

Reference template of the Basic course of Management Accounting (BA2) (theoretical course)

Basic information of the course

Course Number: AB515B

Course Name: Management accounting basis

Instructors: Pan Di

Students: Accounting (CIMA direction)

Required Text: 2022 edition, 2023 edition

Course Description: This course is one of the professional electives in the accounting major CIMA direction. It mainly introduces the basic theories and practices of international management accounting, with a focus on the basics of management science and basic cost accounting methods, such as absorption cost method, marginal cost method, process cost method and activity-based cost method, cost behavior and cost volume profit analysis, standard cost method and variance analysis, budgeting, and short-term decision-making. By studying this course, students can improve their ability to analyze and handle accounting problems, broaden their strategic thinking, deepen their understanding of economics, management, and other disciplines, understand the professional knowledge of management accounting, master scientific research methods, and understand the latest trends and development trends in the field of management accounting both domestically and internationally. This will help them to be competent in accounting practice and economic forecasting for multinational corporations, foreign-funded and wholly-owned enterprises, as well as domestic enterprises Decision making, planning, control, evaluation and other work, as well as support for management consulting and authentication of social vocational institutions.

Topic		Hours/Minutes	
Outline:			
A	Accounting principles, concepts and regulations		8
1.Explain the purpose of management accounting and the role of the Management Accountant.	1.Explain the need for management accounting 2.Explain the characteristics of financial information for operational,managerial and strategic levels within organisations 3.Explain the role of the management accountant 4.Explain the relationships between the management accountant and the organisation's managers 5.Explain the role of CIMA in developing the practice of management accounting		

2.Explain the role of CIMA as a professional body for Management Accountants.

1.Explain the role of CIMA in developing the practice of management accounting.

B	Costing	36
1.Demonstrate cost identification and classification	(a) Explain the classification of costs in relation to output. (b) Explain the classification of costs in relation to activity level. (c) Calculate the appropriate costs having identified cost behaviour. (d) Explain the classification of costs in relation to decisions	
2.Prepare accounting reconciliation	(a) Prepare overhead cost statements (b) Calculate the full cost of products, services and activities (c) Calculate the marginal cost of products, services and activities (d) Reconcile the differences between profits calculated using absorption costing and those calculated using marginal costing (e) Apply cost information in pricing decisions	
C	Planning and control	26
1.Prepare budgets for planning and control.	(a) Explain why organisations prepare forecasts and plans. (b) Prepare functional budgets (c) Explain budget statements (d) Identify the impact of budgeted cash surpluses and shortfalls on business operations (e) Prepare a flexible budget (f) Calculate budget variances	
2.Apply variance analysis to reconcile budgeted and actual profits in a marginal format	(a) Explain why planned standard costs, prices and volumes are useful (b) Calculate variances for materials, labour, variable overheads, sales prices and sales volumes (c) Prepare a statement that reconciles budgeted profit with actual profit calculated using marginal costing (d) Explain why variances could have arisen and the inter-relationships between variances	
3.Calculate appropriate financial and non-financial performance measures.	(a) Explain the need for appropriate performance measures (b) Calculate appropriate financial and non-financial performance measures in a variety of contexts	

4.Prepare accounts and reports for managers	(a)Explain the integration of cost accounts with the financial accounting system (b)Prepare a set of integrated accounts,showing standard cost variances (c)Prepare appropriate accounts for job and batch costing (d)Prepare reports in a range of organisations
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D	Decision making	2
1.Demonstrate the impact of risk	(a)Explain the concepts of risk and uncertainty. (b) Demonstrate the use of expected values and joint probabilities in decision making (c)Calculate summary measures of central tendency and dispersion for both grouped and ungrouped data (d)Demonstrate the use of the normal distribution	
2.Demonstrate the use of appropriate techniques for short-term decision making.	(a) Apply breakeven analysis (b) Demonstrate make or buy decisions (c) Calculate the profit maximising sales mix after using limiting factor analysis	
3. Demonstrate the use of appropriate techniques for long-term decision making	(a)Explain the time value of money (b)Apply financial mathematics (c)Calculate the net present value,internal rate of return and payback for an investment or project	

Total Sessions (Coverage Hours)		72
Summary of Basic Management accounting		Hours/Minutes
a.	Introduction to management accounting	6
b.	Costing	5
c.	Costing behaviour	5
d.	Absorption costing	8
e.	Marginal costing and pricing decisions	6
f.	Breakeven analysis	3
g.	Limiting factor analysis	3
h.	Standard costing	3
i.	Flexible budgeting	3
j.	Budget preparation	4
k.	Variance analysis	6
l.	Job and batch costing	2
m.	Performance measures and service costing	4

n.	Cost bookkeeping	4
o.	Risk and probability	2
p.	Averages and the normal distribution	2
q.	Investment appraisal	4
Total Estimated CPC Coverage Hours		72