

## COURSE SYLLABUS

Academic year 2012-2013

### 1. COURSE DESCRIPTION

<b>Degree:</b>	<b>Administración y Dirección de Empresas</b> (English teaching)
<b>Double Degree:</b>	<b>Derecho y Administración y Dirección de Empresas</b> (English teaching)
<b>Course:</b>	<b>MANAGEMENT ACCOUNTING</b> (Contabilidad de Gestión - English teaching)
<b>Module:</b>	<b>V: Accounting and Finance</b>
<b>Department:</b>	<b>Financial Economics and Accounting</b>
<b>Academic Year:</b>	<b>2012-2013</b>
<b>Term:</b>	<b>Second term</b>
<b>Total Credits:</b>	<b>6</b>
<b>Year:</b>	<b>3<sup>rd</sup> ADE / 4<sup>th</sup> DER-ADE</b>
<b>Type of Course:</b>	<b>Obligatory</b>
<b>Course Language:</b>	<b>English</b>

<b>Teaching model:</b>	<b>C1</b>	
<b>a. General/background:</b>		<b>50%</b>
<b>b. Theory-into-practice/developmental knowledge-building</b>		<b>50%</b>
<b>c. Guided Academic Activities:</b>		

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### 2. TEACHING TEAM INFORMATION

#### 2.1. Course coordinator Juan Manuel Ramón Jerónimo

<b>2.2. Teachers</b>	
<b>Name:</b>	Juan Manuel Ramón Jerónimo
<b>Faculty:</b>	<b>Business Administration</b>
<b>Department:</b>	<b>Financial Economics and Accounting</b>
<b>Academic Area:</b>	<b>Accounting</b>
<b>Category:</b>	<b>Profesor Contratado Doctor</b>
<b>Office hours:</b>	<b>Monday 12.00-14.15 hours and Wednesday 10.30-14.15</b>
<b>Office No.:</b>	<b>7.2.18</b>
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### 3. ACADEMIC CONTEXT

#### 3.1. Course Description and Objectives

Management Accounting course belongs to Module V: Accounting and Finance, and its main aim is to provide the basics concepts, the techniques needed for costing, and analysis and use of management accounting information in the process of planning and control. As an practical aim this course is to show which cost data is crucial to measure product, service and customers costs, enabling them to develop planning, control processes and decision making in different organizations.

This course has three main objectives of learning:

- To introduce students to Management Accounting as a part of Accounting that gathers the information needs of internal users.
- To deepen the study of internal economic flows of the company and analyze the internal value movements of products and services costing.
- Understand the role of management accounting in the process of planning and control.

#### 3.2. Contribution to the Training Plan

Training students to the use of internal company information, and analyse of internal value movements to products and services costing. It also aims to provide a broad view of how the internal information may be used in the budgeting process and in business decision making. To familiarize students with business reality, emphasizing the importance of good accounting practices, ethics and social responsibility in the company.

Shown that, although it is not currently mandatory for companies to have a cost accounting system, the business characteristics and environment compose necessary for managers to obtain information on the cost of products or services offered and the activities that they develop. Therefore, the relevant of provide this knowledge to anyone who will play a managerial position in the future.

#### 3.3. Recommendations or Prerequisites

It is recommended to have acquired the knowledge and skills in the previous course "Introduction to Financial Accounting" from the second term of the first year of this Degree. Where it explains the distinction between concepts such as asset / liability, expense / income and insights on accrual.

Since the initial information with which is considered in cost calculation come from the Financial Accounting, familiarity with the basic concepts of this field is essential to face the decisions that are derived from cost systems.

Finally, for the proper pursuit of the course, it is recommended continued access to the Virtual Classroom course (WebCT).

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### 4. SKILLS

#### 4.1 Degree Skills Developed during this Course

Instrumental:

- Ability of analysis and synthesis
- Oral and written communication

Personal:

- Critical ability and autocritical

Systemic

- self-learning capability
- Concern for quality

Specific:

- Design a management accounting system, interpret, use and analyze information from the system implemented for its application to management organizations.

#### 4.2. Module Skills Developed during this Course

Among the accounting field-specific competencies to be developed by the student along the course, include the following:

- Mastery of accounting and cost language and terminology .
- Knowledge of tools for analysis and interpretation of economic information and the management control techniques.

#### 4.3. Course-specific Skills

Cognitive (Knowledge):

- Identify and interpret cost data in the internal movement of values
- Identify and interpret the information in the budget process
- Identify and interpret relevant information for decision making in the short to medium term

Procedural / Instrumental (Know how):

- Students must receive training that enables them to determine, use and analyze the control information the management to optimize decision-making within the organization.



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Attitudinal (self):

- Analytical rigorous.
- Methodical behavior.
- Ethical-accounting behavior

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### 5. COURSE CONTENT (COURSE TOPICS)

#### UNIT 1: AN INTRODUCTION TO MANAGEMENT ACCOUNTING

- 1.1. Main purposes of accounting systems.
- 1.2. Differences between management and financial accounting.
- 1.3. Management accounting: Definition and objectives.
- 1.4. Organization structure and accounting information flows.
- 1.5. Costs and Costs Terminology
- 1.6. Cost classification.
- 1.7. Income, margin and profit concepts.
- 1.8. Costing systems
  - 1.8.1. Introduction
  - 1.8.2. Costing systems based on level of aggregation.
  - 1.8.3. Costing systems relative to timely.

#### UNIT 2. DIRECT COSTS AND INDIRECT COST ALLOCATION PROCESS.

- 2.1. Raw material costs
  - 2.1.1. Concept and classification
  - 2.1.2. Purchasing process
  - 2.1.3. Measuring Cost of purchasing.
- 2.2. Labour costs.
- 2.3. Indirect costs.
- 2.4. Adding value along production process.
- 2.5. Cost allocation in production process.
  - 2.5.1. Inorganic model of cost accumulation.
  - 2.5.2. Organic model and cost allocation in the centres.
- 2.6. Cost allocation bases.
- 2.7. Allocation of Support-Department costs.
  - 2.7.1. Direct Method.
  - 2.7.2. Step-down method.
  - 2.7.3. Reciprocal method.
  - 2.7.4. Choosing between methods.

#### UNIT 3. COSTING PROCESS.

- 3.1. Introduction
- 3.2. Sources of information in costing process.
- 3.3. Costing stages
  - 3.3.1. Stage 1: Opening of T-accounts.
  - 3.3.2. Stage 2: Allocation of indirect costs to departments.

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- 3.3.3. Stage 3: Allocation of support-department costs to operating departments.
- 3.3.4. Stage 4: Cost of purchasing.
- 3.3.5. Stage 5: Given purchasing cost to T-accounts.
- 3.3.6. Stage 6: Production costing.
- 3.3.7. Stage 7: Given production cost to T-accounts.
- 3.3.8. Stage 8: Cost of good solds.
- 3.3.9. Stage 9: Calculating Incomes and results.
- 3.4. Cost accounting statements: Functional operating account and analytical statement.
- 3.5. Incorporation.
  - 3.5.1. Charges not incorporated.
  - 3.5.2. Relevant costs.
  - 3.5.3. Depreciation differences.
  - 3.5.4. Under- or overallocated manufacturing overhead costs.
  - 3.5.5. Differences between financial revenues and cost incomes.
  - 3.5.6. Incorporation differences statement.
  - 3.5.7. Overall view of incorporation differences process.

### UNIT 4. ACTIVITY-BASED COSTING

- 4.1. Introduction.
- 4.2. Limitations of traditional costing systems: Improving costing.
- 4.3. Major concepts of activity based costing.
- 4.4. Cost Hierarchies: Classification of activities.
  - 4.4.1. Relate to products.
  - 4.4.2. Timely.
  - 4.4.3. Value-added.
- 4.5. Cost drivers.
  - 4.5.1. Causal analysis. Selection of Drivers.
  - 4.5.2. Determining of Drivers.
- 4.6. Activity based-costing process.
  - 4.6.1. Identify cost objects and direct costs.
  - 4.6.2. Allocate indirect costs to cost centres.
  - 4.6.3. Identify the activities in each centre.
  - 4.6.4. Determine cost drivers.
  - 4.6.5. Reclassify activities.
  - 4.6.6. Calculate the unit costs of the cost drivers.
  - 4.6.7. Define the cost drivers needed to make the product.
  - 4.6.8. Allocate cost to the products.
- 4.7. Compare costing methods.

### UNIT 5: BUDGET AND RESPONSIBILITY ACCOUNTING

- 5.1. Introduction.
- 5.2. Budgets and the Budgeting Cycle.

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- 5.2.1. Strategic and tactics planning.
- 5.2.2. Budgeting cycle.
- 5.3. Master Budget steps.
  - 5.3.1. Sales expectations and revenues budget.
  - 5.3.2. Production budget.
  - 5.3.3. Operation expenses cost (period costs) budget.
  - 5.3.4. Financial budget.
- 5.4. Advantages of the budget.
- 5.5. Budget and responsibility accounting.
- 5.6. Budget and the organization.
- 5.7. Static budgets and flexible budgets.

### **UNIT 6. BUDGET CONTROL. CALCULATE AND ANALYSE OF VARIANCES**

- 6.1. Budget control: variances in static and flexible budgets.
  - 6.1.1. Variances in static budget.
  - 6.1.2. Develop and analysis of a flexible budget.
  - 6.1.3. Variances of flexible budget and variances of sales volume.
- 6.2. Standard costing.
- 6.3. Establishing standards.
- 6.4. Typology of standards.
  - 6.4.1. Raw materials and labour standards.
  - 6.4.2. Overhead standards.
- 6.5. The standards as motivational instrument.
- 6.6. Calculate direct cost variances.
  - 6.6.1. Calculate raw materials variances.
  - 6.6.2. Calculate labour variances.
- 6.7. Analysis of direct cost variances.
- 6.8. Calculate and analyse of overhead cost variances.
  - 6.8.1. Planning overhead costs.
  - 6.8.2. Overhead cost variances.
  - 6.8.3. Calculate overhead cost variances.
  - 6.8.4. Analyse overhead cost variances.
- 6.9. Variances and planning.



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### 6. METHODOLOGY AND RESOURCES

#### METHODOLOGY:

The working method used by the faculty of this course is based mainly on lectures and make different practical activities during the various sessions.

The course is taught in 2 weekly sessions of 90 minutes each over the 15 weeks of the semester. Each week will have a meeting of basic education (EB) to be taught the whole group (60 students) and a practical teaching session and Development (EPD) in which the group is divided into three subgroups (20 students). According to this division, EB sessions will be used both in lectures that introduce the basic knowledge of each subject, at all times to promote dialogue and discussion with students, as well as solving practical exercises on concepts. In contrast, EPD sessions normally be devoted to practical activities and cases provided for each topic, which should have been prepared in advance by students for later resolution in class, either by the teacher or by students.

#### RESOURCES:

Students should prepare the subject using the library resources available in the University Library and computing resources are there in the University Pablo de Olavide.

Furthermore, it is essential to use the WebCT platform. The presentation of the subject, the teacher shows the student the space to the subject and all the resources and materials they can access and use. Students will have at all times the equipment needed to monitor the subject (EB and EPD), which will be available through WebCT.

With respect to the subject materials are three types:

- Writer of the topic, which will be available to students before the start of each topic. It's a script to monitor classes in which list the minimum content of each topic, but in no case be considered as the notes for each topic. The student must worry about going to the library and expand the contents of the script with the books mentioned in the bibliography, plus teacher's explanations.
- Dossier of exercise, which includes the set of all exercises or activities for each topic, some of which must be performed by the student prior to their subsequent correction for the meetings of EPD.
- Questions of self-evaluation, with a corresponding self-correction so that students can check their level of assimilation of concepts and facilitate independent learning

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### 7. ASSESSMENT

Each course will have two official announcements and the subject is overcome by an average score less than 5 points. The evaluation of various educational activities will be carried out based on the following criteria:

#### 1 .- RELATION TO THE BASIC TEACHINGS (EB) (50% of assessment):

The content and skills acquired in the sessions of basic education (EB) represent 50% of the global score (maximum value: 5 points). Separate tests are evaluated by theoretical and practical knowledge:

##### A) PRACTICAL KNOWLEDGE (maximum scoring 4 points):

Final exam will consist of practical problems and / or exercises for different parts of the practice of the subject.

##### B) THEORETICAL KNOWLEDGE (maximum scoring 1 point):

Consist of the completion of two exams (multiple choice) throughout the semester. The first in relation to units 1, 2 and 3, and secondly on units 4, 5, 6 and 7.

If the student does not pass these tests will have to take place intermediate final examination (also multiple choice).

The sum of two parts (practical and theoretical knowledge) have a maximum rating of 5 points. However, in order to pass the course the student must obtain a minimum of 2 points on the practical knowledge and 0.5 points on the theoretical knowledge.

#### 2 .- RELATION TO THE PRACTICAL AND DEVELOPMENT (EPD) (50% of assessment):

The content and skills acquired in practical teaching sessions and Development (EPD) represent 50% of the global score (maximum value: 5 points). Be assessed continuously through the development of an individual's portfolio (20% of grade) and the completion of cases in group (30% of grade):

##### A) INDIVIDUAL PORTFOLIO (20%)

It scored the exercises given in class on a voluntary manner. The students delivered (before each class or through WebCT) activities were allegedly asked in a previous class (an activity may contain one or more exercises). Be requested at most ten activities throughout the course. It will scored four activities delivered. Will inform the student that the teacher what were his four best activities for the correction. The teacher can correct other randomly. The assessment of these activities is explained below:

a.1.) If the student gives all the activities (maximum of 10 activities): its maximum

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value is 2 points (0.5 points for each of the four areas assessed and implemented properly.)

a.2.) If the student delivery between 5 and 7 activities: the maximum value you can get is 1 point (0.25 points for each of the four areas assessed and implemented properly.)

a.3.) If the student turns in less than five activities will have a valuation of zero for this part.

### B) PREPARATION OF CASES IN GROUP (30%)

It assesses skills developed through the development of group work. These groups will consist of four students chosen at random by the teacher. The teams conducted several cases. Suspected cases will be global and comprehensive practical and reality-based business (students will have more information and detail of these works in WebCT).

The final paper will be delivered at most one week after the conclusion of the final presentation (see section B.1.2.).

The individual score (NI) the student will be formed by the global score (NG) of group work and individual contribution (CI) work group ( $NI = 0.5 * NG + 0.5 * CI$ ).

b.1.) Global Note (NG) consists of two parts:

b.1.1.) Labor Content (50%)

In the assessment of job content will be considered:

- The argument and resolution of cases.
- The presentation, readability and understanding of work.

b.1.2.) Drafting and presentation in class (50%)

To pass the student must attend at least two of the three presentations made in class of cases. Students will be assessed by:

- The culture of teamwork and group cohesion.
- The acquisition of critical thinking.
- The completion of all scheduled tasks for each session of EPD (to be published in a script virtual classroom work).

- The presentation by the group in each session.  
- The delivery of the presentation in advance at least 48 hours in Word and Excel.

- Answers to questions that the teacher made on the presentations.
- The questions that the groups themselves prepared for the other groups.

b.2.) individual contribution (CI) of the student group work

Individual Contribution student is a correction factor is obtained by a co-evaluation among members of the group. For this each student will evaluate (between 0 and 10)

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their contribution and that of other team members to group work.

The teacher:

- Arithmetic mean of the scores received by each student (including the value of self), which gives a single score (PI) of each student.
- The average of the PIs of the components of a group allows for the average individual in the group (MPI).
- To find coefficient Contribución Individual (CI) of each student by dividing the individual score values (PI) of the student between the average value of MPI group ( $CI = PI / MPI$ ).

### SPECIFICALLY CONCERNING TO STUDENT EXCHANGES:

Students benefit from any of the various officers of student mobility programs (Socrates-Erasmus, SICUE-Seneca, Atlanticus ...) who attended the course out of their contracts of studies of mobility, may recover, in view of the final mark the percentage relative to the block of continuous assessment provided by conducting further testing to the final examination of the subject. Students who are in this situation should be communicated in writing to the faculty of the Course before April 30, 2013. The break of this term must come supported by the Academic Coordinator for the mobility of its contract.

### RULES AS A CASE OF PLAGIARISM, NO USE OF ORIGINAL MATERIAL AND SIMILAR CASES

Note: Title II. Chapter II. Article 12.2 and 14.3 of Normativa de Régimen Académico y de Evaluación del Alumnado (signed in the Consejo de Gobierno of UPO in 18 July 2006): "When doing essays or other homework, plagiarism and the use of material that is not original, included that obtained in the Internet, without having indicated explicitly the source of that information, and if that is the case, without the permission of the author, such act can lead the student to fail the module, in addition to any other academic penalization brought about by such dishonest behavior". The Director of the Department responsible of that module, once informed by the staff involved, the students affected and any other academic part required by the Direction of the Department, decide over the possibility of opening up a formal expedient of penalization."



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### 8. BIBLIOGRAPHY

- Álvarez-Dardet et al. (2009): Contabilidad de Gestión: Cálculo de Costes. Editorial Pirámide.
- Álvarez-Dardet et al. (2010): Contabilidad de Gestión: Profundización en el cálculo del coste y proceso de planificación y control. Editorial Pirámide.
- Horngren, C.T., y Foster, G. (2009): Cost Accounting: A Managerial Emphasis, Prentice Hall, Inc., Londres, 13th edition.
- Horngren C.T. y Foster, G (2007): Contabilidad de costos: un enfoque gerencial, Prentice-Hall Hispanoamericana, 12ª edición.