



APPLIES TO ACADEMIC YEAR 2005/2006

BØK 2302 Current Management Accounting

Program

Bachelor in Auditing (2. year), Bachelor in Business and Finance (2. year), Bachelor in Business Journalism (3. year), Bachelor in Business Law (2. year), Bachelor in IT-management (2. year), Bachelor of Business Administration (2. year), Bachelor of Science in Business and Economics (3. year)

Responsible for the course

Tor Tangenes

Department

Accounting - Auditing and Law

Term

According to study plan

ECTS Credits

6

This course is based on BØK 2305 Managerial and financial accounting or equivalent and is succeeded by BØK 9931 Strategic Management Accounting. Basically, management accounting deals with development and communication of information relevant for decision-making and the use of this information to create economic values. On a strategic level, management accounting is closely related to corporate strategy, organizational theory, and finance. On this level, multi-period problems are typically treated. Thus, real investment theory is one important theoretical foundation. Current management accounting deals with the short-term planning and control, and has traditionally been built on corporate budgeting and standard costing. Therefore, it has provided financial information in a short-term horizon. Contemporary cost analysis, planning and control are thoroughly covered in this course by means of theory, critique of traditional models and computer-cased case. Additionally, the course covers corporate planning and control through none-financial information by presenting the balanced scorecard (BSC). BSC connects strategic and operational elements and provides causal relations between financial and none-financial performance measures.

Activity based costing is an important part of the course. The ABC theory facilitates cost allocations to activities, products and customers, and provides a framework for a cause and effect analysis. Such insight is imperative in most decision situations, it can give the organization a competitive edge, and thus ensure profitable, future operations.

Objective

The objective of the course is to provide a comprehensive and updated insight into theoretical and practical aspects of operational management accounting and to enable the students to perform real-life applications of the theory by means of computer-based tools.

Prerequisites

BØK 2305 Managerial and financial accounting or BØK 2301 Managerial Accounting I and BØK 2303 Managerial Accounting II.

Compulsory literature

Books:

Sending, Aage. 2003. Driftsregnskap og budsjettering. Bergen: Fagbokforlaget

Articles:

Artikkel om interprising.

Alle artikler publiseres på kursansvarliges hjemmeside; <http://www.bi.no/tangenest>

Bjørnenak. 1993. "ABC - hva er D? Grunnleggende prinsipper i aktivitetsbasert kalkulasjon."

Praktisk økonomi og ledelse, nr. 2

Kaplan & Norton. 1991. "The Balanced Scorecard - Measures that Drive Performance."

Harvard Business Review, Jan/Feb

Other:

Berthling-Hansen, Pål og Skaldehaug, Espen. 2003. Beslutningsrelevante kostnader

Recommended literature

Books:

Sending, Aage. 2004. Arbeidshefte til Driftsregnskap og budsjettering. 3. utg.. Bergen: Fagbokforlaget

Articles:

Kaplan & Norton. 1992. The Balanced Scorecard as a Strategic Management System. Harvard Business Review, Jan/Feb

Course outline

1. Course outline, developments in management accounting, traditional and new practice.
2. Cost analysis
 - a) Classification
 - b) Job-order costing and process costing (repetition, normally not lectured, but the teacher can give a summary)
 - c) ABC - Activity-based costing
 - d) Relevant costs for desicion-making
3. Planning and control
 - a) Corporate budgeting
 - b) Standard costs
 - c) Flexible budgets, standard costing, and variance analysis
 - d) The balanced scorecard
4. Decentralization
 - a) Financial performance measures: ROI and RI
 - b) Transfer prices.

Computer-based tools

The use of spreadsheets is vital for problem solving and case assignments. Assignments will be distributed on the net, on which the final exam is partly based. Communication between the course responsible and the students takes place at <http://home.bi.no/fgl99011/index.htm>

Course structure

The course is based on 36 + 6 hours lectures.

Evaluation

A five-hour written exam based on the required readings and the main case concludes the course.

Evaluation code(s)

BØK 23021 - Written exam counts 100% of the grade in BØK 2302 Current Management Accounting, 6 credits.

Aids at the examination

All written aids are allowed.

Makeup exam

At the end of every term.