



**CORPORATE AND ACADEMIC SERVICES**

**MODULE SPECIFICATION**

Part 1: Basic Data					
Module Title	Management Accounting & Financial Decision Making				
Module Code	UMAD5E-30-2	Level	2	Version	1.2
Owning Faculty	FBL	Field	Accounting and Finance		
Contributes towards	BA (Hons) Accounting and Finance				
UWE Credit Rating	30	ECTS Credit Rating	15	Module Type	Standard
Pre-requisites	Fundamentals of Accounting 1 UMAD4X-30-1, and Fundamentals of Accounting 2 UMAD4Y-30-1	Co- requisites	None		
Excluded Combinations	None	Module Entry requirements			
Valid From	September 2012	Valid to			

<b>CAP Approval Date</b>	26/7/12
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Part 2: Learning and Teaching	
Learning Outcomes	<p>On successful completion of this module students will be able to:</p> <ul style="list-style-type: none"> <li>• apply marginal and absorption costing techniques to manufacturing companies; (A, B)</li> <li>• prepare flexed budgets; (A, B)</li> <li>• calculate and interpret variances using standard costing; (A, B)</li> <li>• reconcile budgeted and actual performance of manufacturing and service companies using both absorption and marginal costing; (A, B)</li> <li>• discuss the behavioural consequences of budgetary control; (A, B)</li> <li>• discuss alternative approaches to budgeting; (A, B)</li> <li>• discuss the advantages and disadvantages of divisionalisation and the performance evaluation of cost, profit and investment centre managers; (A, B)</li> <li>• discuss the objectives of transfer pricing and apply alternative models; (A, B)</li> <li>• discriminate between relevant and irrelevant information for decision making purposes; (A, B)</li> <li>• explain the theoretical justification of discounted cash flow techniques based on the concept of the time value of money and the opportunity cost of capital in investment decision-making; (A, B)</li> <li>• describe traditional investment techniques and the extent of their use as part of the overall capital allocation planning process; (A, B)</li> <li>• apply payback, discounted payback, accounting rate of return, net present value, internal rate of return and modified internal rate of return, assess the importance of mathematical precision, and show an appreciation of the relationship between these techniques; (A, B)</li> <li>• undertake discounted cash flow calculations taking inflation, tax and capital</li> </ul>


	<ul style="list-style-type: none"> <li>rationing into account where appropriate; (A, B)</li> <li>• identify and apply techniques to deal with replacement and make/buy decisions; (A, B)</li> <li>• identify circumstances giving rise to capital rationing and apply the profitability ratio in one-period capital rationing situations; (A, B)</li> <li>• trace the development of key management accounting concepts such as return on investment and economic value added; (A, B)</li> <li>• evaluate the development of the Balanced Scorecard and similar models from performance measurement to strategic management models; (A, B)</li> <li>• trace the development of activity based costing into activity based budgeting and activity based management; (A, B)</li> <li>• discuss Customer Profitability and Pareto analysis.(A, B)</li> </ul>
Syllabus Outline	<ul style="list-style-type: none"> <li>• Calculation of cost, contribution and profit using marginal and absorption costing;</li> <li>• Reconciliation of marginal and absorption costing profits;</li> <li>• Preparation of flexed budgets;</li> <li>• Application of standard costing and variance analysis to manufacturing and service companies;</li> <li>• Calculation and interpretation of material, labour, variable overhead, fixed overhead, and sales variances;</li> <li>• Reconciliation of budgeted and actual profit using marginal and absorption costing;</li> <li>• Advantages and disadvantages of divisionalisation;</li> <li>• Characteristics of cost, profit and investment centres;</li> <li>• Performance evaluation of cost, profit and investment centre managers;</li> <li>• Objectives of transfer pricing;</li> <li>• Application of cost based, market price, negotiated, dual rate, and marginal cost plus fixed lump sum transfer prices;</li> <li>• Impact of transfer pricing on decision making and performance evaluation;</li> <li>• Behavioural consequences of budgetary control;</li> <li>• Cash flow and taxation;</li> <li>• Use of NPV, IRR, and MIRR for decision making;</li> <li>• Relevant Costs;</li> <li>• Replacement and make/buy decisions;</li> <li>• Capital rationing and inflation;</li> <li>• Incorporating risk in investment appraisal;</li> <li>• Payback, discounted payback and ARR;</li> <li>• Divisional performance measurement using return on investment and economic value added measures;</li> <li>• Balanced scorecard and non-financial performance measurement models;</li> <li>• Incremental versus zero-based budgeting, benchmarking, and beyond budgeting;</li> <li>• Activity based costing, activity based budgeting, and activity based management;</li> <li>• Customer Profitability and Pareto analysis.</li> </ul> <p>In addition, delivery of the above will seek to develop students' information literacy, ICT, problem-solving, time-management, team-working, analytical, and written and oral communication skills. The educational experience may explore, develop, and practise <u>but not formally discretely assess</u> the following:</p> <ul style="list-style-type: none"> <li>• locating, extracting and analysing data and information from a variety of different sources;</li> <li>• presenting, discussing and defending ideas, concepts and views effectively through written and verbal communication;</li> <li>• synthesizing and critically evaluating information from different sources and making reasoned judgements in situations of uncertainty;</li> <li>• thinking critically, examining problems and issues from a number of perspectives, challenging viewpoints, ideas and concepts, and making well-reasoned judgements;</li> </ul>

	<ul style="list-style-type: none"> <li>• applying appropriate knowledge, analytical techniques and concepts to problems and issues arising from both familiar (routine) and unfamiliar (novel) situations, identifying appropriate techniques in complex situations;</li> <li>• critically evaluating prior research studies;</li> <li>• working co-operatively in a group, sharing decision making and negotiating with others;</li> <li>• acting independently and as part of a group to plan and undertake tasks, reflect on learning and seek and make use of feedback;</li> <li>• using appropriate IT packages to search, communicate and present information;</li> <li>• using electronic resources to support learning.</li> </ul>
<p>Contact Hours/Scheduled Hours</p>	<p>There are 6 hours of scheduled contact time per week. This will include 3 hours of whole-group activities (lectures/tutorials) and 3 hours of tutorials. 1 hour of whole-group activity will be a Programme Hour for developing core skills. Students will also engage in independent study (including reading, preparation for scheduled activities, and preparation and completion of assessment).</p>
<p>Teaching and Learning Methods</p>	<p>The emphasis is on providing a structured learning environment within which the student can develop an understanding of, and skills within, the subject area. In particular, the focus is on supporting the student in the development of skills that will enable him/her to become an increasingly independent learner.</p> <p>Student-staff contact time will include lectures, lectorials and tutorials. The module will adopt a blended learning approach combining face-to-face with virtual interaction, communication and collaboration. The use of BlackBoard and other technologies will be embedded into the module to support students' learning both in advance of, and following, face-to-face sessions. Programme hours will address the development of students' core skills, such as academic and business awareness, employability and developing as accounting academics and professionals.</p> <p>The following provides an indication of how scheduled and independent learning will be structured:</p> <p>3 lectures/lectorials x 12 weeks = 36 hours  3 tutorials x 12 weeks = 36 hours</p> <p>228 hours of independent study (including reading, preparation for scheduled activities, and assessment preparation and completion).</p> <p>Lectures will provide an overview of new topic areas and lectorials will consider worked examples to support students in their application of knowledge. Tutorials will provide an opportunity for individual or group learning activities, where students can obtain feedback on technical aspects of their work and discuss and explore the topic being covered. Students will be encouraged to reflect on their learning and academic and professional development.</p> <p>Guidance on recommended readings and other resources will be provided. Lecture and tutorial materials, digitised readings and question banks incorporating past examination questions will also be provided electronically on Blackboard to support students' learning.</p>
<p>Key Information Sets Information</p>	<p>Key Information Sets (KIS) are produced at programme level for all programmes that this module contributes to, which is a requirement set by HESA/HEFCE. KIS are comparable sets of standardised information about undergraduate courses allowing prospective students to compare and contrast between programmes they are interested in applying for.</p>

**Key Information Set - Module data**

Number of credits for this module

30

Hours to be allocated	Scheduled learning and teaching study hours	Independent study hours	Placement study hours	Allocated Hours	
300	72	228	0	300	

The table below indicates as a percentage the total assessment of the module which constitutes a -

**Written Exam:** Unseen written exam, open book written exam, In-class test

**Coursework:** Written assignment or essay, report, dissertation, portfolio, project

**Practical Exam:** Oral Assessment and/or presentation, practical skills assessment, practical exam

Please note that this is the total of various types of assessment and will not necessarily reflect the component and module weightings in the Assessment section of this module description:

Total assessment of the module:	
Written exam assessment percentage	75%
Coursework assessment percentage	25%
Practical exam assessment percentage	0%
	100%

**Reading Strategy**

All students will be encouraged to make full use of the print and electronic resources available to them through membership of the University. These include a range of electronic journals and a wide variety of resources available through web sites and information gateways. The University Library's web pages provide access to subject relevant resources and services, and to the library catalogue. Many resources can be accessed remotely. Students will be presented with opportunities within the curriculum to develop their information retrieval and evaluation skills in order to identify such resources effectively.

**Essential Reading:**

Students are expected to purchase the essential text book. However, the text book may change from year to year and students must check with the module leader before purchasing it. The current text books are:

Drury, C. (2008) *Management and Cost Accounting* (7th edition). Cengage Learning: UK ( also essential on Fundamentals of Accounting 2)

Arnold, B. (2008) *Corporate Financial Management* (4th edition). FT Prentice Hall: UK. (also essential on Corporate Finance)

**Electronic resources**

To aid the development of key skills, students will be encouraged to use the library's mySkills site as well as electronic databases and news sources. Guidance will be provided on how these resources should be used to develop relevant skills at different stages of the module.

**Further Reading:**

	Digitised extracts from other text books and articles from academic and professional journals will also be provided where necessary.
Indicative Reading List	<p>McLaney, E. (2006), <i>Business Finance Theory and Practice</i> (7th edition). FT Prentice Hall.</p> <p>Pike, R. &amp; Neale, B. (2003), <i>Corporate Finance and Investment: Decisions and Strategies</i> (3rd edition). FT Prentice Hall.</p> <p>Watson, D. &amp; Head, A. (2001), <i>Corporate Finance</i>. FT Prentice Hall.</p>

### Part 3: Assessment

Assessment Strategy	<p>Tutor-facilitated formative assessment opportunities during the module where students will be expected to work individually and in groups to complete tasks in tutorials and obtain feedback from tutors and peers.</p> <p>The summative time-constrained assessment has to comply with professional accreditation requirements.</p> <p>Summative assessments comprising:</p> <ul style="list-style-type: none"> <li>- Component A: Three-hour closed book examination.</li> </ul> <p>Component B: 2000 word (maximum) group professional report to inform strategic decision making and address students' reflections on their learning and development.</p>
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Identify final assessment component and element	<b>Component A</b>	
% weighting between components A and B (Standard modules only)	<b>A:</b>	<b>B:</b>
	<b>75%</b>	<b>25%</b>

<b>First Sit</b>	
<b>Component A</b> (controlled conditions) <b>Description of each element</b>	<b>Element weighting</b> (as % of component)
1. Examination (3 hours)	100%
<b>Component B</b> <b>Description of each element</b>	<b>Element weighting</b> (as % of component)
1. Group professional report and reflection (maximum 2000 words)	100%

<b>Resit (further attendance at taught classes is not required)</b>	
<b>Component A</b> (controlled conditions) <b>Description of each element</b>	<b>Element weighting</b> (as % of component)
1. Examination (3 hours)	100%
<b>Component B</b> <b>Description of each element</b>	<b>Element weighting</b> (as % of component)
1. Individual professional report and reflection (maximum 2000 words)	100%
If a student is permitted an <b>EXCEPTIONAL RETAKE</b> of the module the assessment will be that indicated by the Module Description at the time that retake commences.	