

MODULE: ADVANCED MANAGEMENT ACCOUNTING

Theme : Management Accounting Techniques

Assessment Weighting: Coursework 20% Examination 80%

INTRODUCTION

This module builds on the knowledge acquired at stage II. It enhances the student's ability and awareness of advanced management accounting techniques and topics.

AIMS

This module aims to:

- Develop knowledge, understanding and application of management accounting techniques for business planning and control

LEARNING OUTCOMES

On completion of this module students will be able to:

- Identify and implement appropriate costing systems and techniques
- Understand the basic principles of strategic management accounting
- Understand the principles of budgeting, prepare budgets and use them to control and evaluate organisational performance
- Understand and apply the various management accounting techniques to business decisions
- Appreciate the current developments in management accounting
- Evaluate the strategic performance of a business and recommend appropriate performance measures
- Identify the information needs of management and contribute to the development of appropriate systems.

SYLLABUS

Objectives of management accounting in relation to planning, control and decision making, current issues in management accounting, behavioural implications of different costing approaches including performance evaluation, implications of costing approaches for profit reporting, the pricing of products and services.

Absorption, marginal and opportunity cost approaches to the accumulation of costs, activity based costing, use of cost drivers and activities, life cycle and target costing.

Interpretation of variances, planning and operational variances, behavioural implications, mix and yield variances

Objectives of budgeting, planning and control systems including behavioural implications, evaluations of budgetary systems such as fixed, flexible, zero based, incremental periodic, continuous and activity based, the budgetary system principal budgets, cash budgets and a review of budgets.

Concepts of correlation, basic time series analysis and forecasting, use of computer based models.

Decision making, pricing strategies and the evaluation of pricing decisions, price / demand relationships, relevant costs and pricing decisions, transfer pricing and decision making. CVP analysis and profit maximisation, product profitability and limiting factor analysis, theory of constraints and throughput accounting, linear programming techniques.

Performance measurement models such as the balanced scorecard and the performance pyramid, management impact on performance measurement, accountability issues, benefits and problems of performance measurement, reward schemes and performance management, divisional performance, return on investment and residual income.

Format of reports, analysis and dissemination to relevant users, frequency timing and degree of accuracy, influence of trend, materiality and controllable issues.

Corporate versus operational strategy, life cycle issues, SWOT analysis, benchmarking, consideration of risk and uncertainty.
Current developments including advanced manufacturing technologies.

TEACHING AND LEARNING METHODS

This module will be delivered using a combination of lectures and tutorials.

ASSESSMENT METHODS

This module will be assessed through a combination of coursework and end of semester examination upon module completion.

PRIMARY READING

Management & Cost Accounting, Drury, C. (5th Edition)

RECOMMENDED READING

- Accounting for Management Control, Emmanuel, C. Otley, D. Chapman & - Hall (Current Edition)
- An Insight into Management Accounting, Sizer, J. (Current edition)