

CEU Business School

Central European University



MSC IN FINANCE BUSI 5514 Strategic Managerial Accounting (1.5 credits)

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1. PREREQUISITIES

Accounting

2. POLICY ON ADMITTING NON-MBA STUDENTS

It is the general policy of the Business School to admit students from other units of CEU, provided that the prospective student meets the course prerequisites stated above.

3. REQUIRED TEXT & READINGS AND WHERE AVAILABLE

Case studies and handouts will be distributed electronically before and during the course.

There are several useful textbooks which are recommended for this course. A sample is listed below:

Tom Groot- Kari Lukka: Cases in Management Accounting (Prentice Hall, 2011)
Hopper- Northcott-Scapens: Issues in Management Accounting, Prentice Hall, 3rd edition, 2007
Kaplan-Norton: The Balanced Scorecards – Translating strategy into Action, Harvard Business School Press
Kaplan-Atkinson: Advanced Management Accounting, Prentice Hall, 5th edition onwards
Hoque: Strategic Management Accounting, Pearson, 2nd edition, 2003

4. COURSE OBJECTIVES

It is vital for corporations to remain competitive in today's dynamic operating environment. In this course, we will present and analyse a framework for creating a value-based performance management system. The techniques, methodologies, theories and practices behind organisational and customer value creation will be presented in an analytical and critical manner.

The main aims of the course are to raise participants' awareness to the best practices and latest developments in performance management accounting and to illustrate real-life uses of the changing nature of accountancy in the organisation. Participants will be provided with an understanding of the strengths and limitations of accounting for performance, considering the behavioral and ethical aspects of management systems.

5. MAIN TOPICS

- The inadequacy of 'profit' as the only performance measure - the changing business landscape in the 21st century
- Customers, suppliers and key stakeholders - The need for strategic management information and its uses
- Specialist cost and management accounting techniques
- Decision-making: what influences it? What aspects to consider?
- The influencers on pricing decisions and target costing
- Better budgeting and the meaning of variances to budget
- Setting organizational goals and evaluating performance
- The balanced scorecard and other measures of performance

6. INTENDED LEARNING OUTCOMES

Financial decision – making encompasses all aspects of an enterprise. Students will learn how to incorporate differing and sometimes contradicting points of view into financial decision-making and will appreciate the usefulness and also the limitations of focusing on the financial aspects of particular situations.

Students will be given the tools of financial analysis and decision-making, but will be expected to use these while taking personal responsibility for decisions. They will be expected to make informed choices and defend their own personal stances when making decisions.

Managerial accounting is fundamental to proper business operations and management information systems constitute the basis of managerial decision-making. Students will be expected to understand the usefulness and characteristics of such information

systems and will learn how to contribute to system design and operation. Such systems are driven by the strategic needs of organisations and students will learn how to incorporate strategic goals and design performance measures.

<i>Core Learning Area</i>	<i>Learning Outcome</i>
<i>Interpersonal Communication Skills.</i>	Students will be able to express and supplement their own analysis and conclusions in financial terms, the common business language.
<i>Technology Skills</i>	Students will understand and be encouraged to use specialist financial software.
<i>Cultural Sensitivity and Diversity</i>	Students will have increased understanding and acceptance of diversities of viewpoints
<i>Quantitative Reasoning</i>	Students will be asked and encouraged to use quantitative analytical frameworks for supporting organisational decision-making.
<i>Critical Thinking</i>	Students will be encouraged to question the applicability of conventional prescriptions, as well as the impact of non-quantitative information.
<i>Ethics and Responsibility</i>	Students will be motivated to consider the ethical limitations of shareholder wealth maximization.
<i>Management Knowledge and Skills</i>	Non-specialist managers will have basic knowledge and skills to critically appraise the contributions and limitations of finance specialists to joint-decision making.

7. HOW THE CLASS SESSIONS WILL BE CONDUCTED

The class methodology builds primarily on problem-solving and discussion. Students are therefore expected to do the necessary reading and preparation beforehand in order to get maximum benefit out of the course.

8. POLICY ON THE AVAILABILITY OF LECTURE NOTES

Course materials will be put on moodle. Students will be required to print a certain amount of materials for use in class.

9. MINUTE PAPERS

Minute papers are unannounced short written exercises, given at the beginning, during, or end of a class. Their purpose is one or more of the following: (1) to check

preparation on the assignment's key points; (2) to stimulate critical thinking and sound reasoning; and (3) to obtain feedback about topics discussed in class.

10. POLICY ON CLASS ATTENDANCE

Regular and punctual attendance at every class session is a requirement of all degree programs at CEU Business School. Each class covers material not found in the readings. Furthermore, participation in class discussions is an important part of the learning experience for all students as well as a factor in grading. Any absence may affect your grade. If illness or another unusual circumstance requires missing a class, please do your best to inform me (or, if I cannot be reached, the Program Manager) in advance. A grade of "AF" (Administrative Fail) may be assigned for failure to regularly attend a course, to drop the course in time, or to complete requirements on time. This is a general CEU regulation that the Business School also follows. The "AF" grade earns no credit, 0 points, and affects your GPA in the same way as a regular "F" grade. Lateness will not be tolerated—it is disruptive and disrespectful to the class. Therefore, the requirement for punctuality is 100% and the consequences of disregarding this policy is after two lateness's, the course grade is reduced by 10 percent.

11. CLASS PARTICIPATION

Please note that class attendance and active participation are essential for the success of the course. Therefore, the use of laptops, tablets and other mobile devices is forbidden during the course unless specifically required for class exercises.

12. GRADING

The assessment for the course comprises of 2 parts, with their respective weights detailed below:

25% class presentation, class attendance, seminar preparation, problem solving and class participation
75% assignment preparation

Grading is based on the total score in line with standard grading patterns at CEU.

Homework and presentations will be divided between respective student groups where you will be expected to discuss and address the questions prior to each class session. Students present their discussions/findings/calculations during the seminar sessions. Each group member should stand ready to present.

The assignment is expected to be individual. Participants may choose from a range of topics and submit their work after class. The topics may cover issues in their own organisations or be based on research done in the chosen field. The assignment is expected to be analytical in nature and to address current issues in the field of performance management.

Adequate class participation is *required* for passing the class. This includes thoughtful contributions to class discussions and active participation in preassigned presentations.

13. ACADEMIC INTEGRITY

The Business School expects all students to adhere to the fundamental principles of academic integrity in any and all behaviours associated with their course work and otherwise, as stated in the CEU Honor Code (see Student Handbook). Attempted cheating of all forms is treated extremely seriously and can result in dismissal from the School and University.

14. LIBRARY AND INTERNET LIBRARY RESOURCES

The CEU Library, at Nador St. 9, has the largest collection of English-language materials in the social sciences and humanities in Central Europe: 180,000 monographs and 30,000 volumes of periodicals, working papers, dissertations and so on. CEU faculty and students have access to 30,000 electronic journals, searchable via the Journal Search tool on the library catalogue page (<http://goya.ceu.hu/>; the icon is in the upper right corner).

CEU Business School core faculty, students and staff are automatically eligible for full membership in the Library, after registering at the Circulation Desk. (To use the Library, adjunct faculty should first obtain a pass at the B School Academic Office Rm 311.)

The CEU Library has 5,000 business-related titles, supplemented by leading electronic databases, accessible through <http://www.library.ceu.hu/databases.html> (Click on the icons and then click on the tag next to “connect to”.) The Ebsco Host Business Source Complete contains 3,700 periodicals in full text, many monographs, some case studies, and videos of the Harvard Faculty Seminar Series. *Emerald Management Journals* collection has a portfolio of 175 journals in management, marketing, econ and finance.

New business databases include *OneSource*, the most comprehensive company & executive information. *Global Market Information Database* has comprehensive data and reports across industries, countries and type of consumers. *Thomson One Banker* provides data on internationally quoted companies, international stock exchange indices, private equity, and financial deals. *Science Direct* is an extensive full-text database covering authoritative titles from the core scientific literature. *The Company Dossier* in Lexis Nexis Academic allows users to browse in-depth company profiles and industry reports. Core statistical databases include IFS, GFS Online, OECD Main Economic Indicators, National Accounts Statistics, and Tax Statistics. *Econlit* at the CSA/Proquest platform provides bibliographic coverage of a wide range of economics-related literature.

Business dailies and weeklies can be accessed through the library. **Business Eastern Europe** by EIU is a weekly briefing on operating a business in Eastern Europe. **Country Reports** also by EIU provide in-depth economic, political and business analysis and short-term market outlooks. Electronic versions of *The WSJ* are in PressDisplay. *The Economist* is included by EbscoHost. For *The Fin. Times online*, see Journal Search.

News on economic and social developments in the Caucasus and Central Asia can be downloaded directly (not via the CEU Library): <http://www.icegec.hu/eng/index.htm>.

Help with Case Studies and Research Projects

Available on CEU Library reserve is a reference work that students preparing case-study assignments or undertaking individual or team research projects should find helpful, *Business Case Studies: Preparation, Teaching and Learning* (compiled, with contributions, by Susan Harmeling, Lead Case Writer, Harvard Business School, and Paul Marer, Professor, CEU Business School). This work, whose reference code is CM-GSB, can be found on the shelf marked Business School Readers, right behind the Circulation Desk, at the CEU Library on Nador utca.

The VPN access makes it easy to reach from outside of the CEU network the full version of UIS and all CEU Library databases and journals. (Visit <https://vpn.ceu.hu>, accept the security-certificate, and enter: **User name:** ceubs **Password:** Ceubusi987. The password is case sensitive, and to enter it, only the virtual keyboard appearing on the screen can be used. Once logged in, the "built in" browser can be used to access the respective sites: UIS: <https://infosys.ceu.hu>.

15. COURSE OUTLINE

S1	<p>What is strategic management information</p> <p>The need for strategic management information and its uses, users and their needs</p> <p>Advantages, uses and limitations of current organisational information systems</p> <p>Beyond the numbers: managing for value and strategic alignment</p> <p>Traditional costing methods revisited: costs for capacity and allocations of overheads, their implications for performance management</p>
S2	<p>Decision – making and value creation</p> <p>Activity-based costing and throughput accounting</p> <p>Customer profitability analysis and customer accounting</p> <p>The Value Chain and its implications for organizational effectiveness</p> <p>Lifecycle costing and customer profitability</p> <p>Target costing: decisions and considerations</p>
S3	<p>Managing for value in organizations</p> <p>Pricing as a signal to customers and employees: techniques and implications</p> <p>Performance measures: achieving motivation and congruence</p> <p>Choosing and using a mix of performance measures</p>

	Analyzing performance in organizations: variances and their use and limitations
S4	<p>Economic and shareholder value added and The balanced scorecard. Performance management for the future</p> <p>The issues with traditional financial measures of performance</p> <p>Vision, mission and the strategy map</p> <p>Value propositions</p> <p>Creating scorecard measures : the finance input</p>
S5	<p>Using budgets for strategic advantage</p> <p>Budgeting types and current practices: incremental, zero-based and rolling budgets</p> <p>Behavioral implications of budgets and goal incongruence</p> <p>Is there an alternative? Beyond budgeting</p> <p>Planning systems and methodologies in organizations: how to choose the most appropriate</p>
S6	<p>Current issues and summary</p> <p>Performance measurement and behavioral implications: case studies and discussion</p>

16. BIO of Instructor

Laura Ipacs, MBA, FCCA has her MBA from Imperial College, the University of London. She qualified as a certified accountant (ACCA) in 1994 and is now a Fellow of the Association.

She started her work career with Coopers&Lybrand, in Corporate Finance Services, where she spent three years. She then moved on to finance director positions with multinational enterprises in Hungary, and spent seven years in management before moving into finance training.

She has lectured extensively to corporate audiences and at universities in Europe, South America and Asia. She has considerable expertise and experience in financial reporting, financial strategy and in internal performance management. She has been a regular lecturer and advisor to corporations such as DHL or ENI on financial reporting in both Europe and China. She also provides exam training for professional accountancy qualifications to major audit firms such as PWC in the whole Central and Eastern European region.

She has been lecturing for CEU Business School since 2005, in accounting and finance and her courses are among the most popular.