# Management accounting

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

The course aims at:

* clarifying the functions of management control systems;
* understanding and explaining how these systems can actually support managerial processes in business organizations;
* analyzing the basic accounting tools for planning and control (cost accounting, budgeting, reporting, variance analysis);
* pointing out the role of management accounting in business decision making.

At the end of the course, the student will:

1. know the purposes of the management control system, its components (organizational structure, technical tools and management process) and the use of main management accounting tools (cost accounting, budgeting, reporting systems, variance analysis);
2. be able to design management accounting system according with the companies’ needs and to appropriately apply the main financial analysis methods supporting short-term decisions, such as cost-volume-profit analysis and differential analysis;
3. be able to read and interpret the economic information produced by the management control systems;
4. be familiar with management accounting terminology and able to communicate the information produced by the management control systems;
5. be equipped with the knowledge basis and capacity to collect additional information that are needed to tackle more advance in management control studies.

***COURSE CONTENT***

The course is made up of two 30-hour modules, for a total of 60 hours. The contents of each module can be summarized as follows:

*Module 1*

* The role of management control systems in business organizations.
* Focus on decision making: cost behavior, relevant information, cost-volume relationships, pricing decisions.
* Cost-volume-profit analysis.
* Cost accounting systems: cost objects, direct costing vs full costing, costs allocation.

*Module 2*

* The master budget and its use in business organizations.
* Operating and financial budgets.
* Variance analysis and reporting.
* Management control systems and responsibility accounting.

***READING LIST[[1]](#footnote-1)***

C.T. Horngren-G.L. Sundem-W.O. Stratton-D. Burgstahler-J. Schatzberg, *Introduction to management accounting,* Pearson, 2013, 16th edition. Chapters: 1 and 2; From 4 to 9; 12 and 13.

In Blackboard are published: (i) the reference to the text chapters associated with the contents dealt with in the individual lessons related to the modules in which the program is structured; (ii) further material supporting class attendance (slides, exercises).

***TEACHING METHOD***

Teaching methods include formal lectures as well as examples, discussion of short cases and exercises in order to enhance students’ active participation and learning. Class participation is strongly recommended.

***ASSESSMENT METHOD AND CRITERIA***

Grading is based on a written test structured in questions and exercises with open-ended answers relating to the contents of the first and second module.

Attending students have the opportunity to accomplish the exam in two stages: the midterm exam and the final exam. The first partial test, taking place during midterm class suspension, concerns the first module; the second partial test, taking place during the spring exam session, concerns the second module. Both tests are in written form and include open questions about the theoretical contents as well as exercises. The final grade is determined by the average mark of the two tests. If one of the two test is failed, students have to take the complete exam as specified above.

Students planning to take the midterm test are required to register via the Blackboard platform.

The student's preparation is evaluated according to the following criteria: knowledge and understanding of the models studied; ability to apply the tools, techniques and algorithms included in the program, also demonstrating the ability to identify relevant information, choose which methodology to apply to a given problem, propose and argue examples; critical approach to the subject, also by arguing the advantages/disadvantages of the models studied from a conceptual and applicative viewpoint and the ability to link the various aspects in which the management control system is articulated; thematic, technical and linguistic mastery also when communicating management control information.

***NOTES AND PREREQUISITES***

Further information can be found on the lecturers' webpages or is available on Blackboard.

1. I testi indicati nella bibliografia sono acquistabili presso le librerie di Ateneo; è possibile acquistarli anche presso altri rivenditori. [↑](#footnote-ref-1)