

## ABSA405 - Advanced Management Accounting I

Course Title	Advanced Management Accounting I			
Course Code	ABSA 405			
Course Type	Elective			
Level	BA (Level 1)			
Year / Semester	7 <sup>th</sup>			
Teacher's Name	Dr Christos Minas / Dr Andreas Georgiou / Dr Michalis Makrominas			
ECTS	6	Lectures / week	3	Laboratories/week
Course Purpose	<p>The module builds on the knowledge gained from previous modules in cost and management accounting.</p> <p>This module aims to employ the specific order and continuous costing techniques to decision-making and stock valuation. It also aims to Identify and employ appropriate budgeting and variance analysis techniques to enable management to control the business.</p> <p>It aims to look at the evaluation of the strategic performance of a business and select appropriate financial and non-financial performance measures. Finally, it aims to examine performance evaluation systems from mini-case study scenarios and, interpret the results.</p>			
Learning Outcomes	<p>By the end of the lesson, the student will be able to:</p> <ol style="list-style-type: none"> <li>1. Explain cost classification and cost behavior both short-term and long-term.</li> <li>2. Explain and apply specific costing techniques.</li> <li>3. Identify and employ appropriate budgeting and variance analysis techniques to enable management to control the business.</li> <li>4. Evaluate the strategic performance of a business and select appropriate financial and non-financial performance measures.</li> <li>5. Design performance evaluation systems from mini-case study scenarios and, interpret the results.</li> <li>6. Apply advanced performance evaluation techniques across different divisions of companies as well as through time.</li> <li>7. Use a spreadsheet program to construct formulas for budgets (based on a case study scenario).</li> </ol>			

Prerequisites	ABSA 206.	Corequisites	None.
Course Content	<ul style="list-style-type: none"> <li>• <b>Cost classification and behaviour:</b> Explain the theory and practice of cost classification and behaviour: Recognise the types of costs; construct short-term behavior curves in relevant ranges; construct marginal cost curves, and long-term cost curves including the learning theory curve and envelope curve.</li> <li>• <b>Costing techniques:</b> Recognise the theory and practice behind specific order costing techniques including process costing and job costing. Evaluate the theory and practice of continuous costing. Apply the equivalent units approach to process costing. Explain and apply the treatment of normal/abnormal spoilage (losses).</li> <li>• <b>Standard Costing and Variance Analysis:</b> Critically analyse the theory and practice of standard costing and its relevance to controlling performance. Apply: flexible budget variance analysis; variance decomposition (how variances are interrelated) and, reverse variances (using variances to calculate related variables) in mini case studies and/or elaborate exercises.</li> <li>• <b>Performance measurement:</b> Explain the performance hierarchy. Analyse the scope of performance measurement. Evaluate performance measurement indicators both financial and non-financial (performance analysis). Evaluate the effect of external considerations on performance. Design and interpret performance evaluation systems. Apply advanced performance evaluation techniques across different divisions of companies (profit organisations) as well as through time.</li> <li>• <b>Traditional, mix/yield/quantity variances.</b> Calculate both planning and operational variances. Construct operating statements reconciling budgeted profit to actual profit.</li> <li>• <b>Budgetary control:</b> Identifying and appraising alternative systems of budgeting systems such as zero rated budgeting. Analyse research concerning the behavioural aspects of budgeting. Discussing current developments in the areas of: budgeting and critique to variance analysis.</li> <li>• <b>Budgets:</b> Identify the components of the master budget. Prepare different types of budgets including the master budget. Discuss aspects of advanced budgeting and advanced variance analysis techniques.</li> </ul>		
Teaching Methodology	<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. Class exercises for homework are submitted on the e-learning platform for students to attempt and the solutions are posting on the platform at a later date (around one week).</p>
<p>Bibliography</p>	<p><u>Textbooks:</u> Kaplan Publishing, Performance Management (PM): ACCA Study Text, Kaplan Publishing, 2018 edition.</p> <p><u>References:</u> Drury, C, Management and Cost Accounting, 10<sup>th</sup> Edition, Cengage Learning EMEA, 2017.</p> <p>Kaplan Publishing, Advanced Performance Management (APM): Study Text, Kaplan Publishing, 2019 edition.</p> <p>Pauline Weetman, Financial &amp; Management Accounting: An introduction, 8<sup>th</sup> Edition, 2019, Pearson.</p> <p>Andreas Georgiou (2018), Job Satisfaction and Staff Turnover Intentions of Banking Employees in Cyprus and its Effect on Profitability, Components Of Scientific And Technological Progress, Issue 3 (37), 2018, pp.17-26.</p>
<p>Assessment</p>	<p><u>(a) Methods:</u> Students will be assessed with coursework that involves an assignment, a midterm test and a final exam. The course involves both explaining theoretical concepts and also solving numerical problems in management accounting.</p> <p><u>(b) Criteria:</u> The assessment criteria can be generalised as follows concerning the area assessed:</p> <ul style="list-style-type: none"> <li>• 86% or more – Excellent application of problem solving skills.</li> <li>• 76%-85% - Very good application of problem solving skills.</li> <li>• 66%-75% - Good application of problem solving skills.</li> <li>• 56%-65% - Satisfactory with some success in applying problem solving skills</li> <li>• 50%-55% -Satisfactory with limited success in applying problem solving skills</li> <li>• Below 50% -Little or no application of problem solving skills.</li> </ul> <p><u>(c) Weights:</u></p> <ul style="list-style-type: none"> <li>• Assignment (online)      20%</li> <li>• Mid-term test                20%</li> <li>• Final exam                    60%</li> </ul>
<p>Language</p>	<p>English.</p>