Financial University under the Government of the Russian Federation

Department of Accounting, Analysis and Audit

***Sidorova M.I.***

**Management Accounting (in English)**

***Level of Study:*** *Master’s Degree*

***Field of Study:*** *Economics*

***Study Programs:***

*Accounting and legal support of business*

*Accounting, analysis, audit*

**Syllabus**

***1. Name of a subject* Management Accounting (in English)**

**2. Mapping of learning outcomes (list of competences), with the relevant indicators described and subject learning outcomes indicated**

The Table 1 contains the following information: graduates’ coded competencies that are to be developed during the learning process, indicators that show their development (generalized descriptions of specific actions performed by the graduate that clarify and reveal the competence content), learning outcomes (knowledge, skills) with indicators of competence development:

Table 1

Master Program *Accounting and legal support of business*

|  |  |  |  |
| --- | --- | --- | --- |
| Competence code | Competence | Competence development indicators[[1]](#footnote-1) | Learning outcomes (skills[[2]](#footnote-2), and knowledge) and indicators that show competence development |
| UC-2 | Ability to use foreign language skills at a level that is sufficient for interpersonal communication, learning and professional activities. | 1. Uses a foreign language in interpersonal communication and in a professional activity selecting the appropriate verbal and non-verbal means of communication.   2. Uses public speech methods, business, and professional discourse in a foreign language.  3. Demonstrates knowledge of the basics of academic communication and speech etiquette of the studied foreign language.  4. Knows how to competently and efficiently use foreign-language sources of information.  5. Produces written speech in a foreign language according to a communicative task. | 1. **Know:** the value and role of international professional associations of management accounting specialists  **Be able to**: use the recommendations of international professional organizations in the field of management accounting methodology  2. **Know**: the main terms of management accounting used in international accounting practice  **To be able to**: draw up internal reporting forms in English  3. **Know:** the content of the targeting principle used in the preparation of management reporting  **Be able to**: prepare presentations of analytical materials on the performance management of the business segments of the organization  4. **To know**: management accounting concepts used in world accounting practice  **Be able to**: draw up the accounting policies of the organization for the purposes of management accounting  5. **Know**: the problems of modern scientific research in the field of management accounting  **Be able to**: draw up a list of sources of information for the preparation of internal reporting in English |
| AC-4 | Ability to plan the economic policy of an organization in order to prevent negative results of its activities | 1. Conducts consultations for managers of the organization´s departments in the preparation of the financial plan and the formation of the target investment portfolio.   2. Carries out the methodological development, maintenance and coordination of the risk management process from the position of financial reporting information. | 1. **Know**: the basic concepts of cost accounting, as well as the construction of a system for evaluating the performance of business segments of the company and investment projects.  **Be able to**: apply the skills of developing and justifying financial plans and budgets, including those related to investment projects  2. **Know**: methods of regulation of management accounting and controlling systems at the international, national and intra-company levels of management  **Be able to**: assess the risks of distortion of information on financial and non-financial parameters of business processes in financial and management reporting. |

Master Program *Accounting, analysis, audit*

|  |  |  |  |
| --- | --- | --- | --- |
| Competence code | Competence | Competence development indicators[[3]](#footnote-3) | Learning outcomes (skills[[4]](#footnote-4), and knowledge) and indicators that show competence development |
| UC-2 | Ability to use foreign language skills at a level that is sufficient for interpersonal communication, learning and professional activities. | 1. Uses a foreign language in interpersonal communication and in a professional activity selecting the appropriate verbal and non-verbal means of communication.   2. Uses public speech methods, business, and professional discourse in a foreign language.  3. Demonstrates knowledge of the basics of academic communication and speech etiquette of the studied foreign language.  4. Knows how to competently and efficiently use foreign-language sources of information.  5. Produces written speech in a foreign language according to a communicative task. | 1. **Know:** the value and role of international professional associations of management accounting specialists  **Be able to**: use the recommendations of international professional organizations in the field of management accounting methodology  2. **Know**: the main terms of management accounting used in international accounting practice  **Be able to**: draw up internal reporting forms in English  3. **Know:** the content of the targeting principle used in the preparation of management reporting  **Be able to**: prepare presentations of analytical materials on the performance management of the business segments of the organization  4. **Know**: management accounting concepts used in world accounting practice  **Be able to**: draw up the accounting policies of the organization for the purposes of management accounting  5. **Know**: the problems of modern scientific research in the field of management accounting  **Be able to**: draw up a list of sources of information for the preparation of internal reporting in English |
| AC-4 | Ability to conduct an external audit of business entities of all forms of ownership and legal forms | 1. Uses the best world practices in the formation of external audit programs and other types of financial control.     2. Applies theoretical knowledge in the formation of programs of external quality control of audit organization services. | 1. **Know**: the importance and role of the internal audit system as an element of the management accounting system **Be able to**: identify control points that reduce the risks of obtaining inaccurate information in the management accounting system.  2. **Know**: types and classification of forms of management reporting, which is a source of information for external quality control of an audit organization. **Be able to**: monitor the achievement of key financial and non-financial performance indicators of the audit organization |
| AC-5 | Ability to organize an organization’s internal control system and mastery of the internal audit (control) methodology in an organization or group of companies | 1. Demonstrates the skills of applying program algorithms to the formation of internal audit quality control programs in various situations.   2. Applies theoretical knowledge in the formation of programs of internal quality control of services of an audit organization. | 1. **Know**: the value and role of the internal control system as an element of the management accounting system **Be able to**: carry out control procedures in the management accounting system.  2. **Know**: types and classification of forms of internal management reporting, which is a source of information for internal quality control of an audit organization. **Be able to**: form a system of key financial and non-financial performance indicators of the audit organization. |

**3. Place of the subject in the curriculum**

The course *Management Accounting (in English)* is an elective discipline included in the curriculum of the educational program *38.04.01 Economics,* Master's programs *Accounting and legal support of business* and *Accounting, analysis, audit*. The course deepens students' knowledge in the field of management accounting, obtained during training in the Bachelor's educational program in the field of *Economics*, and also allows graduate students to broaden their horizons and master the additional competencies of the Master's program.

The practical application of the knowledge gained during the study of the course *Management Accounting (in English)* is intended to ensure the professional competence of a specialist in the field of economic activity of a commercial organization, in the preparation and use of accounting information for planning, analysis and control.

**4. Workload in credits and academic hours, with class work (lectures and seminars) and self-study indicated**

Master Program *Accounting and legal support of business*

Table 2

|  |  |  |
| --- | --- | --- |
| **Type of work** | **Total**  **(in credits and hours)** | **Module 5**  **(in hours)** |
| **Overall workload** | 3/108 | 3/108 |
| ***Class work*** | 32 | 32 |
| *Lectures* | 8 | 8 |
| *Seminars, practicals* | 24 | 24 |
| ***Self study*** | 76 | 76 |
| Formative assessment | Control work | Control work |
| Summative assessment | Written exam | Written exam |

Master Program *Accounting, analysis, audit*

|  |  |  |
| --- | --- | --- |
| **Type of work** | **Total**  **(in credits and hours)** | **Module 8**  **(in hours)** |
| **Overall workload** | 2 /108 | 108 |
| ***Class work*** | 16 | 16 |
| *Lectures* | 4 | 4 |
| *Seminars, practicals* | 12 | 12 |
| ***Self study*** | 92 | 92 |
| Formative assessment | ***-*** | ***-*** |
| Summative assessment | Pass/Fall | Pass/Fall |

**5. Subject content (with the thematic components indicated).**

**Theme 1**. **Management accounting system as an element of the information environment of modern business.**

The role of management accounting in a modern business environment. Accounting systems in modern business: key stakeholders, their information needs and requirements for accounting information. Ways to organize interaction between different accounting systems: financial and management. External and internal sources of information.

Information support for management decisions and scenarios for improving business processes at the operational, tactical and strategic levels of company management. The modular principle in the construction of management accounting systems. Integration of management accounting with other accounting subsystems in the ERP-systems.

Regulation of management accounting and controlling systems at the international, national and intra-company levels of management. Standards of the Chartered Institute of Management Accountants (CIMA). Methodological aspects of creating national management accounting standards in Russia. Internal standards of management accounting and control: composition and content. The variability of accounting policies for management accounting as a mechanism to increase the adaptive properties of the management accounting system to changing business conditions.

**Theme 2. Cost accounting**

The subject, objects, methods, tasks and principles of cost accounting. Modern systems of cost accounting. Classification of methods for estimating stocks and calculating the cost of production and their impact on the formation of the financial result of business segments. Registration of production costs in account books.

Classification of costs for the purpose of assessing stocks and calculating the cost of production (work, services). Traditional methods of distribution of indirect costs by responsibility centers, products. Activity Based Costing (ABC). The concept of “cost driver”. Accounting, analysis and cost control in terms of functional and cross-functional interaction of business units.

**Theme 3. Operational control and analysis of business results**

Standard-costing system and its application in the modern business environment. Deviation and disturbance control concepts. Continuous improvement of the cost (*kaizen-costing)* as a logical development of *standard-costing*. The concept of lean production. Cost accounting and lean production.

The system of key performance indicators necessary for the operational control of the business activity. The methodology for calculating the cost of the product, taking into account the factor of its production time and losses associated with the expectation in the processes and storage of stocks. Cost reduction in terms of using JIT-philosophy in production processes.

**Theme 4. Management decisions on the basis of accounting information**

Information support for tactical management decisions. The concept of *contribution* and the *direct costing* as tools for optimizing the assortment and pricing policies of an organization. Assessment of the breakeven point and margin of safety. Flexible budgeting as a technology of financial planning based on accounting information. Cost behavior models to predict the financial results of an organization. The concept of relevant information in the management accounting system. Methods of analytical processing of information for various groups of stakeholders.

Constraint theory as a tool for optimizing business processes. Classification and analysis of limiting factors in the organization's activities in the face of uncertainty and risk. Indicators for assessing production throughput.

**Theme 5. Information support of strategic management decisions**

Types of strategies. Modern models of strategic management. Strategic investment decisions. Information about business segments as the basis for evaluating the production and financial activities of an enterprise and staff motivation.

Balanced Scorecard as a tool for implementing a business development strategy. A cascaded system of key performance indicators for modern businesses: tasks, methodology, algorithms.

Risk-oriented approach in the construction of management accounting systems. Assessment and classification of risks in the development of investment projects. Models for planning, measuring and controlling the activities of business units of an organization in conditions of risk and uncertainty.

**6. List of teaching and methodological materials needed for the students self-study**

**6.1. List of questions for student self-study and types of out-of-class activities**

Table 3

|  |  |  |
| --- | --- | --- |
| **Itemized subject content** | **Questions the students should answer within the self-study process** | **Types of out-of-class activities** |
| 1. Management accounting system as an element of the information environment of modern business | Socio-economic, general scientific and theoretical and methodological prerequisites for the allocation of management accounting in a separate direction of accounting practice. The importance of management accounting for the formation of the internal control environment, increasing the flexibility and adaptability of a commercial organization to a turbulent external environment. The concept of a multi-level structure of a management accounting system. Organizational and software and hardware tools to ensure information security and restrict access to information containing commercial secrets. | Work with educational literature, reference-informational bases and other Internet resources. Self-study of cases, solving practical problems. Test preparation. |
| 1. Cost management | Cost accounting and control in terms of functional and cross-functional interaction of business units.  Assessment of the effectiveness of the responsibility centers. Classification of responsibility centers. Production and service units. Methods of redistributing the costs of service units to the main ones. The main basis for the distribution of indirect costs. Overhead absorption rate: budget and actual. | Work with educational literature, reference-informational bases and other Internet resources. Self-study of cases, solving practical problems. Test preparation. |
| 1. Operational control and analysis of business results | Management cost accounting in a lean production. Methods of valuation of reserves in financial and management reporting in a lean production. | Work with educational literature, reference-informational bases and other Internet resources. Self-study of cases, solving practical problems. Test preparation. |
| 1. Management decisions on the basis of accounting information | The concept of contribution as a tool for optimizing the assortment and pricing policies of an organization. Strategies and decisions in the field of pricing. Transfer price: its types and principles of formation. Problems of establishing transfer prices. Market price as the basis of the transfer price. Cost-based transfer pricing methods. Settlement method of establishing a transfer price. | Work with educational literature, reference-informational bases and other Internet resources. Self-study of cases, solving practical problems. Test preparation. |
| 1. Information support of strategic management decisions | Management accounting and analysis methods focused on the company's external market positioning. Strategic accounting and analysis methods focused on improving internal business processes. | Work with educational literature, reference-informational bases and other Internet resources. Self-study of cases, solving practical problems. Test preparation. |

**6.2. List of questions/assignments/topics for students’ preparation to formative assessment**

***Templates of questions the students need to answer when preparing for a control work***

**Task 1**

The standard material cost per unit of a product is as follows:

***$***

|  |  |  |
| --- | --- | --- |
| Material X | 2 kg @ $3 per kg | 6 |
| Material Y | 1 kg @ $2 per kg | 2 |
|  |  | 8 |

The actual production during the period was 5,000 units and the materials used were: Material X 9,900 kg costing $27,000

Material Y 5,300 kg costing $11,000

**Calculate:**

**- the total materials cost variance;**

**- the materials price variance;**

**- the materials usage variance;**

**- the mix variance;**

**- the yield variance.**

**Task 2**

A company has prepared the following fixed budget for the coming year.

Sales 10,000 units

Production 10,000 units

|  |  |
| --- | --- |
|  | ***$*** |
| Direct materials | 50,000 |
| Direct labour | 25,000 |
| Variable overheads | 12,500 |
| Fixed overheads | 10,000 |
|  | $97,500 |

Budgeted selling price $10 per unit.

At the end of the year, the following costs had been incurred for the actual production of 12,000 units.

***$***

|  |  |
| --- | --- |
| Direct materials | 60,000 |
| Direct labour | 28,500 |
| Variable overheads | 15,000 |
| Fixed overheads | 11,000 |
|  | $114,500 |

The actual sales were 12,000 units for $122,000

**Prepare a flexed budget for the actual activity for the year. Calculate the variances between actual and flexed budget, and summarise in a form suitable for management (use a marginal costing approach).**

**Task 3**

Una manufactures three products: A, B, and C.

Data for the period just ended is as follows:

***A B C***

Production (units) 20,000 25,000 2,000

Sales price (per unit) $20 $20 $20

Material cost (per unit) $5 $10 $10

Labour hours (per unit) 2 hours 1 hour 1 hour

(Labour is paid at the rate of $5 per hour)

Overheads for the period were as follows:

Set-up costs 90,000

Receiving 30,000

Despatch 15,000

Machining 55,000

$190,000

Cost driver data:

***A B C***

Machine hours per unit 2 2 2

Number of set-ups 10 13 2

Number of deliveries received 10 10 2

Number of orders despatched 20 20 20

**Calculate the cost (and hence profit) per unit, absorbing all the overheads on the basis of labour hours. Calculate the cost (and hence profit) per unit absorbing the overheads using an Activity Based Costing approach.**

**Explain the benefits, which can be gained from changing to a more eﬀective costing system?**

***Templates of questions the students need to answer when preparing for a written exam***

*Theoretical questions*

|  |
| --- |
| 1. Discuss the characteristics of information on the different decision making levels. |
| 2. Describe the essence of the high-low method. |
| 3. Explain some different classifications of costs. |
| 4. Explain a three steps process of absorption costing. |
| 5. Explain how production overhead of service cost centers may be reapportioned between the production cost centers. |
| 6. Explain the implications of CVP-analysis on the performance management and decision-making. |
| 7. Explain the implications of standard costing on the performance management. |
| 8. Explain the issues surrounding make vs. buy and outsourcing decisions. |
| 9. Explain the need and the ways of the calculation of thebreakeven point and margin of safety. |
| 10. Explain the essence of a limiting factor analysis. |
| 11. Describe the process of activity-based accounting and contrast with traditional specific order accounting. |
| 12. Describe the nature of direct material variances and direct labour variances. |
| 13. Presenting management information (modern information technologies). |
| 14. Presenting management information (different types of organizations – service, state, non-profit).  15. Compare a management accounting and a financial accounting. |

*Tests*

1. V-company absorbs overheads on standard machine hours. Details of budgeted and actual figures are as follows:

|  |  |  |
| --- | --- | --- |
|  | Budget | Actual |
| Overheads | $258,750 | $254,692 |
| Machine hours | 11,250 hours | 10,980 hours |

The result of the apportionment is …

A) under-absorbed by $4,058

B) over-absorbed by $2,152

C) under-absorbed by $2,152

D) over-absorbed by $4,058

1. Internal Rate of Return should lead to the maximisation of shareholder wealth.

° True

° False

3. Point N on the graph indicates the value of:

A) total cost

B) semi-variable cost

C) fixed cost

D) variable cost



4.Process B had no opening WIP. 13500 units of raw material were transferred in at $4.50 per unit. Additional material at $1.25 per unit was added in process. Labour and overheads were $6.25 per completed units and $2.50 per unit incomplete. If 11,750 completed units were transferred out, what was the closing WIP in process B.

1. $77,625
2. $14,437.50
3. $141,000
4. $21,000

5. The limiting factor is the…

A) budgeted revenue expected in forthcoming period

B) factor which restricts the activities of the organisation

C) main budget into which all subsidiary budgets are consolidates

D) any factor which is the starting point in budget preparation

*Practice-oriented cases*

**Task 1.**

V-company has commenced the preparation of its fixed production overhead budget for year 2 and has identified the following costs:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Machining | Assembly | Finishing | Stores | Maintenance |
| Budgeted overheads, $000 | 600 | 250 | 150 | 100 | 80 |
| The stores and maintenance departments are production service departments. An analysis of the services they provide indicates that their cost should be apportioned as follows: | | | | | |
| Stores, % | 40 | 30 | 20 | - | 10 |
| Maintenance, % | 55 | 20 | 20 | 5 | - |

After the apportionment of the service department costs, the total overheads of the Finishing department will be (to the nearest $500) $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Task 2.**

X plc makes one product, which passes through a single process. Details of the process are as follows:

Materials: 5,000 kg at 50 p per kg

Labour: £800

Production overheads 200% of labour. Normal losses are 20 per cent of input in the process, and without further processing any losses can be sold as scrap for 30p per kg. The output for the period was 3,800 kg from the process. There was no work-in-progress at the beginning or end of the period. What value will be credited to the process account for the scrap value of the normal loss?

**7. Mandatory and optional reading list**

***Mandatory reading list***

1. Vakhrushina M.A. Strategic management accounting: a textbook for university students. Field of study "Economics" / M.A. Vakhrushina, M.I. Sidorova, L.I. Borisova. - Moscow: Knorus, 2018 .- 184 p. - [Electronic resource]. - 2019. - Access mode: https://www.book.ru/book/931890

2. Management accounting and analysis. With examples from Russian and foreign practice [Electronic resource]: textbook / V.I. Petrova [et al.]. - Moscow: LLC "Scientific Publishing Center INFRA-M", 2018. - 303 p. - (Higher education: Master). - Access Mode: <http://znanium.com/catalog/product/914132>

***Optional reading list***

3. Basova A. V. Management accounting [Electronic resource]: a training manual / A.V. Basova, A.S. Nechaev. - Moscow: LLC "Scientific and Publishing Center INFRA-M", 2018 - 324 p. - (Higher education: Master). - Access Mode: http://znanium.com/catalog/product/924682

4. Drury K. Management and cost accounting: textbook / K. Drury; trans. from English [V.N. Egorova]. - Moscow: UNITY-DANA, 2010 .-- 1423 p. - [Electronic resource]. - 2012. - Access mode: http://biblioclub.ru/index.php?page=book\_red&id=117546

5. Kerimov V.E. Management accounting [Electronic resource]: a textbook for bachelors / V.E. Kerimov. - 10th ed., Revised. - Moscow: Publishing and trading corporation "Dashkov and K", 2017. - 400 p. - Access Mode: http://znanium.com/catalog/product/430347

6. Kondrakov N.P. Accounting (financial and managerial) [Electronic resource]: textbook / N.P. Kondrakov. - 5th ed., Revised. and add. - Moscow: LLC "Scientific Publishing Center INFRA-M", 2018. - 584 p. - (Higher Education: Undergraduate). - Access Mode: http://znanium.com/catalog/product/966174

7. Osterwalder A. Building business models. Handbook strategist and innovator: Per. from English / A. Osterwalder, I. Pigne. - Moscow: Alpina Publisher, 2012, 2016 .-- 288 p. - The same [Electronic resource]. - 2016. - Access mode: http://znanium.com/catalog/product/916078

***E-resourses***

1. http://elib.fa.ru/
2. http://www.book.ru
3. http://biblioclub.ru/
4. http://www.znanium.com
5. https://www.biblio-online.ru/
6. http://elibrary.ru
7. http://grebennikon.ru
8. http://нэб.рф/
9. https://dvs.rsl.ru/
10. http://www.1fd.ru/

**8. List of IT resources, incl. the list of software, information and reference systems**

**8. 1. Software:**

1. Windows, Microsoft Office software;

2. ESET Endpoint Security antivirus software; etc.

**8.2. Databases and information and reference systems**

1. Garant information and reference system;

2. Consultant Plus legal information system;

3. <http://ru.wikipedia.org/wiki/Wiki> e-encyclopedia;

4. <http://www.skrin.ru/> database; etc.

**8.3. Certified software/hardware used for information protection**

If no such software/hardware is used, there is a special mark.

1. To be filled in when the updated Financial University educational standards and federal state educational standards of higher education “3++” are implemented. [↑](#footnote-ref-1)
2. Skills are described when the Financial University educational standards of the 1st generation and federal state educational standards of higher education “3+” are implemented. [↑](#footnote-ref-2)
3. To be filled in when the updated Financial University educational standards and federal state educational standards of higher education “3++” are implemented. [↑](#footnote-ref-3)
4. Skills are described when the Financial University educational standards of the 1st generation and federal state educational standards of higher education “3+” are implemented. [↑](#footnote-ref-4)