# Management Accounting

## Prof. Angelo Amaglio

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

The course aims to develop knowledge of purposes, functioning logics and methods of use of management accounting systems in the context of business management, with particular reference to companies in the tertiary sector and services. The course examines 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.

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

1. acquire and understand the purposes of the planning and control system and its components, with reference to technical-accounting and organisational aspects;
2. acquire and apply planning criteria and methods of use of tools required for the operation of the planning and control system (analytical accounting, budget, reporting systems, variance analysis);
3. acquire and apply algorithms for assessing economic convenience for short term decision making (differential analysis and cost-volume-results analysis);
4. interpret independently information generated by the planning and control system in order to assess economic convenience;
5. communicate information generated by the planning and control system to various company recipients;
6. assess the planning and control systems’ contribution to business management activities;
7. undertake further study on planning and control.

The course is divided into two modules lasting 30 hours each, for a total of 60 hours. The content 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 management accounting 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 design criteria of analytical 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, 2021.

The following is published on Blackboard: (i) the reference to the chapters of the texts on the contents covered in each lecture of the course modules; (ii) further supplemental material (slides ad exercises).

***TEACHING METHOD***

During the course, frontal lectures will include explanations of theory, exemplifications and applicative exercises.

***ASSESSMENT METHOD AND CRITERIA***

The exam will be written with open-ended questions and exercises regarding topics from Modules 1 and 2.

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 at the end of the semester); 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. Each of the two tests, if passed, counts 50% the final mark.

Assessment is based on the following criteria: students’ knowledge and understanding of studied models; ability to apply the tools, techniques and algorithms included in the programme and also to demonstrate the ability to identify relevant information, choose which methodology to apply to a given problem as well as present and discuss examples; critical approach to the subject, also by discussing advantages/disadvantages of the models studied from a conceptual and applicative point of view, and the ability to link various aspects of the planning and control system; thematic, technical and language mastery also when communicating information on planning and control.

***NOTES AND PREREQUISITES***

Further information will be made available on Blackboard.

A document with useful information is published on Blackboard for students interested in their dissertation (choice of topic, bibliographic research and reading list preparation, research method, ToC and dissertation drafting information).

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.