

Syllabus

Strategic Managerial Accounting

- **Instructor:** Ms Laura Ipacs, ipacsl@ceu.edu
- **Credits:** 1,5 (3 ECTS)
- **Term:** Fall 2017-2018
- **Course level:** MBA
- **Prerequisites:** Accounting

Course description

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.

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. Managerial 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.

Reading list

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

Assessment

25% 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.

The assignment guidelines are as follows:

The assignment may be done individually or in small groups of up to 4 people. In the latter case, please note that all group members will be given the same grade.

Two options are given for the class:

- written essay – style paper
- presentation of a given case study

Course schedule and materials for each session

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| S1 | <p>What is strategic management information</p> <p>The changing business landscape in the 21st century</p> <p>The need for strategic management information and its uses</p> <p>Beyond the numbers: managing for value and strategic alignment</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 organisational effectiveness</p> <p>Lifecycle costing and customer profitability</p> <p>Target costing: decisions and considerations</p> |
| S3 | <p>Managing for value in organisations</p> <p>Motivation and congruence</p> <p>Choosing and using a mix of performance measures</p> <p>Employee empowerment</p> <p>Analysing performance in organizations: variances and their use and limitations</p> |
| S4 | <p>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 style="padding-left: 40px;">Budgeting types and current practices: incremental, zero-based and rolling budgets</p> <p style="padding-left: 40px;">Behavioural implications of budgets and goal incongruence</p> <p style="padding-left: 40px;">Is there an alternative? Beyond budgeting</p> |
| S6 | <p>Current issues and summary</p> |