



APPLIES TO ACADEMIC YEAR 2009/2010

EXC 2406 Managerial Accounting II

Programme

Bachelor in Business Administration (2. year)

Responsible for the course

Department

Department of Accounting - Auditing and Law

Term

According to study plan

ECTS Credits

6

Language of instruction

English

Introduction

Management accounting and control provides decision support to internal users in relation to the development and implementation of the firm's strategy and operational plans and contributes with mechanisms for planning, implementation, learning and behavioral control. Management Accounting I deals primarily with decision support, while **Management Accounting II is focused on mechanisms for planning, implementation, learning, and behavioral control.**

Objective

- Be familiar of the basic assumptions and weaknesses of traditional costing.
- Understand the arguments for activity-based costing as distinct from traditional models.
- Understand the main principles of ABC.
- Be able to solve specific costing problems within the framework of ABC
- Be able to assess capacities in an activity structure and calculate the cost of unused capacity.
- Be able to assess relevant revenues and costs, and evaluate proposed decisions.
- Be able to discuss the effect on product costs of a traditional costing model, applying unit-based cost drivers only.
- Understand the purpose, structure and process of corporate budgeting.
- Be able to prepare operating and financial (master) budgets, and perform analyses / assessments based on these business plans.
- Understand the concept of standard costing, be able to prepare flexible budgets, perform variance analysis, and suggest actions to improve firm performance.
- Understand the purpose of decentralization and be able to use appropriate financial metrics to perform and assess short-term performance.
- Be familiar with important objections against traditional management control.
- Be able to explain the basic elements in the balanced scorecard, such as strategy map, objectives, themes, scorecard perspectives, and measures, and understand how these elements relate to each other.
- Be familiar with the arguments for applying the Balanced Scorecard, including the rationale for how the model supports strategy implementation.

Prerequisites

Management Accounting 1 or an equivalent course.

Compulsory reading

Books:

Garrison, Ray H., Eric Noreen, Peter C. Brewer. 2008. Managerial accounting. 12th ed. Boston, Mass.: McGraw-Hill/Irwin

Recommended reading

Course outline

Part 1: Decision Support

- ABC - repetition and new topics
- Relevant costs for decision making

Part 2: Planning and Control

- Profit planning and corporate budgeting
- Standard costing
- Flexible budgets and variance analysis
- Financial performance measures
- The Balanced Scorecard

Computer-based tools

A basic understanding of and ability to use Excel spreadsheets is helpful but not required.

Course structure

The course is based on 36 teaching hours and 6 hours exercises. An intensive use will be made of Blackboard and information available on the Internet. The students will early in the semester receive a case dealing with essential topics. The case shall not be submitted for assessing, but with active work on this case students will be well prepared for the final exam.

Examination

A five hour individual exam concludes the course.

Exam code(s)

EXC 24063 - Written exam, which accounts for 100% of the final grade in the course EXC 2406 Managerial Accounting II, 6 credits.

Examination support materials

All aids are allowed + calculator TEXAS INSTRUMENTS BA II Plus™.

Exam aids at written examinations are explained under exam information in our web-based Student handbook. Please note use of calculator and dictionary.
<http://www.bi.edu/studenthandbook/examaids>.

Re-sit examination

A re-sit is held in at the next scheduled exam in the course.

Additional information

Due to changes in our Bachelor Programmes from autumn 2009, there also will be changes in every single course.

This course will be lectured for the last time spring 2010. Re-sit exam will be offered every term even spring 2012.