



APPLIES TO ACADEMIC YEAR 2011/2012

EXC 3442 Managerial Accounting

Programme

Bachelor in Business Administration (BBA) (1. year), Bachelor of Shipping Management (1. year)

Responsible for the course

Pål Berthling-Hansen

Department

Department of Accounting - Auditing and Law

Term

According to study plan

ECTS Credits

7,5

Language of instruction

English

Introduction

Managerial accounting is a fundamental course within the managerial accounting discipline. Focus is on generating and analysing information for decision making, planning and control for internal management within a company.

Learning outcome

Acquired knowledge

Students must be able to understand basic concepts within the management accounting discipline.

- Students must understand and be familiar with the main budgeting reports: profit and loss, balance sheet and liquidity.
- 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 opportunity cost concept and the importance of evaluating the total cost function.
- Understand the principles of cost-volume-profit analysis.
- Be able to allocate costs from budgets and financial reports to activities (departments) and between activities (departments).
- Understand the use of standard costing and variance analysis.
- Be familiar with the basic assumptions and weaknesses of traditional costing.
- Be able to identify decision-relevant revenues and costs.
- Understand the problems of transfer pricing, including how transfer prices can affect decision behaviour.
- Understand how pricing decisions affect profitability

Acquired Skills

Students must be able to evaluate specific decision situations and demonstrate correct use of relevant management accounting tools

- Students must be able to solve a budgeting exercise and obtain congruence between the profit and loss, the balance sheet and the liquidity budget.
- Students must be able to analyse the decision context in terms of for instance the relevant cost object, a short/long term decision horizon, capacity issues and cost stickiness.
- Students must also be capable of calculating and utilizing the opportunity cost in various decision situations.
- Be able to apply the correct type of calculation tool
- Understand the structures of absorption and variable costing, and be able to apply these models in various costing problems.
- Be able to discuss the effect on product costs of a traditional costing model, applying unit-based cost drivers only.
- Be able to compute various break-even points and evaluate sensitivity.
- Be able to compute and evaluate various transfer prices.
- Conduct analyses of pricing decisions

Reflection

Students must be capable of demonstrating an ability to critically reflect upon their own work, and on any specific assumptions underlying management accounting concepts utilized.

Prerequisites

None.

Compulsory reading**Books:**

Drury, Colin. 2008. Management and cost accounting. 7th ed. South-Western

Recommended reading**Course outline**

- Purposes and role of management accounting
- Budgeting
- Cost concepts and categories
- Cost behaviour and cost-volume-profit analysis
- Opportunity cost
- Job-order and process costing
- Absorption costing and variable costing
- Standard costing and variance analysis
- Relevant costs for decision making
- Pricing decisions and income analysis

Computer-based tools

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

Learning process and workload

The course will include/entail a combination of lectures, plenary tutorials where solutions to exercises will be explained and one hand-in exercise.

The following is an indication of the time required:

Activity	Hours
Lectures	36
Plenary tutorials where exercises will be explained	9
Preparation for lectures and plenary tutorials (approximately 1,5 hours per lecture hour)	95
Preparation for one mid-term assignment	10
Preparation for the examination	50
Total recommended use of hours	200

Required work (mandatory mini-exercises)

There are 8 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 will be demanded for the exercises to be passed (e.g. a minimum number of answers 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 for the 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 completed 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

36 hours - Lectures

9 hours - Plenary tutorials where exercises will be explained

45 hours total

Coursework requirements

The students must have passed five of the eight mini-exercises in order to take the examination.

Examination

A four-hour individual written examination concludes the course.

Examination code(s)

EXC 34421 - Written exam, counts for 100% of final grade in EXC 3442 Managerial Accounting, 7,5 credits.

Examination support materials

All support materials plus calculator TEXAS INSTRUMENTS BA II Plus™ are allowed. Examination support materials 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 examination is offered every term.

Students that have not passed five of the mandatory eight mini-exercises must retake the exercises at 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 retake the exam in connection with the next scheduled examination.

Additional information