BF2210 - MAKING MANAGERIAL DECISIONS USING ACCOUNTING INFORMATION

Module Number: BF2210

Module Title: Making Managerial Decisions Using Accounting Information

Number of Aston Credits: 20

Total Number of ECTS Credits: 10
(European Credit Transfer)

Staff Members Responsible for the Module:

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Availability: Students can book an appointment with me at: https://wass.aston.ac.uk/wass/pages/login.page.php
or please contact the group administrator, Rosaleen Shirley, ABS404, Extension 3238

Other Staff Contributing to the Module:

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Rosaleen Shirley, Room NB404, Extension 3238

Pre-Requisite(s) for the Module:

BF1114 - Introduction to Management Accounting
BF2262 - Management Accounting (Combined Honours)

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Module Learning Outcomes:

This module examines the functions and techniques of accounting used by managers to plan and control their organisations and the behavioural problems encountered when doing so. Drawing on examples from the private, public and not-for-profit sectors, the module aims to cover traditional and innovative approaches to managerial decision making.

Upon successful completion of the module students will be able to:

- Identify the key relevant information from an organisational setting and formulate it as a problem.
- Select appropriate accounting technique(s) to solve the problem.
- Perform the necessary calculations to apply the technique(s).
- Analyse the results and communicate their relevance, meaning and implications to other management team members.
- Critically evaluate organisational performance at a variety of levels, using financial and non-financial measures.
- Understand the relationship between financial and non-financial information in planning and controlling organisations.
- Understand the limits to organisational rationality in the planning, control, performance measurement and organisational decision-making processes.

Module Content:

Managers use accounting to help them define the problems their organisations face, to make decisions concerning those problems and to communicate their decisions to others. Building on the first year introduction to management accounting (BF1114, or BF2262 for Combined Honours), this module explores the accounting techniques that are appropriate to different situations.

The module assumes that management is a team activity. Accountants are part of the management team whose role it is to supply appropriate information to enable managers to take decisions and to plan and control their organisation, whether it is for-profit or not-for-profit, manufacturing or service-based, private or public sector. This information must be relevant and clearly communicated to the other members of the team.

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	Term One (weeks 1-11)	Reading
Week 1	Introduction to management accounting, including cost classification, cost behaviour and cost concepts.	D 1, 2
Week 2	Marginal versus absorption cost profit statements; over/under absorption of overheads	D 1, 2, 7
Week 3	Alternative costing approaches 1: Absorption Costing	D 7, 3
Week 4	Alternative costing approaches 2: Activity-Based Costing	D 10. 3
Week 5	Cost-Volume-Profit Analysis 1: operational gearing; combined operational and financial gearing	D 8
Week 6	Cost-Volume-Profit Analysis 2: multi-product settings	D 8
Week 7	Relevant Costs for Decision-making	D 9
Week 8	Pricing decisions and profitability analysis	D 11
Week 9	Capital investment decisions 1: Appraisal methods	D 13
Week 10	Capital investment decisions 2: Strategic capital investment decisions	D 14
Week 11	Case Study Assignment	
	Term Two (weeks 14-23)	
Week 14	The budgeting process	D 15
Week 15	Management control systems	D 16
Week 16	Standard costing and variance analysis 1	D 17
Week 17	Standard costing and variance analysis 2	D 18
Week 18	Divisional financial performance measures	D 19
Week 19	Transfer pricing in divisionalized companies	D 20
Week 20	Strategic management of costs	D 21
Week 21	Strategic management accounting and emerging issues (Balanced Scorecard)	D 22

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Week 22 Management Accounting in its Organizational Context – role & significance of management accounting

Week 23 Review

All references are to Drury (2008), Management and Cost Accounting (7th edition), Cengage Learning.

International Dimensions:

The module draws on the UK, US, European and Japanese literature and cases and draws contrasts from management accounting in these jurisdictions.

Corporate Connections:

The module draws on research in national and international organizations by the course controllers.

Links to Research:

The module content draws from the broad research interests of staff contributing to the module, in addressing the role and importance of accounting perspectives, techniques and practices in contemporary organisations. In particular, the module's focus on decision making using accounting information links to staff's research on relationships between financial and non-financial information in organisations; the boundary of the organisation and its impacts; performance measurement and management processes; and the limits and extent of organisational rationality in decision-making. In addition, the pedagogical approach of the module draws from contemporary research in accounting education, in terms of engaging students with inter-disciplinary perspectives.

Specific research publications by staff engaged in the module cover areas such as: the changing role of professional accountant; the role of women in the profession; the impact of accounting and other information technologies such as enterprise resource planning and Casemix systems; performance management systems and the management of intellectual capital.

Learning and Teaching Rationale and Methods:
(Including Composition of learning hours)

Lectures are over two terms with 2-hour sessions per week.

Tutorials, comprising of smaller group workshop activities, are spread across the two terms, totalling 10 hours per student.

A mixture of lectures, exercises, case studies and videos will be used.

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The module includes self-study, individual reading and completion of set exercises.

Contact and directed learning	
Lectures	40 hours
Tutorials	10 hours
Directed reading	70 hours
Examination	2 hours
Indirect learning	
Preparation for coursework	12 hours
Coursework	6 hours
Exam revision	60 hours
Total	**200 hours**

Ethical Approval:

This module does not require any primary research and no ethical approval will be necessary.

Assessment and Feedback Rationale and Methods:

Assessment is via a 2 hour examination (80%), and group coursework (20%).

The examination has two sections.

Section A consists of multiple choice questions (calculations & definitional).

Section B has a choice of multi-part questions, including essay-style.

The coursework is a case study of quantitative & qualitative issues. Students will work in allocated groups of 5 to complete the coursework. Submission of the group's coursework is at 12 noon on the Monday of week 15.

The learning, teaching and assessment methods are appropriate to the learning objectives in that students are expected to focus on and become proficient with numeric problem solving and providing reasoned explanations of their solutions.

Students are encouraged to utilise lecturer office hours to obtain more detailed feedback and advice.