



APPLIES TO ACADEMIC YEAR 2011/2012

EXC 2122 Management Accounting and Control

Programme

Bachelor in Business Administration (BBA) (2. year)

Responsible for the course

Tor Olav Nordtømme

Department

Department of Accounting - Auditing and Law

Term

According to study plan

ECTS Credits

7,5

Language of instruction

English

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

Managerial Accounting or equivalent.

Compulsory reading

Books:

Drury, Colin. 2009. Management accounting for business. 4th ed. Thomson Learning

Other:

Additional articles published on 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 three attempts before the deadline of the test. Information about the time periods 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:

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.

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

14 hours - Theory-based lectures
14 hours - Assignment reviews
14 hours - Case-based lectures
3 hours - Administration of learning activities
45 hours total

Coursework requirements

In order to sit for final exam students must have passed five of the seven mini-exercises. See learning process and workload.

Examination

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

Examination code(s)

EXC 21221 - Written exam. Counts for 100 % of the grade in the course EXC 2122.

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

Students that have not passed five of the mandatory seven mini-exercises must retake the exercises in connection with the next scheduled course and must pass five of the seven submitted mini-exercises. Students that have not passed the written exam or who wish to improve their grade must retake the exam in connection with the next scheduled course.

Additional information