

## Module 18: Performance Management

<b>Stage</b>	3				
<b>Semester</b>	1				
<b>Module Title</b>	Performance Management				
<b>Module Number</b>	18				
<b>Module Status</b>	Mandatory				
<b>Module NFQ level</b>	8				
<b>Pre-Requisite Module Titles</b>	Accounting Information for Managers, Management Accounting Systems and Analysis				
<b>Co-Requisite Module Titles</b>	N/A				
<b>Capstone Module?</b>	No				
<b>List of Module Teaching Personnel</b>					
<b>Allocation of Marks (Within the Module)</b>					
	<b>Continuous Assessment</b>	<b>Project</b>	<b>Practical</b>	<b>Final Examination</b>	<b>Total</b>
<b>Percentage Contribution</b>	20%			80%	100%

### Intended Module Learning Outcomes

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

1. Describe and evaluate the principles of strategic management accounting
2. Select and apply planning and control models and tools to plan and monitor organisational performance
3. Generate and interpret relevant information for management decision making
4. Evaluate the strategic performance of a business using appropriate performance measures
5. Identify the information needs of management and recommend suitable systems for implementation
6. Demonstrate an appreciation of current developments in management accounting

### Module Objectives

This module builds on the knowledge acquired at Stage 2. It provides the learners with an understanding of strategic management accounting principles. It enhances and further develops the learner's ability and awareness of advanced management accounting techniques and topics.

### Module Curriculum

#### Strategic management accounting

- Objectives of management accounting in relation to planning, control and decision making
- Behavioural implications of different costing approaches including performance evaluation, costing approaches for profit reporting, pricing of products and services

#### Cost and Management accounting techniques

- Absorption, marginal and opportunity cost approaches to the accumulation of costs

- Activity based costing, use of cost drivers and activities
- Life cycle costing
- Target costing
- Back-flush accounting
- Throughput accounting

### **Planning and control**

- Objectives of budgeting, planning and control systems including behavioural implications
- Evaluations of budgetary systems such as fixed, flexible, zero based, incremental periodic, continuous and activity based
- The budgetary system, principal budgets, cash budgets and a review of budgets
- Forecasting techniques including basic time series analysis, simple average growth models and estimates based on judgment and experience
- Use of computer based models, benefits and dangers
- Behavioural aspects

### **Standard Costing and Variance Analysis**

- Standard setting, difficulties, behavioural implications
- Planning and operational variances
- Mix and yield variances
- Interpretation of variances
- Effect of variances on staff motivation and action

### **Decision making techniques**

- Pricing strategies and the evaluation of pricing decisions
- Price / demand relationships
- Relevant costs and pricing decisions
- CVP analysis and profit maximisation
- Product profitability and limiting factor analysis, theory of constraints, linear programming techniques
- Dealing with risk and uncertainty in decision-making

### **Performance measurement and control**

- Balanced scorecard and the performance pyramid
- Management impact on performance measurement
- Accountability issues
- Benefits and problems of performance measurement
- Divisional performance and transfer pricing, return on investment and residual income
- Format of reports, analysis and dissemination to relevant users
- Current developments including advanced manufacturing technologies

### **Reading lists and other learning materials**

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

### **Recommended Reading**

Emmanuel, C., Otley, D., (current edition) *Readings in Accounting for Management Control*, Chapman & Hall

Sizer, J., 1989. *An Insight into Management Accounting*. London: Penguin.

Boardman, A. et al., 2014. *Cost Benefit Analysis: Concepts and Practice* Harlow: Pearson.

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.

Feinschreiber, R.(2004). *Transfer Pricing Methods: An Applications Guide*, Hoboken: John Wiley & Sons.

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.

Clarke, P., 2010. *Managerial Accounting - Costing, Decision-Making and Control*. Dublin: Chartered Accountants Ireland.

Sheppard, G., 2011. *Management Accounting, a Practical Approach*. Dublin: Gill and Macmillan

Seal, W. et al, 2015. *Management Accounting*. Maiden Head: McGraw-Hill.

### **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 strategic management accounting techniques presented in essay and/or report format.

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 could be assessed in the exam.