Aim of the Course
It is virtually impossible for managers to function without information. Information is vital for the management process, and accounting is one of the major information systems within any organization. A sound understandings of accounting is absolutely necessary for managers to fulfill their organizational roles responsibly and competently. This course will help you understand basic accounting concepts and know how to use accounting information to be able to manager effectively.

Course Content
Managers need an information system that will identify problems, such as the possibility of cost overruns or the inability to implement the plans for a factory building and a big order timely delivery. Accounting information can also be useful in identifying solutions to managerial problems. For instance, it can help a manager decide whether to reduce prices and increase advertising to improve profitability or whether to automate or not. Additionally, accounting information can help managers assess how well things are going within the organization, such as quantifying the firm’s control of quality costs or evaluating the efficiency of a sub-unit.

The management process includes the following main activities: (1) planning, (2) decision-making, and (3) controlling. We will consider in details these three activities over the term in three separate parts of the course.

Course outline
Part 1. Cost accumulation and product costing


Part 2: Managerial decision making.


6. **Relevant cost for special decisions.** Relevant costs applications. Make-or-buy decisions. Keep-or-drop decisions. Special-order decisions. Decisions to sell or process further. Product mix decisions.

7. **Capital investment decisions.** Types of capital investment decisions. Future value and present value. Discounting models: the net present value method and internal rate of return.

Part 3: Planning and control


**Course format**

We will cover each of these topics in class. The *lectures* will present the main concepts with references to real business situations. Additionally, we will examine some numerical examples to facilitate the process of understanding.
In the **practical session** on the topic (usually the Friday session, see the attached provisional schedule for details) we will: (1) discuss newspaper articles (i.e., articles published in The Economist, Financial Times or BusinessWeek) which present the importance and managerial applications of our theoretical constructs, and (2) step-by-step solve numerical exercises. The idea of this practical session is to strengthen our understanding on managerial accounting with good intuition and advanced technical skills.

Additionally, over the course we will discuss in details a **case study** which will present the inter-relation between the topics covered by the course. It will not only give you the “big picture” but also help you prepare the “X-tra point” assignment, if you decide to take this chance.
Grading policy
The final exam will be based on the lecture notes, exercises and case material. The course is graded from 0 to 10 points. There are no minimum requirements for the specific components of the evaluation. Passing the course necessitates a minimum average grade of 5 points.

Evaluation at the ordinary term
At the ordinary term, the final grade for the course will be determined on the following basis:

Class participation: 15%
Quizzes, assignments: 20%
Mid-term exam: 25%
Final exam: 40%

Evaluation in September
For students retaking the exam in September, the grading basis will be as follows:
Class participation, quizzes and assignments: 10%
September exam: 90%

X-tra point
If you want to demonstrate your good knowledge and increase your final grade, you may decide to compete for the X-tra point. The X-tra point assignment is a group work which requires a significant investment in terms of time and efforts but is rewarded with 1 point added extra to your final grade. This reward will be given in a tournament-based competition, i.e., only the members of the winning group will have 1-point increase in the final grade (if the course grade is above 9, the reward will be transformed in "honors" added to the final grade).

Specifications on the Assignments
1. If two (or more) students turn in same / very similar assignments or quizzes, both assignments will be graded as zero points.
2. If a student does not hand in any of the assignments throughout the course, he / she will receive zero points from the whole category of quizzes and assignments in the ordinary period (15%), and zero points from the whole category of participation, quizzes and assignments in the September exam (10%).
Course Literature


Note: If you prefer or have access to a particular book on management accounting, please, come to me and I will advise you how appropriate it is for this course.

Provisional content schedule of our classes

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<td>30 2. Conv. product costing</td>
<td>1 2. Conv. product costing</td>
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<td>Holidays</td>
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Legend
Part 1. Cost accumulation and product costing
Part 2: Managerial decision making.
Part 3: Planning and control
Exams, overviews, case study and open discussion