INTRODUCTION

This course concentrates on management accounting. During the last few decades, global competition, declines in product life cycles, advances in manufacturing and information technologies have significantly altered the ways in which firms operate, which in turn, have resulted in changes in management accounting practices.

Management accounting is concerned with the provision of information to people within the organization to help them make better decisions and improve the efficiency and effectiveness of existing operations, whereas financial accounting is concerned with the provision of information to external parties outside the organization.

The primary objective of this course is to enable you to make effective use of management accounting data. A secondary objective is to develop the analytical skills necessary to diagnose complex business problems in accounting context. Major topics include cost classification, cost behaviour, cost-volume-profit analysis and management information for decision making.

AIMS

At the end of the course, students will be able to:

- Identify the major differences and similarities between financial and managerial accounting
- Explain the nature, source and purpose of management information
- Understand, explain and identify the different types of cost with respect to their behaviour, traceability and their use for planning and decision making
- Understand the role of management accounting in providing relevant information to managers for decision-making, planning and controlling
- Calculate and interpret a break-even point and a margin of safety
- Explain and apply the concepts of relevant costing and opportunity cost
- Distinguish between the long-term and short-term decisions and how such decision can affect business growth

METHODOLOGY

A combination of lectures, exercises, problems, discussion questions, case studies and students’ presentations will be used in this course. Students are expected to read all assigned chapters, complete and submit all assignments on the due date, and attend all classes. Students are divided into groups to prepare assigned cases. Group members are expected to meet to discuss the case, work on it as a team and contribute jointly to the written report for timely submission and presentation in class.

The quality of this course is heavily dependent upon your efforts and contributions, as much of the learning in this course takes place during classroom discussions. Therefore, students are encouraged to participate in discussions and share opinions with their peers.

EVALUATION

Your final overall grade for this course will be based on the following criteria: Attendance and participation (20%); case studies (30%); and final exam (50%).

Participation will be graded on a session basis. Attending class is essential, but minimal credit will be given for attendance alone. Your participation score for the course will be based on a combination of the number of times you speak (quantity) and, more importantly, the value of your contribution (quality). Good quality in participation includes, among others, answering direct
questions, asking pertinent and thoughtful questions, linking course readings to the issue under discussion, critiquing ideas constructively and providing sound arguments to substantiate your points.

Selected case studies will be assigned during the course. Every team will have to apply critical thinking to a case situation, analyse it, determine the issues, identify alternative courses of action, and recommend a proposed solution. You are expected to submit a well-written document explaining your analysis and conclusions by the due date. Late assignments will not be accepted and will receive a score of zero. Teams will also be requested to make oral presentations of some of the assigned cases for class discussion.

The final exam will take place on the last session of the course. It will be individual, closed-book and comprehensive (it will cover all the chapters on the course syllabus). Cell phones and laptops will not be allowed. It may include techniques and concepts covered in assigned chapters from the textbook, assigned cases and class discussions. The exam will be composed of a combination of theoretical and practical questions. More details will be provided during the course.

To successfully complete the course, students must achieve a passing grade of 5 or higher on the final exam, and in the overall course.

BIBLIOGRAPHY

- Textbook:

- Additional readings: