



APPLIES TO ACADEMIC YEAR 2011/2012

## GRA 8047 Management Accounting

### Programme

Executive Master of Business Administration (EMBA) Program

### Responsible for the course

Hanno Roberts

### Department

Department of Accounting - Auditing and Law

### Term

According to study plan

### ECTS Credits

5

### Language of instruction

English

### Introduction

The management accounting (or Controlling) function has recently undergone drastic changes. The former “bean counter” has made room for the internal business consultant, acting as a translator of financial information into meaningful managerial decision alternatives.

The context of accounting has become one of flexible, decentralized organizations with a strong strategic and service orientation. The accounting toolkit itself has experienced similar changes, and now includes tools and approaches that explicitly incorporate strategic arguments while adopting multiple levels of analysis.

This course addresses the new characteristics of management accounting. Notably, management accounting tools and arguments are exposed against the backgrounds of strategic, organizational and marketing decisions. Moreover, the course assumes a management accounting context of a knowledge-based firm, delivering services and operating in a global environment, competing on the basis of its intangible resources and assets.

### Objective

#### Acquired knowledge:

To understand Management Accounting as a social science, using numerical approaches and quantitative tools to frame and direct behavior.

To understand how management accounting is embedded in a context of multidisciplinary decision-making and is not a neutral, stand-alone toolbox.

#### Acquired skills:

To have the ability to use management accounting concepts and tools.

To interpret decision-making situations as to which management accounting tool and approach to use and which are the various limitations and biases of the selected tools and approaches.

#### Reflection:

To not fear or get confused by numbers but instead know what message is carried within them and be able to translate and communicate that message to other disciplinary fields.

### Prerequisites

The EMBA prerequisites in general

### Compulsory reading

#### Books:

Hilton, Ronald W., Michael W. Maher, Frank H. Selto. 2011. Cost management : strategies for business decisions. 5th ed. McGraw-Hill/Irwin. Selected chapters are available as PDF-files on it's learning; no hard copy of the book needs to be purchased by the student.

### Recommended reading

### Course outline

Topics covered include:

- the accounting framework and the financial statements, with a special emphasis on the Cash-Flow Statement;
- product costing systems;
- cost concepts and cost behaviour;
- cost allocation systems and activity-based costing;
- customer profitability analysis.

### **Computer-based tools**

The course uses a series of computer-based tools; the e-learning platform It's Learning as "electronic bookshelf", social media such as Google+ for casework preparation and classroom online interaction, and other collaboration and communication tools for student-to-student interaction at case group and classroom levels. These communication tools are selected by the students and will necessary change with the speedy evolution of portable ICT devices and applications.

All readings, slides (also of guest speakers), cases and other material will only be provided as downloadable PDF-files and not as hard copy.

Given the online communication, collaboration and information intensity of the course, students will receive a series of instructions on the ICT aspects of the course well in advance, so as to hit the ground up and running at start.

### **Course structure**

Starting out from the instruments and metrics in the management accounting toolbox, the link with a firm's competitive strategy, organization design, and organisational behavior aspects will be made and exemplified in case studies, illustrative videos and lectures.

The course is designed as a continuous flow of interaction and exchange that is not limited to the days of face-to-face classroom encounters. The course starts online several weeks in advance of the classroom sessions and will terminate online one week after the classroom sessions. Participants can expect an intensive exchange of information and frequent online communication for the full duration of the course, before, during and after the course. The teacher is an active participant in these learning dialogues and will not limit himself to classroom presence.

Every single teaching session will contain a series of relevant articles addressing the management accounting context and concepts from a broader managerial perspective. These articles are made available as PDFs on the It's Learning e-learning platform. The total reading load, excluding cases, will average around 300 pages for the full course. The course calendar will contain a specific list of readings, each of which will be updated and changed for every single time this course is run; this in order to make the course as contemporaneous and practically actual as possible. All literature and other course organisation information will be made available online well in advance of the formal start of the course.

The course revolves around casework and the discussion of case-related topics. Every case is assigned a set of questions that need to be answered by the case group. Case answers are not goals in themselves but act as a vehicle for starting the case discussion. The cases focus on the relationship between the outcome of an (accounting) computation and its wider, managerial interpretation and decision-making consequences. Cases are purposely selected to reflect the context of managerial interpretation and meaning, and will not be merely computational. Cases will change and be updated every single teaching period.

Two sorts of cases are used: case-related topics presented by guest speakers and class members (morning sessions) and more elaborate presentation cases (afternoon sessions). The presentation cases are group work and need to be prepared and presented by the group. The guest speaker cases are intended to stimulate discussion and do not require preparation; their purpose is to contextualise the lecture topic and leverage the class's understanding. Class members thus sharing their experience via a personalized case will be explicitly incentivated by means of a maximum participation grade score for the relevant part of the day.

The course involves active collaboration with the MBA Alumni Society at BI.

### **Examination**

Participation (individual) 50%, casework 50%. The casework refers to the presentation cases; the discussion case enters into the participation grade. There is no final examination or final paper.

### **Examination code(s)**

GRA 80471 Process evaluation; counts for 100 % to pass the program GRA 8047; 5 credits

### **Examination support materials**

**Re-sit examination**

Re-takes are only possible at the next time a course will be held. When course evaluation consists of class participation or process elements, the whole course must be re-evaluated when a student wants to retake a exam. Retake examinations entail an extra examination fee.

**Additional information**