# Management Accounting

## Prof. Andrea Cioffi

***COURSE AIMS AND INTENDED LEARNING OUTCOMES***

The course aims to develop knowledges of purposes, functioning logics and methods of use of management accounting systems in the context of business management, with particular reference to the algorithms for assessing the economic convenience of alternative path actions in the short term, as well as analytical accounting tools, budgets, reporting and variance analysis. Throughout the course, lectures will include explanations on theory, examples and practical classes.

At the end of the course, students will be able to:

1. demonstrate knowledge and understanding of the purposes of management accounting systems and its constituent elements, with reference to technical, accounting and organisational aspects;
2. demonstrate knowledge of and apply the design criteria and methods of use of necessary tools for systems (analytical accounting, budget, reporting systems, variance analysis);
3. demonstrate knowledge of and apply the cost-effectiveness evaluation algorithms to support short-term decisions (differential analysis and cost-volume-results analysis);
4. autonomously interpret information produced by the management accounting system in order to make judgments of economic convenience;

5. communicate information produced by the management accounting system to various company recipients;

6. evaluate the contribution provided by the management accounting systems to business management;

7. advance in management accounting system studies.

***COURSE CONTENT***

The course lasts 60 hours and is divided into three groups of topics as follows.

Module 1 (part 1): ‘*Costs and managerial decisions in the short term’*

The role of the planning and control process in a company: purpose and elements.

Algorithms supporting short-term cost-effectiveness choices: differential analysis and cost-volume-results analysis.

Module 1 (part 2): *‘Cost accounting systems’*

The cost accounting system: purpose and structure.

The criteria for designing analytical cost accounting systems. The definition of calculation objects. The choice of cost configuration. Cost calculation methods.

Module 2: *‘The budgeting and reporting system’*

The evolution of the concept of budget; the structure and development of master budget, the organisational dimension of the budget process. The reporting system and the analysis of variances. Management by objectives.

***READING LIST***

Students are expected to study in depth the following textbooks:

S. Baraldi-A. Cifalinò-P. Sacco (edited by), *I sistemi di programmazione e controllo,* Giappichelli, Turin, 2011.

S. Baraldi-A. Cifalinò-P. Sacco, *Esercizi svolti di programmazione e controllo,* Giappichelli, Turin, 2013 (fourth edition - revised reprinting).

The following material will be published on Blackboard: (i) chapters of the reference texts regarding to the content covered in each lecture and related to the modules in which the course is structured; (ii) further support material for lectures (slides and exercises).

***TEACHING METHOD***

During the entire course, frontal lectures will alternate with explanations on theory, exemplifications and practical classes.

***ASSESSMENT METHOD AND CRITERIA***

The exam comprises a written test structured in questions and exercises to be followed by an oral exam, if the outcome of the written test is positive

Students attending class on a regular basis will be given the possibility of being assessed based on two written tests (an interim test at the end of the first module and a second final test on the first exam date of the first exam session); students can sign up for the two tests on Blackboard. Each written test (interim test and final test) includes open-ended questions and exercises. Students must obtain pass marks in both tests. Otherwise, they will need to take the exam during the ordinary examination session, with the written test and oral exam described above. The two tests, if passed, contribute 50% each the final mark.

Assessment is based on the following criteria: knowledge and understanding not only of the meaning of the models studied, but also of their application (demonstrating the ability to identify relevant information and to choose which methodology to apply to a given problem, correctly use the technical and accounting tools, and provide and discuss examples); critical approach to the subject, also by discussing advantages/disadvantages of studied models under the conceptual and application profiles and their ability to link various aspects of the management and control system; topic, technical and language mastery also in the communication of management and control information.

***NOTES AND PREREQUISITES***

A document with useful information for students interested in writing their dissertation (topic choice, research for reading list, arrangement of the reading list, research method, index, writing of the draft) is published in Blackboard.

In case the current Covid-19 health emergency does not allow frontal teaching, remote teaching will be carried out following procedures that will be promptly notified to students.

Further information can be found on the lecturer's webpage at http://docenti.unicatt.it/web/searchByName.do?language=ENG, or on the Faculty notice board.