

ACC 550 Milestone Two Guidelines and Rubric

Overview: The final project for this course is the creation of a quantitative analysis that includes an Excel spreadsheet accompanied by a memo to management.

Accountants provide management with the logistics of the business that are crucial for daily operations and a company's overall success. In any business, it is of the utmost importance to be aware of all finances and internal processes. Cost accountants focus solely on the internal processes of a business and are tasked with eliminating any unnecessary costs in order to maximize profits.

For the final project, you have been tasked with conducting a quantitative analysis that looks into the internal processes of a company. Based on your analysis, you will formulate recommendations to management that aim to improve internal processes and increase profits for the company.

Prompt: For this milestone, submit a draft of the inventory management and benchmarking sections of the final project (Sections II and III, respectively), including all the critical elements listed below. Refer to the [Hampshire Company Case Study](#) document, as this provides details on how to complete this milestone. All calculations for your quantitative analysis should be completed in the [Hampshire Company Spreadsheet](#). You will provide a rough draft of your qualitative analysis in a Word document.

Specifically, the following critical elements must be addressed:

II. Inventory Management

Inventory management serves to minimize the cost to maintain inventory and maximize returns. In this section, the company's financial data will be reviewed in order to determine the optimal inventory management system.

- A. Determine an optimal cost allocation method based on the **relevant costs**.
- B. Describe how this **method** should be used by decision makers to fulfill their responsibilities. Support your response with examples.
- C. What are the **pros and cons** of implementing the just-in-time (JIT) inventory system? Do the pros outweigh the cons for this company?
- D. Explain how the just-in-time (JIT) **inventory system** can benefit this organization. Defend your response.
- E. Identify the **inventory** management method you recommend, and explain why this method will benefit the company.

III. Benchmarking

In this section, benchmarking will be reviewed. Benchmarking can be implemented in various ways depending on a company's circumstances. Your company has decided to implement benchmarking and would like you to research and recommend the most effective approach.

- A. What is the **advantage** to benchmarking in terms of improving companies' performance? Support your response.
- B. Identify possible **approaches** to benchmarking. Describe each.
- C. Which **benchmarking method** should management adopt and why?



If you would like a refresher course on using various features of Excel, sign in to [Atomic Learning](#) and type “Excel” in the search box. This will provide you with options to select the specific level of training that you need (intro, intermediate, or advanced) and the specific version of Excel that you have (e.g., 2011 or 2013). The trainings are broken down into small, meaningful chunks. Therefore, you should be able to find specific topics at each level that will meet your needs.

Rubric

Guidelines for Submission: The written portion of this submission must be a three- to four-page Word document with 12-point Times New Roman font, double spacing, and one-inch margins. Sources should be cited according to APA style. Use the Hampshire Company Spreadsheet to submit your calculations as an Excel file.

Critical Elements	Proficient (100%)	Needs Improvement (75%)	Not Evident (0%)	Value
Inventory Management: Relevant Costs	Determines an optimal cost allocation method based on the relevant costs	Determines an optimal cost allocation method, but determination is not based on the relevant costs	Does not determine an optimal cost allocation method	11
Inventory Management: Method	Recommends how the method should be used by decision makers to fulfill their responsibilities and supports response with examples	Recommends how the method should be used by decision makers to fulfill their responsibilities but does not support response with examples	Does not recommend how the method should be used by decision makers	11
Inventory Management: Pros and Cons	Identifies the pros and cons of implementing JIT and describes whether the pros outweigh the cons for this company	Identifies the pros and cons of implementing JIT but does not describe whether the pros outweigh the cons for this company	Does not identify the pros and cons of implementing JIT	11
Inventory Management: Inventory System	Explains how the JIT inventory system can benefit the organization and defends response	Explains how the JIT inventory system can benefit the organization but does not defend response	Does not explain how the JIT inventory system can benefit the organization	11
Inventory Management: Inventory	Identifies the inventory management method recommended and explains why this method will benefit the company	Identifies the inventory management method recommended but does not explain why this method will benefit the company	Does not identify the inventory management method that is recommended	11
Benchmarking: Advantage	Identifies an advantage of benchmarking and supports response	Identifies an advantage of benchmarking but does not support response	Does not identify an advantage of benchmarking	11
Benchmarking: Approaches	Identifies different approaches to benchmarking and describes each	Identifies different approaches to benchmarking but does not describe each	Does not identify different approaches to benchmarking	11
Benchmarking: Benchmarking Method	Determines which benchmarking method management should adopt and justifies response	Determines which benchmarking method management should adopt but does not justify response	Does not determine which benchmarking method management should adopt	11
Articulation of Response	Submission has no major errors related to citations, grammar, spelling, syntax, or organization	Submission has major errors related to citations, grammar, spelling, syntax, or organization that negatively impact readability and articulation of main ideas	Submission has critical errors related to citations, grammar, spelling, syntax, or organization that prevent understanding of ideas	12
Earned Total				100%