

<b>Course Unit Title:</b>	Introduction to Managerial Accounting
<b>Course Unit Code:</b>	ACC113
<b>Type of Course Unit: (Compulsory/Optional)</b>	Compulsory
<b>Level of Course Unit: (first, second or third cycle)</b>	Bachelor (1 <sup>st</sup> cycle)
<b>Year of Study:</b>	1
<b>Semester when the unit is delivered:</b>	2
<b>Number of ECTS credits allocated:</b>	5
<b>Name of lecturer(s):</b>	TBA
<b>Learning Outcomes of the course unit:</b>	
<p>Upon successful completion of this course students should be able to:</p> <ul style="list-style-type: none"> <li>• Describe the purpose of accounting in an organisation and its different uses for internal as well as external purposes and compare the various 'branches' of accounting, namely cost accounting, management accounting and financing accounting.</li> <li>• Explain and classify the various cost items by element, by function and by behaviour.</li> <li>• Explicate the uses of, and calculate, overhead absorption rates in the context of absorption costs.</li> <li>• Describe the differences and uses of absorption costs vs. those of marginal costing.</li> <li>• Explain the budgeting process and the uses and types of budgets in organisations.</li> <li>• Evaluate budgetary systems such as fixed and flexible, zero based and incremental, periodic, continuous and activity based.</li> <li>• Develop, implement and coordinate budgeting systems: functional, subsidiary and master budgets (including cash budgeting).</li> </ul>	
<b>Mode of Delivery:</b>	Distance Learning
<b>Prerequisites and co-requisites:</b>	ACC112
<b>Recommended optional program components:</b>	None

## **Course Contents:**

### **Objective:**

This course is designed to assist students in obtaining an understanding of the nature of cost accounting, and the flow of costs in an accounting system, in addition the course will examine how cost information assist managers in planning, control, and decision-making, which are the basic functions performed by individuals in managerial positions.

### **Description:**

#### 1. Accounting for management

Describe the purpose and role of cost and management accounting within a firm; Compare and contrast financial with management and cost accounting. Outline the managerial process of planning, decision making and control. Explain the difference between strategic, tactical and operational planning

#### 2. Cost and management accounting versus financial accounting

Describe sources of information from within and outside the organization. Explain the uses and limitation of published data. Describe the impact of general economic environment in cost and revenues. Explain sampling techniques. Choose appropriate sampling method in a specific situation. Describe sources of information from government, trade association and the financial press.

#### 3. Cost Classification

Explain and illustrate production and non-production costs. Describe the different elements of production cost-materials, labour, and overheads. Describe the different elements of non-production cost- administrative, selling, distribution, and finance. Distinguish between cost, profit, investment, and revenue centres.. Describe the differing needs for information of cost, profit, investment and revenue centre managers

#### 4. Cost Behaviour

Describe and illustrate, graphically, different types of cost behaviour. Identify examples of direct and indirect costs in manufacturing and non- manufacturing organisation. Explain and provide examples of cost that fall into the categories of fixed and variable costs. Use high/low analysis to separate the fixed and variable elements of total costs including situations involving stepped fixed costs and changes in the variable cost per unit. Explain the structure of linear functions and equations

#### 5. Presenting Information

Prepare written reports representing management information in suitable formats according to purpose. Present and interpret information using tables, charts and graphs.

#### 6. Accounting for materials

Describe the different procedures and documents necessary for the ordering, receiving and issuing of materials from inventory. Describe the control procedures used to monitor physical and book inventory. Interpret the entries and balances in the material inventory account. Identify, explain and calculate the costs of ordering and holding inventory.

Calculate and interpret optimal reorder quantities. Produce calculation to minimise inventory costs when inventory is gradually replenished.

7. Accounting for labour

Calculate direct and indirect costs of labour. Explain the methods used to relate input labour to the work done. Prepare journal and ledger entries to record labour cost input and output. Describe different remuneration method. Calculate the level and analyse the cost and causes of labour turnover. Explain and calculate labour efficiency, capacity and production volume ratios.

8. Accounting for overheads

Explain the treatment of direct and indirect expenses. Describe the procedures involved in determining production overhead absorption rates. Allocate and apportion production overheads to cost centres. Reapportion service cost centre to production cost centre. Select, apply and discuss appropriate bases for absorption rates. Prepare journal and ledger entries

9. Marginal and absorption costing

Explain the importance of, and apply, the concept of contribution. Demonstrate and discuss the effect of absorption and marginal costing on inventory valuation and profit determination. Calculate profit or loss under absorption and marginal costing. Reconcile the profits or losses calculated under absorption and marginal costing. Describe the advantage and disadvantages of absorption and marginal costing

10. Budgeting

Explain why organisations use budgeting. Explain the administrative procedures used in the budgeting process. Describe the stages in the budgeting process. Explain and prepare fixed, flexible and flexed budgets. Explain the purpose and principles of standard costing. Explain the importance of motivation in performance management and identify factors in budgetary planning and control system that influence motivation.

11. Capital Expenditure Budgeting

Discuss the importance of capital investment planning and control. Define and distinguish between capital and revenues expenditure. Outline the issues to consider and the steps involved in the preparation of capital expenditure budget

Recent developments and contemporary issues pertaining to the subject-matter of the course.

<p><b>Recommended or required reading:</b></p>	<p>Meigs, Williams, Haka And Bettner, Financial and Managerial Accounting: The Basis for Business Decisions, 12/e, McGraw Hill.</p> <p>BPP Notes for F2 -ACCA</p> <p>Atrill, P &amp; McLaney, E. (2005) Management Accounting for Decision Makers Financial Times, Prentice Hall.</p> <p>Drury, C. (2006) Cost and Management Accounting, Thomson.</p> <p>Lucey, T. (2002) Costing, Thomson.</p> <p>Weetman, P. (2006) Management Accounting, Financial Times Prentice Hall</p> <p><b>Relevant teaching material from the following organizations:</b>  ACCA  <a href="http://www.accaglobal.com/students/acca/exams/f2/BPP">http://www.accaglobal.com/students/acca/exams/f2/BPP</a>  <a href="http://www.bpp.com/acca/papers/f2/Kaplan">http://www.bpp.com/acca/papers/f2/Kaplan</a>  <a href="http://financial.kaplan.co.uk/TrainingandQuals/Accountancy/ACCA/Pages/default.aspx">http://financial.kaplan.co.uk/TrainingandQuals/Accountancy/ACCA/Pages/default.aspx</a></p>				
<p><b>Planned learning activities and teaching methods:</b></p>	<p>Virtual Lectures, Workshops, Group work, Assignments and Exams</p>				
<p><b>Assessment methods and criteria:</b></p>	<table border="0"> <tr> <td>Examinations</td> <td style="border: 1px solid black; text-align: center;">50%</td> </tr> <tr> <td>Ongoing evaluation</td> <td style="border: 1px solid black; text-align: center;">50%</td> </tr> </table>	Examinations	50%	Ongoing evaluation	50%
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<p><b>Language of Instruction:</b></p>	<p>English</p>				
<p><b>Work Placement(s):</b></p>	<p>No</p>				
<p><b>Place of Teaching:</b></p>	<p>Blackboard Virtual Learning Platform</p>				