



APPLIES TO ACADEMIC YEAR  
2002/2003

## BØK 9853 Management Accounting and budgeting

### Program

Bachelor of Business Administration Program, Registered Auditor Program, Master's Degree Program in Marketing Management, 2nd year, The Bachelor of Business Administration Program in Information Technology, The Bachelor of Business Administration Program in Business Law

### Responsible for the course

Tor Tangenes

### Department

Accounting - Auditing and Law

### Term

Spring

### ECTS Credits

6

### Objective

The objective of the course is to provide the students with an insight into various management accounting models, to understand these models and apply them in practice, including a choice among a variety of evaluation alternatives. The students shall be given an introduction to the budgeting process, the various budgets and their interconnection (total- and sub-budgets). A thorough understanding of the link between budgets and accounting reports as a system for management control is vital, as well as an understanding of the importance of cost and income variation analysis. It is also important to be able to extract information from the managerial accounting system that is relevant for decision-making.

### Prerequisites

It is a prerequisite to have knowledge of managerial accounting at the level of the course BØK 9700 Managerial Accounting.

### Compulsory literature

Hoff, Kjell Gunnar. 2002. *Driftsregnskap og budsjettering*. 3. utg. Oslo: Universitetsforlaget.

### Recommended literature

Sending, Aage. 1999. *Arbeidshäfte til driftsregnskap og budsjettering*. 2. ed. Bergen : Fagbokforlaget.

### Course outline

- 1) Result reporting and effect of inventory changes of goods produced
- 2) Normal costing (job order costing and process costing)
- 3) Standard costing
- 4) Joint products and ABC (cost calculation)
- 5) Background for the budgeting process
- 6) Decentralization and transfer pricing
- 7) Various sub-budgets
- 8) Budgeted statement of income and balance sheet
- 9) Flexible budgets
- 10) Cash budget and cash management
- 11) Links between the various budgets
- 12) Costs relevant for decision making

### Computer-based tools

The use of spreadsheets is vital for solving problems and cases.

**Course structure**

The course is based on 42 hours of lectures.

**Evaluation**

A five-hour written examination, based on the required readings and a case study, completes the course. The case study is distributed 2 weeks before the exam, either as a new case or as an extension of a model that is obligatory to build during the term. The obligatory assignments and cases are distributed on the Internet (address: <http://on.to/aage>). Two days before the exam, new input to the casemodel will be distributed on the net. This input will also be distributed as hardcopy at each school after it is distributed on the net. The case paper will not be handed in for marking, but will be needed at the examination. The examination may consist of practical and theoretical questions relating to the syllabus and particular questions related to the solution to the case. Only to a very small extent should the solution to the case be reproduced by the candidate, but there will be an opportunity to use the same knowledge and techniques applied to the case. Also questions about the spreadsheet functions vital to the solution of the case may be asked, but just as a minor part of the exam. The grade is based solely on the written examination.

**Evaluation code(s)**

BØK 98531 Management Accounting and Budgeting - written exam, which accounts for 100% of the grade in BØK 9853, 2 credits

**Aids at the examination**

All aids are allowed.

**Makeup exam**

A makeup exam is held in every term.