steps in the PDCA cycle and provide examples within each step. (Answers should be no more than 100 words and adhere to the *West Writing Style Handbook*)
2. **The role of management accounting:** Consider the descriptions of management accounting provided in the chapter. Discuss why the associated responsibilities are viewed as “accounting” and how people handling those responsibilities interface with other functional areas in fulfilling the stated responsibilities. What skills and knowledge does one need to fulfill the responsibilities?
3. **The plan–do–check–act cycle:** For each of the four steps of the plan–do–check–act cycle, describe examples of possible uses of management accounting information.
4. **Different information needs:** Consider the operation of a fast-food company with hundreds of retail outlets scattered about the country. Consider the descriptions of management accounting provided in the chapter to identify management accounting information needs for the following:

Be sure to address the content, frequency, and level of aggregation of information needed by these different managers. Answers to a, b and c should be no more than 50 words each and adhere to the West Writing Style Handbook.

- a. The manager of a local fast-food outlet that prepares food and serves it to customers who walk in or pick it up at a drive-through window
- b. The regional manager who supervises the operations of all the retail outlets in a three-state region
- c. Senior management located at the company's corporate headquarters. Consider specifically the information needs of the president and the vice presidents of operations and marketing.