



APPLIES TO ACADEMIC YEAR 2003/2004

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

According to study plan

ECTS Credits

6

It will be arranged a re-sit exam autumn 2003 and spring 2004. Students are no longer required to solve a case before the written examination. Re-sit students are however recommended to study the last given case in BØK 9853 (spring 2003). This will give a better understanding of Budgeting and Standard costing. Tor Tangenes has his own website, <http://home.bi.no/fgl99011/BachelorR.htm> where you will find links to the case assignments given spring 2003.

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.

Evaluation code(s)

BØK 98531 Management Accounting and Budgeting - written exam, which accounts for 100% of the grade in BØK 9853, 6 ECTS credits

Aids at the examination

All aids are allowed.

Makeup exam

A makeup exam is held in every term.