

Module 14: Management Accounting Systems and Analysis

Stage								2
Semester								2
Module Title								Management Accounting Systems and Analysis
Module Number								14
Module Status								Mandatory
Module NFQ level								7
Pre-Requisite Module Titles								Accounting Information for Managers
Co-Requisite Module Titles								N/A
Capstone Module?								No
List of Module Teaching Personnel								
Contact Hours					Non-contact Hours		Total Effort (hours)	
46					54		100	
Lecture	Practical	Tutorial	Seminar	Assignment	Placement	Independent Work		
36		10		12		42	100	
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. Apply and evaluate appropriate cost accounting techniques to identified circumstances
2. Identify and explain cost behaviour patterns
3. Describe and evaluate the role of budgets and budgetary control as a tool to enable organisations to develop and assess performance
4. Compute, interpret and investigate variances
5. Select and appropriately apply decision making techniques to evaluate business choices

Module Objectives

This module is designed to provide learners with an understanding of different costing systems and techniques used to assist management in the decision making process. It provides a thorough grounding in Management Accounting systems and procedures. The aim is to provide the learner with the skills to utilise a variety of costing techniques in a range of practical business situations and enable learners to analyse management accounting information and apply it to a wide range of planning, control and decision situations.

Module Curriculum

Treatment of the elements of cost

- Inventory – valuation, pricing methods, inventory control
- Labour – remuneration methods, productivity
- Overheads - overhead apportionment including reciprocal service centres, absorption rates, under/over absorption

Costing methods and techniques

- Marginal costing
- Absorption costing - inventory valuation, profit determination
- Reconciliation of profits under marginal and absorption costing
- Job costing, batch costing – appropriate situations for use
- Service costing – suitable unit cost measures, appropriate situations for use
- Process costing
 - concepts of normal and abnormal losses and gains,
 - concept of equivalent units using FIFO and weighted average methods,
 - by-products and joint products

Decision-making techniques

- CVP Analysis and Breakeven analysis
- Limiting factors - contribution per limiting factor, graphical approach
- Relevant costing techniques
 - concept of relevant costing
 - relevant costs for materials, labour and overhead
 - opportunity costs
 - make or buy, shut down and one-off contract decisions

Information for planning and control

- Fixed and flexed budgets
- Standard costing and Variance Analysis
 - calculation and interpretation of sales and cost variances
 - reconciliation reports
 - interpretation of variances and identification of possible causes

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 could be assessed in the exam.