

Course Title	<b>Managerial Accounting &amp; Financial Management</b>				
Course Code	<b>MBA548</b>				
Course Type	Compulsory				
Level	MBA (Level 2)				
Year / Semester	1 <sup>st</sup> Year / Spring Semester				
Teacher's Name	Dr. Nicos Koussis/Dr. Andreas Georgiou/ Dr Christos Mina				
ECTS	10	Lectures / week	3	Laboratories/week	
Course Purpose	<p>Concerning the managerial accounting aspect of the module, the students will be introduced to techniques in management accounting that could be applied in planning, control, decision making and performance management.</p> <p>The managerial accounting aspect aims to introduce the theory of budgetary control and for students to be able to prepare budgets. It also aims to introduce break-even analysis and students are expected to apply this knowledge to decision making. Students are also expected to understand the concepts involved in variance analysis and to be able to interpret the results.</p> <p>In the financial management aspect of the module students are introduced in the finance field, the analysis of investment and financing decisions by corporations, dividend policy and measuring risk. We start by defining the important issues analyzed in the finance field, the role of the financial markets, the organization of firms and the role of the financial manager.</p> <p>During the module we explain the appraisal investment projects using Net Present Value approach, apply the present value approach to alternative business finance problems including bank loans and bond valuation and learn how differences between alternative methods for project appraisal (Internal Rate of Return and Payback). The module then introduces students to assessing risk and portfolio theory and topics in financing and dividend policy of the firm.</p>				
Learning Outcomes	<ol style="list-style-type: none"> <li>1. Compare and contrast management accounting to financial accounting.</li> <li>2. Evaluate the concept of cost behaviour and explain its relevance to managerial accounting.</li> <li>3. Explain the theoretical background to break even analysis and apply it to decision-making.</li> <li>4. Prepare budgets (such as cash budgets) and be in a position to interpret the results.</li> <li>5. Apply the techniques used in variance analysis to solve mini-case studies and for interpreting the performance of a firm.</li> <li>6. Discuss the theoretical background concerning standard costing and its relevance to control.</li> <li>7. Evaluate the strategic performance of a business and select</li> </ol>				

	<p>appropriate financial and non-financial performance measures.</p> <ol style="list-style-type: none"> <li>8. Critically evaluate the research on the behavioural aspects of budgeting.</li> <li>9. Discuss issues analyzed in finance and the types of firm structures.</li> <li>10. Discuss the differences between alternative methods for project appraisal (Internal Rate of Return and Payback) and describe their disadvantages compared to the Net Present Value approach.</li> <li>11. Formulate and calculate solutions to investment problems.</li> <li>12. Solve problems in investments using mean-variance theory and the Capital Asset Pricing Model (CAPM).</li> <li>13. Discuss the traditional theories of capital structure and the cost of capital.</li> <li>14. Discuss the issues in optimal dividend policy and related empirical evidence.</li> </ol>		
Prerequisites	None	Corequisites	None
Course Content	<ul style="list-style-type: none"> <li>• Introduction to cost and financial accounting: Contrast management accounting with financial accounting. Identify and define costs by classification and behaviour.</li> <li>• Cost behaviour: Evaluate the concept of cost behaviour and explain its relevance to managerial accounting. Apply the theory of cost behaviour to case study scenarios.</li> <li>• Break even analysis: An introduction to break even analysis (cost volume profit analysis) and the marginal costing system. Calculating the break-even point either graphically or by formula. 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.</li> <li>• Standard costing and variance analysis: An introduction to standard costing and its relevance to controlling performance. Applying variance analyses to mini case studies and interpret the results.</li> <li>• Budgets: 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. Prepare other budgets such as sales and production.</li> <li>• Costs for decision making: Applying marginal costing techniques used in short –term decision making such as: make or buy, accept or reject and limiting factor decisions.</li> <li>• Performance measurement: Explain the performance hierarchy. Analyse the scope of performance measurement. Evaluate performance measurement indicators both financial and non-financial. Evaluate the effect of external considerations on performance. Identify non-financial measures and apply to case study scenarios. Analyse the management impact on performance measurement. Design and interpret performance evaluation</li> </ul>		

	<p>systems.</p> <ul style="list-style-type: none"> <li>• Budgetary control: Identify and analyse alternative systems of budgeting systems such as zero rated budgeting. Discuss the main research on the behavioural aspects of budgeting. Discuss current developments in budgeting.</li> <li>• An introduction to financial management: Types of firm organizations and limited liability, Real assets, tangible and intangible, The role of the financial manager, An overview of the financial system , Agency problems and solutions</li> <li>• Evaluation of investment opportunities: Finding future values and present values, The concept of the opportunity cost of capital, Using net present value to evaluate investment, Special cases of present values, Applications of present value, Other investment criteria (Internal Rate of Return and Payback methods)</li> <li>• Risk and return: Portfolio theory basics and the concept of diversification, The Capital Asset Pricing Model and required returns based on risk, Using CAPM in the Net Present Value</li> <li>• Financing and capital structure: An overview of the different sources of financing, Types of debt financing –simple straight bonds, bank loans and callable convertible securities explained, Types of equity financing- preferred equity, different classes of shares, warrants, Net Present Value and the weighted average cost of capital, Optimizing capital structure (financing sources): an overview of the theories</li> <li>• Dividend policy: Types of dividends-cash dividends versus share repurchases, The dividend process ,The dividend discount model, Dividend theory: Arguments in favor and against dividend payments, Dividend policy: empirical evidence</li> </ul>
Teaching Methodology	<p>The course is delivered to the students by means of lecturers, conducted with the help of computer presentations and the use of the board.</p> <p>The course also involves tutorials on how to solve certain numerical problems and illustrations on how to tackle numerical problems in spreadsheet programs such Excel.</p> <p>The students are engaged in the course through questions and cases discussed by the lecturers which are discussed in class.</p> <p>Lecture notes and other course material like spreadsheet examples are available to students through the e-learning platform.</p>
Bibliography	<p><u>(a) Textbooks:</u></p> <p>Brealey, R., Myers, S., and F. Allen, Principles of Corporate Finance, McGraw Hill, 13th edition, 2019</p> <p>Drury, C, Management and Cost Accounting, 10<sup>th</sup> Edition, Cengage Learning EMEA, 2017.</p> <p><u>(b) References:</u></p> <p>ACCA F9, Complete Text, Financial Management, Kaplan Publishing</p> <p>Copeland, T., F. Weston , K. Shastri Financial Theory and Corporate</p>

	<p>Policy, Addison-Wesley, 2004</p> <p>Bodie Z., Kane A. and Alan Marcus Investments, McGraw-Hill</p> <p>Tirole, J. (2005). The Theory of Corporate Finance, Princeton University Press.</p> <p>Pauline Weetman, Financial &amp; Management Accounting: An introduction, 8<sup>th</sup> Edition, 2019, Pearson.</p> <p>BPP Learning Media, FIA Foundations in Management Accounting FMA (ACCA F2): Interactive Text Paperback, 2019, BPP.</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 (that is broken down into the two main areas of the module) and a final exam that includes aspects of managerial accounting and financial management. The module involves both explaining theoretical concepts and also solving numerical problems in management accounting and finance.</p> <p><u>(b) Criteria:</u> Assessment criteria are available in each written assignment or in the final exam.</p> <p>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> <table data-bbox="571 1406 1117 1473" style="margin-left: 40px;"> <tr> <td>• Assignment</td> <td style="text-align: right;">40%</td> </tr> <tr> <td>• Final Exam</td> <td style="text-align: right;">60%</td> </tr> </table>	• Assignment	40%	• Final Exam	60%
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Language	English language				