



APPLIES TO ACADEMIC YEAR 2010/2011

## EXC 2701 Managerial Accounting I - RE-SIT EXAM

### Programme

Makeup exams

### Responsible for the course

Pål Berthling-Hansen

### Department

Department of Accounting - Auditing and Law

### Term

According to study plan

### ECTS Credits

9

### Language of instruction

English

### Introduction

Management accounting 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

The learning objectives are:

- Be familiar with the purpose and role of management accounting.
- Be familiar with important aspects of the cost concept, including different ways to group costs, and how cost analyses must be adapted to particular corporate decision problems.
- Understand the principles of cost-volume-profit analysis, and be able to solve specific problems.
- Be able to allocate costs from budgets and financial reports to activities (departments) and between activities (departments).
- Understand the structures of job- and process costing.
- Understand the structures of absorption and variable costing, and be able to apply these models in various costing problems.
- Be familiar of the basic assumptions and weaknesses of traditional costing.
- Understand the arguments for activity-based costing as distinct from traditional models.
- Be able to solve specific costing problems within the framework of ABC
- Understand the main principles of ABC.
- Be able to discuss the effect on product costs of a traditional costing model, applying unit-based cost drivers only.
- Be able to identify decision relevant revenues and costs, and thus solve specific decision problems.
- Understand the problems of transfer pricing, including how transfer prices can affect decision behaviour, and be able to calculate correct transfer prices.
- Understand the main distinctions between a short- and long-term decision problem, including chief characteristics of a real investment problem.
- Understand the time value of money.
- Be familiar with the capital budgeting process.
- Be able to discount cash flows.
- Understand the logic of NPV- and IRR calculations
- Be able to evaluate simple investment proposals by means of NPV and IRR.

### Prerequisites

No particular prerequisites are required.

### Compulsory reading

#### Books:

Garrison, Ray H., Eric Noreen, Peter C. Brewer. 2009. Managerial accounting. 13th ed. Boston, Mass.: McGraw-Hill/Irwin

### Recommended reading

**Course outline**

- Purposes and role of management accounting
- Cost concepts and categories
- Cost behaviour and cost-volume-profit analysis
- Job-order and process costing
- Absorption costing and variable costing
- Introduction to activity-based costing
- Relevant costs for decision-making
- Capital budgeting decisions

**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 18 hours of exercises (online). The exercises are done on Blackboard and are based on the compulsory textbook.

**Examination**

A five-hour individual written exam accounts for 100 % of the final grade.

**Examination code(s)**

EXC 27011 - Written exam accounts for 100% of the final grade in EXC 2701 Managerial Accounting I, 9 ECTS credits.

**Examination support materials**

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

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**

Due to changes in our Bachelor Programmes from autumn 2009, there will also be changes in every single course. This course was lectured for the last time autumn 2008. A re-sit exam will be offered every term from autumn 2009 up to and including spring 2012.

**Additional information**