

ABSA406 - Advanced Management Accounting II

Course Title	Advanced Management Accounting II			
Course Code	ABSA 406			
Course Type	Elective			
Level	BA (Level 1)			
Year / Semester	8 th			
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 understand the objectives of preparing management information and the need to adapt techniques in a changing commercial environment.</p> <p>Further to this it aims to use costing techniques to evaluate management decisions in relation to costing, pricing, limiting factors, product range and marketing strategy.</p> <p>It also aims to examine the features of activity-based approaches and be able to apply them to mini-case studies.</p> <p>Finally, it aims to appraise the strategic aspects of management accounting.</p>			
Learning Outcomes	<p>By the end of the lesson, the student will be able to:</p> <ol style="list-style-type: none"> 1. Explain and apply specialist cost techniques including activity-based costing, target costing and life-cycle costing. 2. Explain and apply advanced management decision-making techniques including cost-volume analysis, limiting factors, linear programming for optimal production mix, product range and product mix. 3. Discuss the concept of uncertainty in strategic decision making and apply relevant risk management tools. 4. Identify and assess sources of management information and critically evaluate types of management reports. 5. Explain and apply alternative pricing techniques. 6. Explain and apply alternative transfer pricing techniques in relation to divisional performance. 			

	<p>7. Identify and discuss recently adopted management accounting techniques including throughput accounting and environmental accounting.</p> <p>8. Appraise the strategic aspects of management accounting.</p>		
Prerequisites	ABSA 405.	Corequisites	None.
Course Content	<ul style="list-style-type: none"> • Specialist costing techniques: Discuss the theory of Activity Based Costing (ABC) and apply to case studies. Discuss the theory of target costing and apply to case studies. Discuss the theory of life-cycle costing and apply to case studies. Explain and apply the opportunity cost concept in decision-making. Evaluate make or buy decisions. Apply marginal costing techniques including: changes in product mix, discontinuance of products and further processing decisions. • Advanced management decision-making techniques: Recognise the theory of Cost Volume Profit (CVP) analysis and apply to case studies. Explain and apply limiting factor analysis Recognise and apply linear programming and established the optimal production and/or product mix in mini case studies. Recognise and solve linear programming problems using mathematical formulation. Apply linear programming with closed form solutions using the solver technique in Excel. • Risk and Uncertainty in Strategic Management Accounting: Compare and contrast corporate strategy as opposed to operational strategy. Discuss life cycle costing issues in management accounting. Describe the benchmarking technique. Apply risk and uncertainty techniques in management accounting. Apply strategic management accounting techniques. • Management Information: Identify and explain the sources of information within and outside the firm. Recognise the role of information technology for management information. Analyse the accounting information for strategic planning, management control, operational control and decision-making. Discuss the relationship between information requirements and management structure. • Pricing decisions: Explain and apply the economic model in pricing decisions. Explain and apply costing techniques for pricing decisions. Recognise and apply advanced costing techniques for pricing such as the: full cost model; target pricing and, price based approaches. • Transfer pricing and divisional performance: Explain and apply transfer pricing techniques and acceptable range of transfer prices given: idle capacity, marginal cost and external markets. 		

	<ul style="list-style-type: none"> • Developments in management accounting: Discuss current issues in management accounting such as material requirement planning, balance scorecards and environmental accounting.
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>
Bibliography	<p><u>Textbooks:</u></p> <p>Kaplan Publishing, Performance Management (PM): Study Text, Kaplan Publishing, 2018 edition.</p> <p><u>References:</u></p> <p>Drury, C, Management and Cost Accounting, 10th Edition, Cengage Learning EMEA, 2017.</p> <p>Kaplan Publishing, Advanced Performance Management (APM): Study Text, Kaplan Publishing, 2019 edition.</p> <p>Pauline Weetman, Financial & Management Accounting: An introduction, 8th 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>
Assessment	<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"> • 86% or more – Excellent application of problem solving skills. • 76%-85% - Very good application of problem solving skills. • 66%-75% - Good application of problem solving skills. • 56%-65% - Satisfactory with some success in applying problem solving skills • 50%-55% -Satisfactory with limited success in applying problem solving skills • Below 50% -Little or no application of problem solving skills.

	<p><u>(c) Weights:</u></p> <ul style="list-style-type: none"> • Assignment (online) 20% • Mid-term test 20% • Final exam 60%
Language	English.