



APPLIES TO ACADEMIC YEAR 2010/2011

BØK 3541 Managerial Accounting and Control

Programme

Bachelor in Auditing (2. year), Bachelor in Business Administration (2. year)

Responsible for the course

Department

Department of Accounting - Auditing and Law

Term

According to study plan

ECTS Credits

7,5

Language of instruction

Norwegian

Introduction

The course is structured according to a generic management cycle, which aims at operational efficiency and effectiveness and resource exploitation through organizational learning.

Learning outcome

At the general level, the students shall acquire knowledge and skills about: (1) analysis and communication of value-relevant decision information, and (2) mechanisms for managing organizational behaviour and learning that support the value-creation process.

Acquired knowledge

The students shall acquire knowledge about:

- How the field of management accounting and control relates to value creation, and how the strategic process can be managed by means of the balanced scorecard.
- The resource-based and the positioning-based view as main explanations of value-creation and competitive advantage.
- Value chain descriptions of the firm as basis for process and activity analyses.
- Activity-based costing and transfer pricing as mechanism for cost allocations.
- Multi-dimensional process analysis.
- Business planning by means of budgeting and forecasting.
- Value analysis, including revenue and cost relevance.
- Effectiveness measures and their management properties.
- Performance reports.

Acquired skills

The students shall acquire skills about:

- The causality and suitability of objectives and measures in a balanced scorecard model, and be able to elaborate strategy maps in concrete cases.
- The allocation and analysis of costs in an activity structure, including allocation of costs between departments and between activities, from activities to products and customers, and between used and unused capacity.
- The preparation of budgets and forecasts and assessment of behavioral and managerial aspects of different planning models.
- The preparation and assessment of profitability analyses.
- The adjustment of financial accounting data for effectiveness and performance measurements, and the assessment of the firm's effectiveness.

Reflection

After taking the course, the students shall acknowledge management control as a contextual field, where conflicts of interest and ethical norms affect management actions .

Prerequisites

BØK 3411 Finance and Managerial Accounting I and BØK 3421 Finance and Managerial Accounting II or equivalent.

Compulsory reading

Books:

Drury, Colin. 2009. Management Accounting for Business Decisions. 4th. ed. Forlag: Cengage Learning

Other:

Tangenæs, Tor og Svein H Gjønnæs. 2010. Tekst- og casesamling som distribueres på It's learning

Recommended reading**Course outline***Part 1: Strategic Foundation and Strategy Implementation (20 %)*

The origin of competitive advantage and firm strategies
Value chain and activity conception
Objectives and measures in the balanced scorecard setting
Strategy maps and strategic themes
Validity and reliability

Part 2: Resource and Process Analyses (40 %)

Resource and cost concepts
Cost allocation from budgets to activities
Cost allocation, transfer prices, and internal markets
Activity-based costing (ABC)
Multi-dimensional process analysis

Part 3: Business Planning and Performance Measurement (40 %)

The purpose of budgeting, budget models, and implications for management
From traditional budgets to forecasting
Profitability analyses, including revenue and cost relevance
Performance measurement and reports

Computer-based tools

Students are expected to use spreadsheets (e.g. Excel) when solving and submitting assignments. Students must use It's learning to submit mini-exercises.

Learning process and workload

The course consists of lectures, assignment reviews by the lecturer and self-tuition (reading the syllabus and doing exercises/assignments that are both mandatory and voluntary). Each student must hand in seven mandatory assignments.

Throughout the course, the students shall discuss and solve a number of case-oriented business problems from the private and public sector.

Recommended workload in hours:

Activities	Hours
Participation in theory-based lectures	14
Participation in assignment reviews by lecturer	14
Participation in case discussions and solutions	14
Preparations for case solutions, individually and team-based, organized by the students	48
Preparations for lectures (approx. 1.5 hours per hour of lectures or assignment reviews by lecturer)	63
Work on mandatory mini-exercises (approx. 1,5 hours per mini-exercise)	12
Preparation for exams	35
Recommended total hours used	200

The plenary sessions will consist of lectures on parts of the syllabus and review of assignments. Students are expected to work on those parts of the syllabus that are not covered by the lectures or the assignment reviews. The lectures and assignment reviews are based on students having prepared for the lectures (i.e. that the students have read the syllabus and have solved the assignments before the lectures start).

Required work (mandatory mini-exercises)

There are 7 mandatory exercises during the semester, of which 5 must be passed. The mini-exercises are short, limited exercises that the students should be able to answer in about 1,5 hours if they have followed the recommended work schedule. If the students are not prepared, more time must be allowed. The mini-exercises are to be submitted through It's learning.

A minimum level of performance is required for the exercises to be passed (e.g. a minimum number of questions must be correctly answered). Further information will be given in the lectures and through It's

learning. The students will be allowed to take the tests repeatedly before the deadline of each test. Information about the time period for the tests to be taken, will be given in the lectures and through It's learning.

Feedback to the students during the semester will be given in the following ways:

1. During the lectures the students will be told which assignments are to be solved for the next lecture. The lecturer will review some of these assignments in class. The feedback will consist of the students comparing their solutions with the one that is explained by the lecturer.
2. Feedback on achieved score on the mini-exercises will be given automatically through It's learning. In addition a recommended solution will be made available.

Use of hours

Coursework requirements

To obtain a grade in the course, the students must have passed five of the seven mini-exercises in order to sit for the exam. See learning process and workload.

Examination

A five-hour written exam concludes the course, which counts for 100 % of the grade.

Examination code(s)

BØK 35411 - Written exam, counts for 100 % of the grade in the course BØK 3541.

Examination support materials

Interest tables and a BI-defined exam calculator are allowed. TEXAS INSTRUMENTS BA II Plus™

Examination support materials at written examinations are specified under exam information in our web-based Student handbook. Please, note the use of calculator and dictionary.
<http://www.bi.edu/studenthandbook/examaids>

Re-sit examination

Re-sit examination is offered every term.

Students that have not passed five of the mandatory seven mini-exercises must re-take the exercises in connection with the next scheduled course and must pass five of the eight submitted mini-exercises.

Students that have not passed the written examination or who wish to improve their grade must re-take the examination in connection with the next scheduled examination.

Additional information