



APPLIES TO ACADEMIC YEAR 2006/2007

## **BØK 2602 Managerial Accounting II**

### **Program**

Bachelor in Auditing (1. year), Bachelor in Business Administration (1. year), Bachelor in Business Law (1. year), Bachelor in Entrepreneurship (1. year), Bachelor in Finance (1. year), Bachelor in IT-management (1. year), Bachelor in Real Estate (1. year), Bachelor of Science in Business (1. year), Bachelor of Science in Marketing (1. year), Foundation Program in Business Administration

### **Responsible for the course**

John Christian Langli, Rolf Gunnar Strand

### **Department**

Accounting - Auditing and Law

### **Term**

According to study plan

### **ECTS Credits**

6

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 2602 is based on BØK 2601 and takes the students one step further into the area of business economics.

### **Objective**

After the successful completion of the course, the students are expected to:

- Have developed their understanding of the structure of, and the relationship between, financial reports (income statement, balance sheet and cash flow statement) and how measurement problems may occur when firms prepare financial statements.
- Have a good knowledge of the measurement rules that govern the accounting treatment of the most common types of assets, debt, revenues, and expenses.
- Be able to record common transactions and complete the accounting cycle, including preparation of (final) income statements, balance sheets and cash flow statements according to the accounting legislation in Norway.
- Have learned how to value companies by adjusting the balance sheet and increase their ability to use key ratios for assessment of financial performance.
- Have acquired a basic knowledge in normal calculations, variance analysis and optimization of limited resources.

The course will introduce students to international accounting and green account. The relationship between financial and managerial accounting is emphasized, and the students will learn how information from internal accounts are used for planning, decision and control purposes.

### **Prerequisites**

BØK 2601 Business Economics I or equivalent

### **Compulsory literature**

#### **Books:**

Sending, Aage. 2006. Innføring i bedriftsøkonomi. 4. utgave. Bergen: Fagbokforlaget  
Tellefsen, Jan Terje og John Christian Langli. 2005. Årsregnskapet. 8. utgave. Oslo: Gyldendal Akademisk. Kap. 1-3 (unntatt 2.9), 5-8, 10-14 (unntatt 11.15, 12.8, 13.8, 14.7), 16, 17.7, 19.1-19.5 og 20-23.2. BØK 2602 bygger på BØK 2601 eller tilsvarende forkunnskaper og deler av det angitte pensumet i Årsregnskapet skal være kjent fra BØK 2601 eller tilsvarende kurs.

### **Recommended literature**

**Books:**

Høyvarde, Hans Kristian og John Christian Langli. 2005. Studiehefte til årsregnskapet. 2. utgave. Oslo. Gyldendal Akademisk  
Sending, Aage. 2006. Arbeidshefte til Innføring i bedriftsøkonomi. 4. utgave. Bergen: Fagbokforlaget  
Sending, Aage. 2006. Case i bedriftsøkonomisk analyse. 4. utgave. Bergen: Fagbokforlaget

**Course outline**

1. Accounting requirement
2. Financial statements as sources of information
3. Accounting principles and Good Accounting Practice in Norway
4. Measurement rules for assets, debt, income and expenses
5. Net income, dividends and equity
6. Basic knowledge of accounting for deferred taxes
7. The cash flow statement
8. Basics of consolidated financial statements
9. Purpose of managerial accounting
10. Introduction to job order costing and process costing
11. Basic variance analysis
12. Product choice decisions with limited resources
13. Introduction to green accounting
14. Introduction to international accounting with emphasis on different basis of measurement

**Computer-based tools**

Students are expected to use a spreadsheet when they work on case studies and mandatory assignments.

**Course structure**

Full-time and part time students:

The course is based on 50 hours of lectures and exercises.

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 26021 Mandatory Home Assignment. Pass/fail.

BØK 26022 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 to obtain final grade.

**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.