

Course unit title:	Cost and Management Accounting II		
Course unit code:	ABSA 206		
Type of course unit:	Elective		
Level of course unit:	Bachelor (1st Cycle)		
Year of study:	2		
Semester when the unit is delivered:	4 (Spring)		
Number of ECTS credits allocated:	6		
Name of lecturer(s):	Dr. Andreas K. Georgiou, Dr. Christos Mina		
Learning outcomes of the course unit:	<ol style="list-style-type: none"> 1. Evaluate the concept of the economic order quantity and its relevance to stock control. 2. Calculate key aspects of stock control such as: the economic order quantity (EOQ) and reorder levels and interpret the results. 3. Explain the theoretical background to cost-volume profit analysis and apply it to decision-making. 4. Construct profit statements using different cost accounting systems, that are Marginal Costing and Absorption Costing, and be in a position to interpret the results. 5. Understand the nature and purpose of budgeting. 6. Prepare budgets (such as cash budgets) and be in a position to interpret the results. 7. Apply the techniques used in variance analysis to solve mini-case studies. 8. Apply marginal costing techniques used in short –term decision making. 		
Mode of delivery:	Face-to-face		
Prerequisites:	ABSA 205	Co-requisites:	None
Recommended optional program components:	None		
Course contents:	<ul style="list-style-type: none"> • Stock control: Evaluate the concept of the economic order quantity and its relevance to stock control. Applying costing techniques to assist in making decisions on stock management. Calculate key aspects of stock control such as: the economic order quantity (EOQ) and reorder levels and interpret the results. • Marginal and Absorption costing: Understand the structure of the profit statement under the marginal and absorption costing systems. Compare the advantages and disadvantages between marginal costing and absorption costing systems. Explain the concept of contribution. Understand the way in which inventory is valued under the marginal and absorption costing systems. Preparing profit statements using the marginal costing and absorption costing systems. Calculate and explain the under and over absorption of fixed production overheads. Reconcile the results between the two systems and understand the reasons for differences in profitability. Be in a position to interpret the results. • Cost-volume profit analysis: Explain the nature of cost-volume profit analysis. Analyse the limitations of cost-volume profit analysis for planning and decision making. Calculate and interpret: the break-even point; margin of safety and target volume either graphically or by formula. Calculate the contribution to sales ratio. Be able to construct a profit-volume chart and understanding the differences with that of the break-even chart. Be able to solve problems when variables concerning costs or revenues change. 		

	<ul style="list-style-type: none"> • Standard costing and variance analysis: Explain the methods of calculating standard costs. Explain the relevance of standard costing in controlling performance. Establish the standard cost per unit using marginal and absorption costing systems. Understand what is variance analysis and how it assists the control of performance. Calculate variances for: materials, labour, variable overheads; fixed overheads and sales. Apply variance analysis to mini case studies and is in a position to interpret the results. Explain the causes of variances. Understand the interrelationship between variances. Reconcile the budgeted and actual profit and interpret the results. • Budgeting and Budgetary Control: Understand the nature and purpose of budgeting. Explain the planning and control cycle. Understand the stages in the budgetary control. Understand the theoretical concepts concerning budgets including the relationship of behaviour to budgets. Be able to prepare cash budgets and master budgets and understanding the results. The preparation of other budgets such as sales and production. The preparation of flexible budgets. Compare fixed budgets to flexible budgets. • Costs for Decision-Making: Explain the concept of relevant costing. Understand the relationship between limiting factors and decision making. Explain the factors surrounding make or buy decisions. Explain and apply the concept of opportunity costs. Apply marginal costing techniques used in short – term decision making such as: make or buy; pricing; excess capacity; accept or reject and limiting factor decisions.
Recommended and/or required reading:	Drury, C, Management and Cost Accounting , 9 th Edition, Cengage Learning EMEA, 2015.
Textbooks:	Drury, C, Management and Cost Accounting , 9 th Edition, Cengage Learning EMEA, 2015.
References:	<p>Kaplan Publishing, ACCA Paper F2 Management Accounting Study Text, Latest Edition, Kaplan Publishing.</p> <p>F Wood and A Sangster, Business Accounting: Volume 2, 13th Edition, Pearson, 2015.</p> <p>Pauline Weetman, Financial & Management Accounting: An introduction, 7th Edition, 2015, Pearson.</p>
Planned learning activities and teaching methods:	<p>The taught part of course is delivered to the students by means of lectures, conducted with the help of computer presentations. Lecture notes and presentations are available through the web for students to use in combination with the textbooks.</p> <p>Lectures are supplemented with class exercises carried out in class and via homework.</p>
Assessment methods and criteria:	<ul style="list-style-type: none"> • Assignments 20% • Tests: 20% • Final Exam 60%
Language of instruction:	English
Work placement(s):	No