

Module 9: Accounting Information for Managers

Stage	2				
Semester	1				
Module Title	Accounting Information for Managers				
Module Number	9				
Module Status	Mandatory				
Module NFQ level	7				
Pre-Requisite Module Titles	N/A				
Co-Requisite Module Titles	N/A				
Capstone Module?	No				
List of Module Teaching Personnel					
Allocation of Marks (Within the Module)					
	Continuous Assessment	Project	Practical	Final Examination	Total
Percentage Contribution	20%			80%	100%

Intended Module Learning Outcomes

On successful completion of this module, the learner will be able to:

1. Describe and evaluate the role of the management accountant and their contribution to the achievement of changing organisational objectives
2. Identify and explain cost and revenue classifications and cost behaviour patterns
3. Describe, apply and evaluate marginal cost accounting techniques
4. Explain and interpret decision making techniques to evaluate business choices
5. Apply budgeting techniques and evaluate alternative methods of budgeting, planning and control
6. Compute and interpret basic variances

Module Objectives

This module is designed to provide learners with an understanding of how management accounting plays an integral part in business organisations. It highlights the importance of costs and the driver of costs in the production, analysis and use of information for decision making in organisations. It provides competencies on how to analyse information on costs, volumes and prices to take short-term decisions on products and services.

Module Curriculum

The nature and scope of management accounting

- Organisational objectives and the role of the management accountant
- Operating environment of the management accountant, internal and external
- Ethical issues facing the management accountant
- Cost centres, revenue centres, profit centres, investment centres and the impact of these on management information and appraisal
- Management information requirements
- Strategic, tactical and operational planning

Cost classification, Behaviour and Purpose

- Classification of costs – production, non-production, direct and indirect
- Cost behaviour patterns – fixed, variable, semi-variable, stepped costs
- Techniques for identifying fixed/variable elements in costs

Elements of cost

- Inventory – valuation, pricing methods, inventory control
- Labour – direct and indirect
- Overheads - direct and indirect expenses, overhead cost analysis, overhead apportionment, absorption rates

Marginal Costing

- Concept and importance of contribution
- Inventory valuation,
- Profit determination,

CVP Analysis and Breakeven Analysis

- Breakeven point, margin of safety, breakeven charts
- Target profit / revenue
- Limitations

Budgeting and Variance Analysis

- Purpose of budgeting
- Budget setting process, principal budget factor, functional budgets, cash budgets
- Standard costing – role and procedures for standard setting
- Variance analysis - calculation and interpretation of basic sales and cost variances

Reading lists and other learning materials

Drury, C., 2015. *Management and Cost Accounting*. Andover: Cengage

Drury, C., 2001. *Costing: An Introduction*, London: Thompson

Atkinson, A., 2012. *Management Accounting*. Upper Saddle River: Prentice Hall.

Bragg, S.M., 2007. *Management Accounting Best Practices: A Guide for the Professional Accountant*, Hoboken: John Wiley & Sons.

Chorafas, D.N., 2007. *Strategic Business Planning for Accountants: Methods, Tools and Case Studies*, Amsterdam: CIMA Publishing.

Horngren, C.T. et al., 2015. *Cost Accounting: A Managerial Emphasis*. Harlow: Prentice Hall.

McWatters, C.S., Zimmerman, J.L. & Morse, D., 2008. *Management Accounting: Analysis and Interpretation*, Harlow: Prentice Hall.

Module Learning Environment

The module is delivered by means of formal and participative lectures supported by tutorials, providing learners with an understanding of management accounting principles and techniques. Learners are guided and supported through a structured learning process.

Module Teaching and Learning Strategy

The lectures and tutorials are supplemented by module notes on specific issues that may require closer examination, analysis and research. Learners are given ample examples in order to develop management accounting techniques and understanding. An extensive question pack is used for in-class and independent practice.

Module Assessment Strategy

20% of the marks are allocated to coursework. The assessment may include the interpretation and discussion of management accounting techniques presented in essay and/or report format or could include an in-class test.

The remaining 80% is allocated to an end of semester closed book examination which requires learners to complete four questions from a possible five. The questions contain both theory and practical elements and many of the module learning outcomes may be assessed in the exam.