
Managerial Accounting

Professor: Oriol Amat / Luz Parrondo

Office: 20291 and Dean's office in Balmes Building

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Office hours: by appointment

Course Description

This course is an introduction to the main concepts related to managerial accounting and finance. This will allow the student to identify the measures to take in connection with company investing, bank lending to companies, and other decisions which can improve the performance of a firm.

According to the international differences in accounting and finance, the course is designed with an international orientation.

By other hand, the course will provide a critical perspective of accounting and finance dealing with topics like ethical perspectives of finance, creative accounting and accounts manipulation, in order to help the student to identify these practices.

This is not a book-keeping course because the topics are designed from the point of view of managers.

Objectives

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

Methodology

The course will combine lectures with case discussions, and presentation of reports about cases made by groups of students. During the discussion of some cases, the students will be divided in groups using the role playing approach.

Evaluation criteria

Grading will be done through:

-**Class participation** (30%). Some cases will be presented in class by a group of students and (when asked) in written format by all students.

-**Final project assignment** (40%) prepared by groups of students.

-**Final exam** (30%). To pass the whole course it is compulsory to pass the final exam which will be an oral exam.

Final assignment: At the end of the course each group of students will write a report based on a real company applying the concepts studied in this course. This report will have the format of a case study with the proposal of solution.

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Some of these cases could be published by UPF including the names of the students who have authored them (only after the students give the authorization to publish it).

The students have the option to participate in the UPF – ACCID Case Writing Prize and the ACCID Prize:

<http://www.accid.org/premisupfaccid.php>
<http://www.accid.org/premisajuts.php?sec=1>

Students are required to attend 80% of classes. Failing to do so without justified reason will imply a Zero grade in the participation/attendance evaluation item and may lead to suspension from the program

As with all courses taught at the UPF BSM, students who fail the course during regular evaluation will be allowed ONE re-take of the examination/evaluation. Students that pass any Retake exam should get a **5 by default as a final grade for the course**. If the course is again failed after the retake, students will have to register again for the course the following year.

In case of a justified no-show to an exam, the student must inform the corresponding faculty member and the director(s) of the program so that they study the possibility of rescheduling the exam (one possibility being during the “Retake” period). In the meantime, the student will get an “incomplete”, which will be replaced by the actual grade after the final exam is taken. The “incomplete” will not be reflected on the student’s Academic Transcript.

Plagiarism is to use another’s work and to present it as one’s own without acknowledging the sources in the correct way. All essays, reports or projects handed in by a student must be original work completed by the student. By enrolling at any UPF BSM Master of Science and signing the “Honor Code,” students acknowledge that they understand the schools’ policy on plagiarism and certify that all course assignments will be their own work, except where indicated by correct referencing. Failing to do so may result in automatic expulsion from the program.”

Calendar and Contents: (Week and Topics per each of the 10 week)

WEEK	TOPIC	CASES	MATERIAL
1	Managerial and financial accounting. Designing balanced scorecards as corporate information systems. Strategy maps and measures.	Mc Donalds	PPT Article: The Balanced Scorecard: a Necessary Good or an Unnecessary Evil?
2	Financial statements. Balance sheet, profit and loss account, cash flow statement and the notes. Auditor's reports.	Air Berlin TRIODOS BANK --- Seminar: Starbucks	PPT Analysis of financial statements. 1, 2
3	Analysis of the balance sheet and the cash flow statement	PANRICO (A) (B) Toys R US	PPT Analysis of financial statements.3,4
4	Analysis of the income statement. Profitability. Stock market ratios.	ICA NORWAY --- Seminar: Apple-Samsung	PPT Analysis of financial statements.5,6.
5	Working capital analysis	Bon Preu Volkswagen --- Seminar: Air Berlin/Norwegian	PPT Analysis of financial statements.7
6	Accounts manipulation and creative accounting	ENRON GOWEX (A) --- Seminar: Netflix	PPT Article: Truthfulness in accounting
7	Cost accounting. Direct costing and full costing. ABC.	NURSERY GUISSONA --- Seminar: Pescanova	PPT Accounting and finance for managers. 7 Cost accounting
8	Relevant costs for decision making.	MILKY --- Seminar: European Insurance	PPT Accounting and finance for managers. 7 Cost accounting
9	Preparing budgets and analyzing variances. Analysis of forecasted financial statements.	BIO HEALTH RED & ROUGE --- Seminar: Budget	PPT Accounting and finance for managers. 6, 8 Budget and financial planning
10	Integration	Toys R US JOCS & GAMES --- Seminar: Q&A	PPT

Reading Materials/ Bibliography/Resources

The following material will be provided through the Campus Global:

PPT

Books provided to students: Analysis of financial statements

Accounting and finance for managers.

Articles: The Balanced Scorecard: a Necessary Good or an Unnecessary Evil?

Truthfulness in accounting

Cases

Participants are asked to study the material (PPT, readings, cases and articles) which will be distributed during the course. Other references which can help to prepare the course are the following. They are not compulsory:

Amat, O. and Soriano, M.J. (2016): *Accounting and finance for managers*, ACCID, Barcelona.

Amat, O., Fontrodona, J, Hernández, J.M. and Stoyanova, A. (2010): *High growth firms and gazelles in Catalonia*, Generalitat de Catalunya, Barcelona.

Griffiths, I. (1995): *The new creative accounting*, MacMillan, London.

Kaplan, R. and Norton, D. (1997): *The Balanced Scorecard*, Harvard Business School Press, Boston.

Kaplan, R. and Norton, D. (2000): *The Strategy-Focused Organization*, Harvard Business School Press, Boston.

Stewart, G. (1999): *The quest for value*, Harper Collins, New York.

Walton, P. (2000): *Financial statement analysis: An international perspective*, Thomson Business Press, London.

Weaber, S.C. and Weston, J.F. (2001): *Finance and accounting for nonfinancial managers*, Mcgraw-Hill, New York.

Key concepts of the course:

1. Managerial and financial accounting, Balanced Managerial / Financial Accounting
BSC perspectives: People, Processes, Clients and Finance
Strategy maps
Measures
2. Financial statements
Process for the analysis of a company
Earnings, cash and growth
Qualitative analysis. Who-What-How
Business model
Key success factors
Life cycle of companies
Reasons for failure
SWOT
Cause and Effect Diagram
Balance sheet
Income statement
EBITDA, Cash Flow, Capex, Free Cash Flow
Cash Flow Statement
Cash from Operations, from Investments and from Financing
Statement of changes in equity
Auditor's report
3. Analysis of the balance sheet
Ideal balance sheet, equilibrium rules
Ratios: Liquidity
 Debt (Quantity, Quality, Cost of debt, Repayment capacity)
Asset turnover
Terms
Predictions: Unidimensional and multidimensional
Z Scores
4. Analysis of Income Statement
Margin
Segmental information
Efficiency and effectiveness
Break-even point
Operating leverage
Profitability analysis: ROI, ROE
Financial leverage
Stock Exchange ratios: Book value, P/E
Dividend policy
5. Working Capital analysis
Real Working Capital

Terms

Operating and Cash Cycle

Working Capital needed

Surplus and Deficit in Working Capital

6. Accounts manipulation and creative accounting

Earnings Management

Legal / Illegal

Accounts manipulation / Real transactions

The Door of Fraud: Motivation, Opportunity, Rationalization, Personality

Ethical dimensió

Economic consequences

Qualitative red signals

Quantitative red signals: ratios, Cash Flow Statement, Z scores

7. Cost accounting

Costs: Direct, Indirect, Fixed, Variable

Costing:

-Direct Costing

-Variable Costing

Full Costing (Main and support

Departments, Two Steps, Allocation base)

-ABC (Activity, Cost driver)

8. Relevant costs for decision making

Costs: Relevant, Incremental, Sunk, Opportunity, Controllable

Pricing decisions: Short term, Long Term

Target Costing

Make or Buy

Elimination of a part of a company

Replacement of an equipment

9. Preparing budgets and analyzing variances. Analysis of forecasted financial statements.

Strategic planning – Operating planning

Budgets: Balance sheet, Income Statements, Cash Budget

Static – Flexible

Activity Based Budgeting

Zero Base Budgeting

Beyond Budgeting

Rolling Forecast

10. Integration

Total costs of quality. Quality cost. Non quality costs.

Environmental accounting

Economic Value Added

Variable pay

The future of controlling



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management

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Companies suggested for the Final Assignment (Group Report):

<p>Catalan and Spanish companies</p> <ol style="list-style-type: none"> 1. Abertis 2. Bimbo 3. Caprabo 4. Casa Tarradellas 5. Cellnex 6. Cobega 7. Comsa 8. CONDIS 9. DAMM 10. Europastry 11. F.C.Barcelona 12. Fotoprix 13. Gas Natural 14. Grifols 15. Guissona 16. Home Meal Replacement (Nostrum) 17. La Farga 18. Mediaproducció 19. Miguel Torres 20. Punto Fa 21. Abengoa 22. ACS 23. Cobega 24. Endesa 25. Iberdrola 26. Indra 27. Pescanova 28. Telefonica 	<p>European companies</p> <ol style="list-style-type: none"> 29. ADIDAS 30. BASF 31. Bayer 32. BMW 33. Daimler Benz 34. Danone 35. Deutsche Post 36. Deutsche Telecom 37. ENEL 38. Eon 39. Essilor 40. Kon Ahold 41. L'Oreal 42. LVMH 43. Munich Re 44. Nestlé 45. Orange 46. RWE 47. Saint-Gobain 48. Sanofi 49. Schneider Electric 50. Siemens 51. Tesco 52. Total 53. Unilever 54. Vinci 55. Vivendi
<p>American companies</p> <ol style="list-style-type: none"> 56. Apple Inc.Facebook 57. McDonald's 58. Nike 59. Pfizer 60. Procter Gamble 61. Quest Communications 62. Tesla 63. Toys r us 64. Verizon 65. Walt Disney 66. Wal-Mart 67. Wells Fargo 68. 3M 	<p>Asian companies</p> <ol style="list-style-type: none"> 69. Olympus 70. Samsung 71. TATA 72. Toshiba

Calendar (Mondays and Tuesdays): 16,30-18.00

Bio of Professor Oriol Amat

Professor of Financial Economics and Accounting, Universitat Pompeu Fabra
Director Master in Accounting and Finance (Barcelona School of Management, Universitat Pompeu Fabra)
MP. Member of the Catalan Parliament

Studies and titles

Degree in Business Administration and MBA by ESADE (1979)
Degree in Economic Sciences, UAB (1985)
Doctor in Business Administration, UAB (1991)
International Teachers Programme Stockholm School of Economics (1982)

Present Professional activities

2015- Member of the Catalan Parliament
2013- President Catalan Accounting Association (ACCID)
1992- Professor Universitat Pompeu Fabra
Board member of different organizations.

Past Professional activities

2011-2015 Board member of CNMV (Spanish Stock Exchange Supervisor)
2014-2015 President of the Spanish Register of Accounting Experts
2011-2015 President of the Spanish Register of Accounting Economists
2011-2015 Member of the Advisory Council for Economic Catalonian Growth
1996-2011: Board Member of the Economist Association of Catalonia
2004-2013 Vice-president Catalan Association of Accounting
2006-2011: Director Center for Quality and Teaching Innovation (UPF)
2003-2004: Director of the Department of Economy and Business (UPF)
1998-2001: Vicerector of Economy and Information Systems of UPF
1985-1991: Professor Universitat Autònoma of Barcelona
1978-1992: Professor EADA Business School
1977-1978: Auditor Arthur Andersen

From 1979 has made diverse professional works in the area of Accounting and Finance. He has been visiting professor of several European, American and Asian universities. He participated in the work groups that elaborated the General Accounting Plan (Spanish GAAP).

Publications and conferences

Has published several books translated to several languages and numerous works in academic and professional journals in the field of accounting and finance. Key note speaker in national and international Congresses. He has directed 8 PhD thesis. Director of Revista de Contabilidad y Dirección, Deputy Director of Revista Iberoamericana de Contabilidad y Dirección. Editorial board member of other academic journals.

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Bio of Professor Luz Parrondo

Professor of International Finance and Accounting, UPF Barcelona School of Management.

Education: PhD in Economics, Finance and Business, Univ. Pompeu Fabra (UPF)

Research interests

Management and accounting; Detailed: Earnings management, Risk management, Corporate Social Responsibility, entrepreneurship and gender studies

Teaching Experience

Barcelona School of Management (UPF): Managerial Accounting, International Finance

Assistant professor UPF: Financial accounting, Economy and analytical instruments

Toulouse Business School: ABC/ABM costing methods and Budgeting

IES Abroad: International Finance Management

Professional Experience

Financial consultant (freelance) for SMEs (Actual)

Acquamedia Technologies SL Financial and HR Manager

Modiss Iluminación SL Financial and HR Manager

Mazel Ingenieros S.A. Financial Controller / Assistant Financial Manager