

Subject Study guide “Management accounting”

1. IDENTIFICATION

- ✓ **Subject name:** Management accounting
- ✓ **Code:** 101201
- ✓ **Degree:** Degree in Tourism
- ✓ **Academic course:** 2018-19
- ✓ **Subject type:** Compulsory
- ✓ **ECTS Credits (hours):** 6 (150)
- ✓ **Teaching period:** 1st semester
- ✓ **Teaching language:** English
- ✓ **Teachers:** Vera Butkouskaya
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2. PRESENTATION

Before taking this course, it is recommended to have followed the courses "102366 - Introduction to Accounting".

This course teaches students how to extract and modify costs in order to make informed managerial decisions. Planning is covered by topics including activity-based costing, cost-volume-profit analysis. Control is covered by topics including standard costing, variance analysis, and performance evaluation. Emphasis is placed on cost terminology (the wide variety of costs), cost behavior, cost systems, and the limitations concerning the use of average costs.

3. EDUCATIONAL GOALS

Objectives, competences and learning outcomes

- Provide basic understanding of the economic and financial context of cost accounting and management accounting, and to introduce students to its basic terminology and purposes.
- Help students discover and learn to use the relationship between costs, activity level and profit of a business.
- Describe the logic of cost accumulation for inventory valuation and profit measurement.
- Introduce students to the absorption and contribution approaches to income statement preparation.
- Make students aware of the conceptual intricacy of indirect costs and familiarize them with the main methods used in practice to allocate these costs to cost objects.

4. SKILLS AND LEARNING OUTCOMES

CE4. To apply different concepts (financial and economic, human resources, trading politics, markets, operating and strategic) to touristic products and firms.

CE4.6. To apply financing and accounting concepts to touristic products and firms.

CE4.7. To identify information of financial statements and to determine the economic and financial situation of a firm.

CE13. To offer alternative and creative solutions to possible problems related to management, planning, and touristic firms and products.

CE13.3. To issue accounting and financial reports related to firms, and to propose solutions to possible problems.

CE13.4. To identify short-term and long-term financial alternatives for a firm.

TRANSVERSAL SKILLS

CT1. Develop an ability to learn independently.

CT4. Use communication skills at all levels.

CT5. To take decisions in a context of uncertainty and to identify consequences of these decisions on a short and long-term run.

CT6. Plan, organize and coordinate teamwork, creating synergies and inter-team relationships.

CT10. Work in group.

CT11. Plan and manage activities based on the quality and sustainability

5. TOPIC AND CONTENT

Topic 1. ORGANIZATIONS, MANAGEMENT AND ACCOUNTING

1.1. Organizations, managers and accounting

1.2. The role of accounting and accountants in organizations

1.3. Differences between financial accounting and management accounting

Topic 2. COSTS: CONCEPTS, TERMINOLOGY AND CLASSIFICATIONS

2.1. The concept of cost in accounting and economics

2.2. Difference between costs and expenses

2.3. Costs in service, merchandising and manufacturing companies

2.4. Costs for valuation purposes

2.5. Costs for decision making purposes

2.6. Costs for planning, control and evaluation purposes

2.7. Implications for the accounting information system

Topic 3. COSTING OF PRODUCTS AND SERVICES

3.1. Average costs vs. individualized costs

3.2. Job costing systems

3.3. Indirect cost pools and cost allocation

3.4. Cost accumulation; actual costs and budgeted costs

3.5. Activity Based Costing (ABC)

3.6. Process costing systems; equivalent units

3.7. Hybrid costing systems

3.8. Implications for the accounting information system

Topic 4. COST ALLOCATION I

- 4.2. Allocating costs from one department to another
- 4.3. Allocating costs from support departments
- 4.4. Mutual services of support departments
- 4.5 Implications for the accounting information system

Topic 5. COST ALLOCATION II

- 5.1. Common cost allocation
- 5.2. Joint-cost situations

Topic 6. COST-VOLUME-PROFIT ANALYSIS

- 6.1. Costs of an organization's inputs and output
- 6.2. Cost and revenue drivers; causality; cost hierarchies
- 6.3. Break-even point and safety margin
- 6.4. Cost structures and operating leverage
- 6.5. Cost management

Topic 7. INCOME EFFECTS OF ALTERNATIVE COSTING METHODS

- 7.1. Variable Costing
- 7.2. Absorption Costing
- 7.3. Alternative denominator concepts; the costs of unused capacity
- 7.4. Reconciliation of results obtained with variable and absorption costing
- 7.5. Implications for the accounting information system

6. RECOMMENDED BIBLIOGRAPHY

Required textbook

Bhimani A, Horngren CT, Datar SM and Rajan M. Management and Cost Accounting, 5/E. Financial Times Press 2012. ISBN-13: 978-0-273-75745-0

Optional additional readings In English: • Atkinson AA, Banker RD, Kaplan RS and Young, SM. Management Accounting. Prentice-Hall. • Anthony RN, Hawkins DF and Merchant KA. Accounting: Text and cases. McGraw-Hill. • Drury, C. Management and Cost Accounting. Thomson Learning. • Drury, C. Management Accounting for Business Decisions. Thomson Learning. • Hilton, RW. Managerial Accounting. McGraw Hill. In Spanish: • Asociación española de contabilidad y administración de empresas. La contabilidad de gestión. Serie de principios de contabilidad de gestión. AECA. • Mallo C, Jiménez MA. Contabilidad de Costes. Pirámide. • Nicolás P. Costes para la dirección de empresas. Servei de publicacions UAB. • Rosanas JM. Contabilidad de costes para la toma de decisiones. Desclée de Brouwer Editorial.

7. TEACHING METHODOLOGY

The course runs based on three teaching-learning methodologies:

1. Methodology of the *theoretical part* of the course:

Lecture-type classroom-based classes with explanation regarding the different agenda items. Theoretical classes will be audio-visual (power point presentations, video viewing to support the theory, etc.).

2. Methodology of the *practical part* of the course:

Preparation and class-based presentation of case studies related to theoretical explanations. This exercises and cases are based on analysis of activities of the companies.

3. Methodology of the *out class learning part* of the course (Campus Virtual):

The Campus Virtual platform will be used to share information and alternative media in the classroom between students and teacher. Campus Virtual will contain the profile of the course, additional theoretical material in digital form, cases and exercises, links to websites, etc.

Number of ECTS = 6

Total number of hours: 150 (6 ECTS * 25 hrs. per credit)

TRAINING ACTIVITIES

Activity	Hours	ECTS	Learning outcomes
Type: Directed			
<i>Theoretical classes</i>	35	1.4	CE4.6 CE4.7 CT4 CT5 CT 13
<i>Practical exercises and case solutions</i>	30	1.2	CE13.3 CE13.4 CT1 CT4 CT10 CT13
Type: Supervised			
<i>Tutorials</i>	25	1	CE4.6 CE4.7 CT4
Type: Autonomous			
<i>Practical exercises and case solutions</i>	25	1	CE4.6 CE4.7 CE13.3 CE13.4 CT1 CT5 CT6 CT10 CT11
<i>Preparation of exercises</i>	10	0.4	CE4.6 CE4.7 CE13.3 CE13.4 CT1 CT5 CT6 CT10 CT11
<i>Study (tests and exam preparation)</i>	25	1	CE4.6 CE4.7 CE13.3 CE13.4 CT1 CT11 CT13
Total:	150		

8. ASSESSMENT SYSTEMS

This subject will be evaluated as follows:

1. Continuous evaluation:

- Practical activities:** Completion and presentation of class discussed exercises and cases, handed-in within the established deadline. This will represent 50 % of the final grade.
- Periodical controls:** 2 (two) exams based on the theoretical materials. This will represent 50% of the final grade.
 - The exercises and cases will be collected by the instructors during the course, typically during the practical class sessions.
 - The partial exams comprise about 20 questions, which can be theoretically oriented (conceptual questions) or have a more practical nature (calculation problems). Some of the exam questions will provide multi-choice answers and others will be open ended.

To approve the subject it is necessary to obtain a score **above 5 (five) in average** (practical activities and periodical control).

ASSESSMENT ACTIVITIES

Activity	Weight	Hours	ECTS	Learning Outcomes
Practical activities	50 %	40	1.6	CE4, CE4.1
Periodical Control 1	25 %	2	0.08	CE1, CE1.1
Periodical Control 2	25%	2	0.08	CE1, CE1.1

If students do not obtain a minimum grade of 5 through the continuous evaluations shown above, they can take a **final exam**. The final exam takes place according to the calendar of the academic activities, which is reported in students' guide or in the web of the school. The grade of the **final exam** will be the **100% of the final grade**.

2. **Instead of continuous evaluations shown above**, students have the **option** to directly take the **final exam**. The grade of the **final exam** will be the **100% of the final grade**.

Students with a grade **between 3.5 and 4.9 in the final exam** will have the chance to **retake the exam**, according to the calendar of the academic activities, which is reported in students' guide or in the web of the school. If these students pass the retake exam, their **final grade will be 5**.

9. PLANNING

WEEK	TOPIC	METHOD	HOURS
1	Subject Presentation Topic 1.	Class lecture; Exercises	4
2	Topic 1.	Class lecture; Exercises	4
3	Topic 2.	Class cases; Case study	4
4	Topic 2.	Class lecture; Exercises	4
5	Topic 3.	Class lecture; Exercises	4
6	Topic 3.	Class cases; Exercises	4
7	Topic 3.	Class lecture; Test 1	4
8	Topic 4.	Class lecture; Exercises	4
9	Topic 4.	Class lecture; Class cases	4
10	Topic 5.	Class lecture; Class cases	4
11	Topic 6.	Class lecture; Class cases	4
12	Topic 6.	Class lecture; Class cases	4
13	Topic 7.	Class lecture; Class cases	4
14	Topic 7.	Class lecture; Test 2	4

10. ENTREPRENEURSHIP AND INNOVATION

The issues relating to entrepreneurship and innovation are developed from both activities: practical oriented exercises and case studies as used methodology, and, from evaluation process.

Practical exercises and cases will be based on the real activities inside entrepreneurial oriented companies (see Section VI "Teaching methodology"). It is also scheduled to watch a couple of videos on the theme of Cost Accounting. Regarding the evaluation of the subject, there is a part of the practical activities (10%), which will be the self-evaluated by the students encouraging in this respect decision making and self-analyzing skills as entrepreneurships.