

Macao Polytechnic Institute

School of Business

Bachelor of Accounting

Module Outline

Academic Year 2020 / 2021

Semester II

Learning Module	Management Accounting			Class Code	ACCT3150-321
Pre-requisite Course	Nil				
Medium of instruction	English			Credit	3
Lecture Hours	45hrs	Lab/Practice Hours	0hrs	Total Hours	45 hrs
Instructor	Dr Steve Fong		E-mail	ccfong@ipm.edu.mo	
Office	M-552, Meng Tak Building, Main Campus		Telephone	8599-3345	

Description

This course builds upon cost accounting to prepare students for more specialized management accounting issues and techniques. Topics includes (i) specialist cost and management accounting techniques including ABC, targets, life-cycle, back-flush and throughput accounting; (ii) decision-making techniques including pricing, make-or-buy, linear programming and shadow pricing, etc.; (iii) budget types and systems with attention to behavioural aspects; (iv) standard costing and variances analysis; and (vi) performance measurement and control.

Learning Outcomes (CILOs)

Upon completion of this course, the students will be able to:

1. Identify the impact of cost and management accounting system changes that affect the design of budget, customer profitability analysis and variance analysis for planning and control.
2. Evaluate the use of relevant costing methods and pricing methods for decision-making.
3. Explain and apply various quantitative techniques and methods for cost analysis, inventory management, and transfer pricing.
4. Utilize capital budgeting and cost analysis for investment decisions.
5. Apply modern management accounting knowledge in balanced scorecard for performance measurement and in designing compensation.
6. Manage written and spoken communication skills for working in a group, including team building activity, project management, and presentation.

Content

Topics	Estimated Duration
1. Strategy and Master Budget (Chapter 10) <ul style="list-style-type: none"> • Prepare Master budget and related budgets • Handle uncertainty and the budgeting process • Differentiate alternative budgeting approaches • Be aware of behavioral issues in budgeting 	3 hours
2. Decision Making with Strategic Emphasis (Chapter 11) <ul style="list-style-type: none"> • Utilize information in decision process • Apply relevance concepts in opportunity costs, activity-based costing and relevant-cost analysis situations • Illustrate how to choose products to produce regarding capacity constraints • Discuss and apply factors managers should consider in product or service add-drop decisions 	3 hours
3. Strategy and Analysis of Capital Investments (Chapter 12) <ul style="list-style-type: none"> • Demonstrate various foci and related methods of capital budgeting • Evaluate strategic considerations in capital budgeting • Identify relevant cash inflows and outflows for capital budgeting decisions 	3 hours
4. Target Costing, Theory of Constraints, and Strategic Pricing (Chapter 13) <ul style="list-style-type: none"> • Apply target costing for target pricing • Use life-cycle budgeting and costing in pricing decisions • Illustrate costing and pricing for the short run and long run situations • Illustrate issues and theory for handling constraints • Describe pricing practices regarding non-cost factors 	4 hours
5. Analysis of Productivity and Sales Variances (Chapter 16) <ul style="list-style-type: none"> • Demonstrate sales cost and revenue allocation • Conduct customer-profitability analysis • Illustrate sales-variance analysis 	6 hours
6. Management and Control of Quality (Chapter 17) <ul style="list-style-type: none"> • Understand management and control of quality • Recognize different approaches to set quality related expectations • Conduct financial measures and cost of quality • Describe nonfinancial quality indicators 	5 hours
7. Cost Centres, Profit Centres, and Balanced Scorecard (Chapter 18) <ul style="list-style-type: none"> • Recognize cost centres, profits centres in responsibility accounting • Demonstrate strategy implementation and the balanced scorecard. • Analyze and evaluate strategy implementation • Illustrate strategic uses of Balanced Scorecard under value chain and strategy map 	6 hours
8. Investment Centres and Transfer Pricing (Chapter 19) <ul style="list-style-type: none"> • Evaluate management control systems and Investment Centres • Demonstrate transfer pricing methods • Interpret sub-optimal decisions in transfer pricing practices between two divisions • Apply guidelines for determining minimum transfer price 	5.5 hours

9. Management Compensation and Business Analysis (Chapter 20)	5 hours
<ul style="list-style-type: none"> • Evaluate different performance measurement methods • Relate performance measurement with compensation • Interpret the roles of compensation and incentives for rewarding managers • Conduct business analysis 	
Mid-term test	1.5 hours
Final examination	3 hours
Total	45 hours

Teaching Method

This course is primarily conducted by means of class lectures and discussion of factors and issues affecting management performance in the management accounting literature. In addition to reading materials in the text, students are asked to perform analysis of case materials for in-class discussion, with the submission of a formal report for instructor's evaluation. Mid-term test is used to monitor students' progress and commitment of knowledge acquisition throughout the course. A comprehensive final examination is used to assess students' overall performance at the end of the course.

TLA1: Management Accounting knowledge is delivered primarily by lectures with the aid of slides on concepts of accounting methodologies, with the technical skills and techniques illustrated by solving problems.

TLA2: Discussions are part of the class activities in which teamwork will be encouraged. Current events with financial, accounting, and socio-economic implications will be raised in class to help students think and understand the linkage of the course learning with the current news events, the importance of the need of ongoing learning as well as to monitor progress of students' knowledge acquisition in Management Accounting. Short formative oral or written quizzes will be given at the end of the lessons.

TLA3: Students must prepare for assignment besides class attendance, as they will be asked to work on problems or respond to conceptual issues in the readings.

TLA4; A group project is used to assess students' ability to calculate, analyze and interpret the information of Management Accounting problems or cases.

In order to achieve the outcomes of this course, students are expected to perform the following learning tasks:

- Read and prepare assigned materials before class
- Review and work on exercises after class to evaluate understanding
- Attend seminars and meetings that help to expand the knowledge horizon
- Prepare and collect project information
- Prepare for test and final examination
- Seek advice from instructor for difficulties encountered
- Form study group to learn and practise skills and knowledge

Alignment of CILOS with TLAs:

TLAs	Brief Description	CILO No.					
		1	2	3	4	5	6
TLA1: Interactive lectures	Lectures: in-depth coverage of management accounting is presented with PowerPoint slides and other additional illustration materials as necessary Q&A: time allowed to raise questions from both instructor and students	√	√	√	√	√	
TLA2: In-class discussion exercises and formative Q&As	In-class exercises and Q&As will be discussed to direct student attention to the issues. Formative Quizzes: students will take short oral or written quizzes at the end of the class to review what they learn.	√	√	√	√	√	
TLA3: Assignments	Students are required to complete assigned questions and problems. At least one major problem will be assigned from a list of questions after each chapter at specific time. No late submission will be accepted.	√	√	√	√	√	
TLA4: Group Project and Presentation	Students are required to form a small group to present certain Management Accounting issues or cases. This provides students opportunities to integrate and apply their knowledge of cost accounting in the course. Team work and communication: In addition to reinforcing their knowledge of accounting through group interactive discussion, students can learn to coordinate their task and develop their presentation skills.	√	√	√	√	√	√

Attendance

Attendance during the course must meet the attendance requirements as stated in the “Academic Regulations Governing Bachelor’s Degree Programmes of Macao Polytechnic Institute”. Students who have less than the required attendance for the enrolled module are not eligible to attend the final or re-sit examinations and will be given an “F” as their final grade.

Assessment

The following activities and tasks (i.e. coursework components and examinations) are designed to give students experience of a broad range of approaches aimed at developing and assessing their learning. Assessment will be both formative and summative and will involve in-class Q&As, exercises, oral presentation of group report, assignments, quizzes, mid-term test and final

examination. There are desirable skills or qualities developed through this course experience, certain enhanced learning outcomes are not explicitly and individually assessed (e.g. lifelong learning habits).

Students' understanding of course material and their performance is assessed through presentation of case analysis and reports, assignments, mid-term test, and comprehensive final examination, the weighting of which is shown below:

Assessment Tasks/Activities	CILO No.						Weighting
	1	2	3	4	5	6	
In-class discussion, exercises and formative Q&As	√	√	√	√	√		5%
Assignments	√	√	√	√	√		10%
Group Project and Presentation	√	√	√	√	√	√	10%
Mid-term test	√	√	√	√			25%
Final examination	√	√	√	√	√		50%
Total:							<u>100%</u>

There will be NO make-up arrangement for mid-term test and/or final examination owing to student's absence.

Plagiarism Policy

When a student submits an assignment, he has a duty to ensure that his assignment has been checked by Turnitin software, and the similarity score given by Turnitin software cannot be higher than 30%. However, a special case can be determined by the instructor.

Teaching Materials

Course textbook

Edward J. Blocher, David E. Stout, Paul E. Juras, Steen Smith, (2019), “*Cost Management: A strategic Emphasis*”, 8th ed., McGraw Hill

References

1. Horngren, C.T., Datar, S.M & Rajan, M.V. (2019) “*Cost Accounting: A Managerial Emphasis*”, 16th ed., Prentice Hall
2. Drury, C. ,(2018), *Management and Cost Accounting*, 10th ed., South-Western Cengage Learning.
3. Garrison, R.H., Noreen E.W. and Brewer, P.C., (2018) *Managerial Accounting*, 16th ed., McGraw-Hill.
4. Eldenburg, L.G. and Wolcott, S.K., 2012, *Cost Management: Measuring, Monitoring, and Motivating Performance*, 2nd edition, Wiley.

Alignment of Program and Course Intended Outcomes

CILOs	1	2	3	4	5	6
PILOs						
1. Integrate the contemporary theories, principles of accounting and business disciplines relevant to general business practice.						
2. Assess general business scenarios with mathematical and statistical skills.	√	√	√	√	√	
3. Apply critical thinking and logical analysis skills and techniques to solve business problems.		√		√	√	
4. Interpret and analyze accounting information for internal control, planning, performance evaluation, and coordination to continuously improve business process.	√	√	√	√	√	
5. Apply accounting or business software for business analysis.						
6. Develop queries to assess management information from database to improve efficiency and effectiveness.						
7. Synthesize the latest requirement of international accounting and auditing standards in preparing financial statements and auditing reports.						
8. Utilize appropriate written and spoken forms to communicate effectively with stakeholders in various cultural environment.	√				√	√
9. Recommend an appropriate course of action by ethically examining the economic, environmental, political, legal and regulatory contexts of global business practice .						
10. Utilize the latest empirical findings and academic studies to support the recommendation of business projects.	√	√		√	√	