



APPLIES TO ACADEMIC YEAR 2007/2008

## GRA 6259 Managerial Accounting and Control

### Program

Master in Professional Accountancy

### Responsible for the course

Tor Tangenes

### Department

Accounting - Auditing and Law

### Term

According to study plan

### ECTS Credits

6

### Language of instruction

Norwegian

The field of Management Accounting has changed considerably during the last two decades, and links to the fields of Management, Organizational theory and Strategy have emerged. Moreover, Management Accounting is today more focused on relevant information for decision-making on various decisions levels, and attention is directed towards management and control of processes of change in firms' activity structures. As an auditor, insight into contemporary concepts, methods, and models for development of relevant information and mechanisms for management and control of firm performance is eminent.

### Objective

To provide a thorough insight into concepts, methods, and models for decision support and mechanisms for management and control of firm performance.

### Prerequisites

A course in management accounting at bachelor level.

### Compulsory literature

#### Books:

Sending, Aage, Tor Tangenes og Svein Gjønnnes. 2007. Driftsregnskap og budsjettering, økonomi og virksomhetsstyring. 2. utg. Bergen : Fagbokforl

### Recommended literature

#### Books:

Simons, Robert. 1995. Levers of control : how managers use innovative control systems to drive strategic renewal. Boston, Mass. : Harvard Business School

### Course outline

#### 1. Cost Analysis

Strategic and Operational ABC in Relation to Products and Customers  
Multidimensional Process Analysis and other Process Oriented Methods

#### 2. ABC-based Budgeting and Optimal Deployment of Unused Capacity

The Concept of ABC-based Budgeting  
Analysis of Capacity within the Existing Activity Structure  
Relevant information and analysis of change  
Excel Application

#### 3. Performance Management

The Balanced Scorecard - Concepts, Model and Cases  
Beyond Budgeting  
Management and Levers of Control  
Financial Metrics of Performance in a Strategic Setting

#### **4. Incentives and Organizational Behavior**

Agency model  
Incentive models  
Behavioral Economics

#### **Computer-based tools**

Excel

#### **Course structure**

36 hours of lectures, teamwork, discussions and student presentations.

Specific Information regarding student evaluation will be provided in class. Please note that while attendance is not compulsory in all courses, it is the student's responsibility to obtain any information provided in class that is not included on the course homepage/Blackboard or text book

#### **Evaluation**

3-hour written examination.

#### **Evaluation code(s)**

GRA 62591 accounts for 100 % of the final grade in the course GRA 6259.

#### **Aids at the examination**

Advanced calculator.

Support materials at written examinations are explained under exam information in our web-based student handbook. Please note use of calculator. <http://www.bi.no/studenthandbook>

#### **Makeup exam**

A re-take is held in connection with the regular scheduled exam in the course. If the course evaluation consists of class participation or process elements, the whole course must be evaluated if a student wants to retake an exam.

#### **Honor code**

Academic honesty and trust are important to all of us as individuals, and represent values that are encouraged and promoted by the honor code system. This is a most significant university tradition. Students are responsible for familiarizing themselves with the ideals of the honor code system, to which the faculty are also deeply committed.

Any violation of the honor code will be dealt with in accordance with BI's procedures for cheating. These issues are a serious matter to everyone associated with the programs at BI and are at the heart of the honor code and academy integrity. If you have any questions about your responsibilities under the honor code, please ask.