



APPLIES TO ACADEMIC YEAR 2006/2007

BØK 2601 Managerial Accounting I

Program

Bachelor in Arts and Management (1. year), Bachelor of Management, Bachelor in Auditing (1. year), Bachelor of Management, Bachelor in Business Administration (1. year), Bachelor of Management, Bachelor in Business Journalism (1. year), Bachelor of Management, Bachelor in Business Law (1. year), Bachelor of Management, Bachelor in Entrepreneurship (1. year), Bachelor of Management, Bachelor in Finance (1. year), Bachelor of Management, Bachelor in International Marketing (1. year), Bachelor of Management, Bachelor in IT-management (1. year), Bachelor of Management, Bachelor in Market Communication (1. year), Bachelor of Management, Bachelor in Marketing (1. year), Bachelor of Management, Bachelor in Public Relations (1. year), Bachelor of Management, Bachelor in Real Estate (1. year), Bachelor of Management, Bachelor in Retail Management (1. year), Bachelor of Management, Bachelor in Tourism Management (1. year), Bachelor of Management, Bachelor of Science in Business (1. year), Bachelor of Management, Bachelor of Science in Marketing (1. year), Bachelor of Management, Foundation Program in Business Administration, Bachelor of Management, Foundation Program in Marketeconomy, Bachelor of Management, Bachelor in Business Administration (1. year), Bachelor of Management

Responsible for the course

Rolf Gunnar Strand, John Christian Langli

Department

Accounting - Auditing and Law

Term

According to study plan

ECTS Credits

12

Courses in business economics cover the topics of financial and managerial accounting, investment theory, finance, and financial analysis. Good knowledge in these subjects is essential for the understanding of the economic content of transactions and events, to enable the procurement of relevant information, make economically sound decisions, and report relevant and useful economic information to internal and external stakeholders. Decisions are taken at different levels within a firm. It is important that those involved and affected understand the rationale for decisions and actions taken, and that they have a comprehensive view of the organization, its environment, and competitive position.

The purpose of the courses in business economics is to give the student a basic knowledge that enables him or her to actively participate in discussions, facilitate economic analysis, take rational decisions grounded in theory, and prepare reports that are understandable for the readers of such reports. BØK 2601 is an introductory course in business economics that gives the student basic skills and a platform for further studies in business economics.

Objective

The course consists of two parts: Part 1 - Introduction to Accounting and Basic Financial Statement Analysis, and part 2 - Introduction to Management Accounting.

The primary objectives for Part 1 are: To give students basic knowledge of the principles and techniques used in accounting (transaction analysis, how to record the most common transactions, and close the books); to give students a thorough understanding of the meaning of expenses, expenditures, costs, income, payments made, payments received, and the relationship between transactions and the income statement and the balance sheet; to introduce students to the revenue recognition principle, the matching principle, and to familiarize them with the general measurement rules that are used for current and non-current assets in Norway; and to give students a first introduction to how key figures can be used in analyzing financial statements.

The primary objectives of Part 2 are: To give students a basic knowledge of the terminology, theories, and methods used in management accounting, with an emphasis on cost accounting; to develop the students' understanding of why corporate financial control systems are needed and used, and why various functions in a firm must be viewed as one integrated unit; to expose students to managerial accounting issues that are especially relevant for manufacturing and resale firms, and to give them training in how to obtain and use financial information in practice.

Prerequisites

No particular prerequisites required.

Compulsory literature**Books:**

Sending, Aage. 2005. Grunnleggende regnskap. 2. utgave. Bergen: Fagbokforlaget
Sending, Aage. 2006. Innføring i bedriftsøkonomi. 4. utgave. Bergen: Fagbokforlaget

Recommended literature**Books:**

Høyvarde, Hans Kristian og John Christian Langli. 2005. Studiehefte til årsregnskapet. 2. utg.. Oslo: Gyldendal akademisk
Tellefsen, Jan Terje og John Christian Langli. 2005. Årsregnskapet. 8. utg.. Oslo: Gyldendal akademisk. For studenter som skal fortsette med BØK 2602, hvor denne boken er obligatorisk litteratur, anbefales boken anskaffet allerede i dette kurset siden studentene vil ha stort utbytte av å lese Årsregnskapet parallellt med Grunnleggende regnskap.
Oppgavegjennomgang står sentralt i kurset, og avhengig av hva foreleser velger å basere oppgavegjennomgangen på, kan det bli nødvendig å anskaffe tilleggsmateriell for å få fullt utbytte av undervisningen.

Other:

Sending, Aage. 2006. Arbeidshefte til Innføring i bedriftsøkonomi. 4. utgave. Bergen: Fagbokforlaget

Course outline

The following topics are covered in Part 1 - Introduction to Accounting and Basic Financial Statement Analysis:

1) The structure of the accounting system with emphasis on the accounting identity and the double-entry system, 2) the standard chart of account used in Norway, 3) basic accounting principles: revenue recognition, matching, historical cost and prudence, 4) recording of common transactions, 5) accounting treatment of VAT, employers contribution and tax deductions made in the employees salary, 6) depreciation and other accruals, 7) measurement rules for current and non-current assets, 8) preparation and presentation of the income statement and the balance sheet, and 9) financial statement analyses using key figures for profitability, liquidity and solvency.

The following topics are covered in Part 2 - Introduction to Management Accounting:

1) The firm and society, 2) the role of management accounting, 3) income and different types of costs, 4) calculation in manufacturing and retailing firm according to the traditional total absorption costing method and the contribution method, 5) output decisions, pricing and cost-volume profit analysis (short term decision making), 6) theory of demand and different market structures, and 7) the net present value method and basic capital investment appraisal.

Computer-based tools

The course requires use of spreadsheet for solution of case and obligatory assignments.

Course structure

Full-time and part time students:

The course is based on 84 hours of lectures and exercises:

Part 1: 36 hours

Part 2: 48 hours

The students are required to solve one mandatory home assignment and one case study during the course.

The mandatory home assignment must be solved individually and must be passed to obtain a final grade in the course. The home assignment will be handed out between one and 14 days after the students have signed up for the examination, and it must be solved within five days.

The case will be handed out between four and six weeks prior to the final exam. The case shall not be handed in for evaluation. Students will benefit from working with the case because some of the questions in the exam will address similar or identical issues that are included in the case.

E-learning

Please contact the Norwegian School of Management for further information.

Evaluation

The grade is based on the successful completion of the home assignment, which is graded

passed/failed, and a four-hour individual written exam. The exam may consist of practical and theoretical questions relating to the syllabus, in addition to questions that the students have been exposed to during the mandatory home assignment and the case.

Evaluation code(s)

BØK 26011 Mandatory Home Assignment. Pass/fail.

BØK 26012 Written exam, counts 100% to obtain final grade in BØK 2601 Managerial accounting I, 12 credits.

Both home assignment and written exam must be passed.

Aids at the examination

Advanced calculator.

Makeup exam

A re-sit exam is arranged every term. The exam is always based on the home assignment, the case study and the compulsory literature for the current term, or - in the event of the course not being offered during the present term - the last term in which the course was completed. The home assignment, the case and the compulsory literature may or may not be the same as in the previous term. Students are required to update themselves on any changes.