I hear and I forget, I see and I remember, I do and I understand, Chinese Proverb

INTRODUCTION

This poster describes an enjoyable in-class activity: to acquaint students in introductory managerial accounting classes with the effects of uncertainty on budgeting decisions. The activity presented is a Monte Carlo simulation game in Excel.

OBJECTIVES

Consistent with Pathways Objective 4.2 (implement curricular models for the future), to develop a budget uncertainty simulation
• that can be implemented in a few class sessions rather than throughout the entire course, and
• that would be fun and engaging for the student teams.

To help students develop the AICPA core competencies of
• Decision modeling (Functional)
• Interaction and Problem Solving & Decision Making (Personal)

CONCLUSIONS/NEXT STEPS

• In the survey completed after the game students expressed (1) a better understanding of uncertainty and (2) enjoyment of the game and team interaction
• On an exam question about uncertainty, students who played the game performed significantly better
• Extensions may include (1) using uncertainty about fixed costs, (2) changing parameters to test knowledge about breakeven and (3) trying the simulation before and after the accounting topic.

SELECT REFERENCES


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