



APPLIES TO ACADEMIC YEAR 2015/2016

EXC 2122 Strategic Management Accounting

Programme

Bachelor of Business Administration (2. year), Exchange Program

Responsible for the course

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Department

Department of Accounting - Auditing and Law

Term

According to study plan

ECTS Credits

7,5

Language of instruction

English

Introduction

Strategic management accounting focuses on defining and describing important causal relationships between factors that contribute to creating long-term values for the firm. By designing controlling systems that help us to evaluate the company's ability to implement its overall strategies and plans, management theory, strategic planning and accounting together form a holistic framework for long-term decision-making.

The course focuses on theoretical models, various tools and techniques to support the decision-making process for management and with real-life cases and exercises.

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Learning outcome

Acquired Knowledge

After completed course students shall have acquired knowledge about:

- The link between the various activities carried out by an organization and its consumption of costly resources
- How the design of a value chain model can be used as a tool to analyze the various activities' contribution to value creation as well as how multi-dimensional process analyses can be used to improve process efficiency.
- Allocation of costs to various cost objects by using traditional methods as well as activity based costing techniques.
- The need to establish long-term goals and to determine critical success factors and Key Performance Indicators, as well as designing strategy maps.
- How strategic decisions may tie up the organizational resources on a long term and the link between strategies, plans and budgets.
- How the organization can measure the implementation of its current strategy plan by the use of Balanced Scorecards.
- How traditional budgeting models can be improved to better facilitate different control purposes.
- How the lean-philosophy's continuous focus on reducing organizational waste can contribute to long-term value creation.
- Challenges of achieving success by efficiently implementing processes that require actual change in organizational behavior.

Acquired skills

After completed course students shall be able to:

- Identify relevant cost drivers in a given organization
- Design a value chain for a given organization
- Design models for allocation of direct and indirect costs to given cost objects
- Define critical success factors, suggest relevant KPIs, design a strategy map and a scorecard as a basis for implementing Balanced Scorecard.

- Measure the efficiency of various business processes
- Design models for the measuring of value creation
- Design tools for budgeting and other financial planning
- Identify sources for organizational waste by the use of lean-philosophy methods

Reflection

The students shall reflect on management accounting in a strategic and long-term perspective, where the goal is to use resources optimally to create operational efficiency and value creation.

Prerequisites

EXC 3442 Managerial Accounting and EXC 3451 Financial Reporting and Analysis, or equivalent

Compulsory reading

Books:

Atkinson, Anthony A. ... [et al.]. 2011. Management accounting : information for decision-making and strategy execution. 6th ed. Prentice Hall/Pearson Education

Articles:

Barney, Jay. 1991. Firm Resources and Sustained Competitive Advantage. Journal of Management. Vol.17(1). pp.99-120

Kaplan, Robert & Norton, David. 1992. The Balanced Scorecard - Measures that drive performance. Harvard Business Review. Vol.70(1). pp.71-79

Kaplan, Robert & Norton, David. 1996. Using the Balanced Scorecard as a Strategic Management System. Harvard Business Review. Vol.74(1)

Kaplan, Robert & Norton, David. 2000. Having trouble with your strategy? Then map it. Harvard Business Review. Vol.78(5). pp.167-176

Porter, Michael E.. 1996. What is strategy?. Harvard Business Review

Wernerfelt, Birger. 1984. A resource-based view of the firm. Strategic Management Journal

Recommended reading

Course outline

Part one

Part one discusses issues as various cost objects, particularly about activities and processes. With tools such as cost driver analysis as well value analysis we increase our knowledge about the relationship between what we do and what it costs us and introduce a model for Activity Based Costing.

Part two

The second part comprises the various steps necessary to launch a Balance Scorecard model, with emphasize on the definition of critical success factors and KPIs.

Part three

In the third part of the course there will be taught topics like financial planning tools, particularly cash-flow budgets and techniques for making the planning more flexible and dynamic.

Part four

The fourth and last part of the course focuses on the lean philosophy and how a continuous focus on reducing organizational waste can increase operational efficiency

Computer-based tools

Students are expected to use spreadsheets (e.g. Excel) when solving and submitting assignments.

Learning process and workload

The course consists of lectures and self-tuition (reading the syllabus and doing exercises/assignments that are both mandatory and voluntary). 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	20
Participation in solving of assignments in plenary lectures	16
Participation in case-based lectures	9
Participation in student-based assignment tutoring	15
Solving assignments alone and in student groups	60
Reading theory and related articles	60
Exam	20
Recommended total hours used	200

Use of hours

20 hours - Theory-based lectures
16 hours - Exercise-based lectures
9 hours - Case-based lectures
45 hours total

Examination

A 48-hour individual take-home examination concludes the course.

Examination code(s)

EXC 21221 - A 48-hours take home exam, counts 100 % of the grade in the course EXC 2122 Strategic Management Accounting.

Examination support materials

All support materials are allowed.

Re-sit examination

Re-sit exam is offered at next scheduled course.

Additional information