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# Managerial Accounting

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## Course Description

This course introduces the main concepts related to managerial accounting. This will allow students to identify the impacts of accounting and other corporate decisions on firm's financial statements.

Part 1 of the course focuses on how management accounting information can be used for internal decision making, such as production, sales, performance evaluation, etc. In this part we also establish a general picture of how (management) accounting system can facilitate strategy implementation.

Part 2 of the course develops key concepts and methods for analyzing financial statements from the perspective of the manager and external users, such as investors, creditors, suppliers, etc.

The course is designed to be useful for students who plan to work in any business area, including consulting, investment banking, general management, and entrepreneurship. It is not a bookkeeping course. Instead, it is a course on how to use accounting information to make business decisions.

## Objectives

The course's main objective is to provide students with a working understanding of the main concepts and techniques of managerial accounting.

## Methodology

The course will combine lectures and exercise sessions. During discussing some topics, the students will be divided into groups using the role-playing approach.

## Evaluation criteria

**Grading** will be done through:

- **Partial Evaluation Part 1** (20%)\*.
- **Midterm Part 2** (20%).
- **Participation** (both parts equally) (20%)

**- Final Exam Part 2 (40%)**

*\* The evaluation of Part 1 will be carried out in the form of a group assignment. Detailed instructions will be provided shortly before the start of the course.*

**Bibliography/Resources**

The following material will be used for the course:

**(1) Lecture Slides****(2) Books****Part 1:**

1. Anthony A., Atkinson, Kaplan, R. S., & Matsumura, E. M. (2012). Management accounting: Information for decision making and strategy execution. 6<sup>th</sup> edition. Pearson Education.

**Part 2:**

2. Subramanyam KR, Wild JJ. Financial statement analysis. 10th International ed. New York: McGraw-Hill Higher Education. [Link UPF Library](#).

**(3) Business cases**

Selected business cases could be used in the lectures or seminars to facilitate better understanding about the course material.

**Course Content****Part 1:**

Topic	Key Concepts and Readings
Topic 1: Accounting Systems and Strategy Implementation	Distinction between management accounting and financial accounting  Strategic map and corporate decision making  The Balanced Score Card (BSC)  <i>Reading: Atkinson et al. Chapters 1 &amp; 2</i>
Topic 2: Accounting	Using costs for decision making

Information for Decision Making	<p>Cost systems</p> <p>Performance evaluations and variance analysis</p> <p><i>Reading: Atkinson et al. Chapters 3, 4, &amp; 10</i></p>
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**Part 2:**

Topic	Key Concepts and Readings
Topic 1: Financial Statements	<p>Fundamental Accounting Equation.</p> <p>Valuation Methods.</p> <p>Earnings, Expenses, Accruals.</p> <p>Financial statements and their internal links.</p> <p><i>Reading: Subramanyam &amp; Wild. Ch. 2.</i></p>
Topic 2: Financing Activities Analysis	<p>Liabilities</p> <p>Leases</p> <p>Contingencies and Commitments</p> <p>Off-Balance-Sheet Financing</p> <p>Equity</p> <p><i>Reading: Subramanyam &amp; Wild. Ch. 3.</i></p>
Topic 3: Investing Activities Analysis	<p>Cash and Equivalents</p> <p>Inventory</p> <p>Long-term Assets</p> <p>Plan Assets and Natural Resources</p> <p>Intangible Assets</p> <p><i>Reading: Subramanyam &amp; Wild. Ch. 4.</i></p>
Topic 4: Operating Activities Analysis	Income Measurement

	<p>Nonrecurring Items</p> <p>Revenue Recognition</p> <p>Deferred Charges</p> <p>Interest Costs</p> <p>Income Taxes</p> <p><i>Reading: Subramanyam &amp; Wild. Ch. 6.</i></p>
Topic 5: Forecasting Financial Statements	<p>Projection Process</p> <p>Trends in Value Drivers</p> <p><i>Reading: Subramanyam &amp; Wild. Ch. 9.</i></p>