



# University of Management and Technology

## School of Business and Economics

Course Title: Managerial Accounting  
Course Code: AC-535  
Resource Person:  
Department: Finance

### **SBE Vision**

SBE envisions its success in the sustainable contribution that it will make to the industry, academia and research in public and private sector. SBE will lead by providing professionally competent and ethically conscious human resources engaged in the global and local context to foster socio-economic growth and sustainability for the society. SBE envisages having faculty with high research potential and a deep desire for cutting edge research including collaboration with national and international partners.

### **SBE Mission**

Being a research-oriented and student-centric business school, we emphasize research publications in impact journals as well as state-of -the-art learning methodologies. We will prepare our students to become the future ethical business leaders and the guiding post for the society, while equipping them with the knowledge and skills required by world-class professionals. We will be the leading choice for organizations seeking highly talented human resource. SBE will foster internationalization with key stakeholders and actively work to exchange best practices with business schools across Pakistan through collaborations, workshops, conferences and other means.

### **PROGRAM OBJECTIVES**

- To hone participants' abilities through a well-developed and diversified program designed to equip graduates with essential leadership skills.
- To develop participants' expertise in order to increase their resourcefulness in better decision-making.
- To prepare participants for steering an organization through the difficult and turbulent global and domestic environment and enable the development of an implementable strategic business plan that not only addresses the financial but social and environmental issues as well.
- To produce students who have well-rounded entrepreneurial skills - who not only have great ideas, but can also make things happen by starting their own ventures.
- To enhance the proficiency of the students and groom them to deal with the complex business situations.

## Course Objectives

Management Accounting is the “Process of identifying, measuring, accumulating, analyzing, preparing, interpreting and communicating information to help the managers to fulfil organizational objectives”. This course is designed to enable students to learn the management accounting techniques to achieve a level of proficiency sufficient to guide management for effective utilization of economic resources. This course capitalizes the accounting techniques and a method covered in the previous courses and develops a conceptual foundation for establishing a result – oriented mechanism of administrative controls. It also discusses the role of management in the financial reporting process, the impact of the accounting information system on management’s strategic decisions and explores the tools and concepts of cost management systems. The practices of accounting information systems are analyzed to determine their management implications.

## Learning Objectives

- ⇒ To develop and utilize accounting information for strategic decision-making.
- ⇒ To learn about the decision making process in the field of accounting and finance.
- ⇒ To determine patterns of cost behaviour including variable, fixed and semi – variable costs.
- ⇒ To learn about product costing methods like job order costing and process costing.
- ⇒ To analyze the effects of absorption costing and variable costing on various business decisions..

## Learning Outcomes

- Ability to understand
- ⇒ the definition & purpose of Managerial Accounting
- ⇒ Cost Reporting Process
- ⇒ The structure and preparation of Costing Statements
- ⇒ **Costing decisions for Sustainable Projects**
- ⇒ **Ethical practices in Cost Accumulation and Cost Cutting**
- ⇒ **Costing for International Projects**
- ⇒ Decision making process in the field of Managerial Accounting

## Teaching Methodology

Class discussions from prescribed readings,  
Problem Solving  
Applications of concepts using case study analysis wherever required

**STUDENTS ARE REQUIRED TO READ AND UNDERSTAND ALL ITEMS OUTLINED IN THE PARTICIPANT HANDBOOK**

## Class Policy:-

- **Be On Time**  
You need to be at class at the assigned time. After 10 minutes past the assigned time, you will be marked absent.

- **Mobile Policy**  
**TURN OFF YOUR MOBILE PHONE!** It is unprofessional to be texting or otherwise.

- **Email Policy**  
**READ YOUR EMAILS!** You are responsible if you miss a deadline because you did not read your email. Participants should regularly check their university emails accounts regularly and respond accordingly.

- **Class Attendance Policy**  
A minimum of 80% attendance is required for a participant to be eligible to sit in the final examination. Being sick and going to weddings are absences and will not be counted as present. You have the opportunity to use 6 absences out of 30 classes. Participants with less than 80% of attendance in a course will be given grade 'F' (Fail) and will not be allowed to take end term exams. International students who will be leaving for visa during semester should not use any days off except for visa trip. Otherwise they could reach short attendance.

- **Withdraw Policy**  
Students may withdraw from a course till the end of the 12th week of the semester. Consequently, grade W will be awarded to the student which shall have no impact on the calculation of the GPA of the student. A Student withdrawing after the 12th week shall be automatically awarded "F" grade which shall count in the GPA.

- **Moodle**  
UMT –LMS (Moodle) is an Open Source Course Management System (CMS), also known as a learning Management System (LMS). Participants should regularly visit the course website on MOODLE Course Management system, and fully benefit from its capabilities. If you are facing any problem using moodle, visit <http://oit.umt.edu.pk/moodle>. For further query send your queries to [moodle@umt.edu.pk](mailto:moodle@umt.edu.pk)

- **Harassment Policy**  
Sexual or any other harassment is prohibited and is constituted as punishable offence. Sexual or any other harassment of any participant will not be tolerated. All actions categorized as sexual or any other harassment when done physically or verbally would also be considered as sexual harassment when done using electronic media such as computers, mobiles, internet, emails etc.

- **Use of Unfair Means/Honesty Policy**  
Any participant found using unfair means or assisting another participant during a class test/quiz, assignments or examination would be liable to disciplinary action.

- **Plagiarism Policy**  
All students are required to attach a "Turnitin" report on every assignment, big or small. Any student who attempts to bypass "Turnitin" will receive "F" grade which will count towards the CGPA. The participants submit the plagiarism report to the resource person with every assignment, report, project, thesis etc. If student attempts to cheat "Turnitin", he/she will receive a second "F" that will count towards the CGPA. There are special rules on plagiarism for final reports etc. all outlined in your handbook.

- **Communication of Results**

The results of quizzes, midterms and assignments are communicated to the participants during the semester and answer books are returned to them. It is the responsibility of the course instructor to keep the participants informed about his/her progress during the semester. The course instructor will inform a participant at least one week before the final examination related to his or her performance in the course.

## Course Outline

Course code: AC-535

Course title: Managerial Accounting

Program	MBA
Credit Hours	3
Duration	4 months
Prerequisites (If any)	None
Resource Person Name and Email	
Counseling Timing (Room# 7 )	
Contact no.	042-5212801-10
Web Links:- (Face book, Linked In, Google Groups, Other platforms)	NA

**Chairman/Director Programme signature.....Date.....**

**Dean's signature.....Date.....**

## **Grade Evaluation Criteria**

Following is the criteria for the distribution of marks to evaluate final grade in a semester.

<b>Marks Evaluation</b>	<b>Marks in percentage</b>
Quizzes	20%
Assignments	05%
Mid Term	30%
Attendance & Class Participation	05%
Final exam	40%
Total	100%

### **Recommended Text Books:**

- ⇒ Managerial Accounting; Creating Value in a dynamic Business Environment  
Ronald W. Hilton  
Latest Edition Available

### **Reference Books:**

- ⇒ Cost Accounting: A managerial Emphasis  
Horngren, Datar & Foster  
Prentice hall, Inc. USA  
Latest Edition Available

No	Topics to be covered in the course	Learning Objective of this topic	Expected Outcomes from Students	Teaching Method	Assessment Criteria	Deadlines and Homework
1	Managerial Accounting – Fundamental Concepts	To understand the basic concepts of Manufacturing costs, Direct and Indirect costs, Fixed and Variable costs, Product and period costs, Marginal and average costs.	To Prepare Cost of goods manufactured & sold statement and Income statement.	Prescribed readings, class discussions and applications of concepts using numerical problems and local & International case studies wherever required	Class Assignments, Class Participation, Quiz	To be announced in class
2	Managerial Accounting – Fundamental Concepts	To understand the basic concepts of Manufacturing costs, Direct and Indirect costs, Fixed and Variable costs, Product and period costs, Marginal and average costs.	To Prepare Cost of goods manufactured & sold statement and Income statement.	Prescribed readings, class discussions and applications of concepts using numerical problems and local & International case studies wherever required	Class Assignments, Class Participation, Quiz	To be announced in class
3	Activity Analysis, Cost Behaviour & Cost Estimation	To understand the core concepts of Cost behavior patterns, Fixed, Variable & Semi Variable Costs, Engineered, Committed & Discretionary Costs,	Learning of Cost Estimation Methods inclusive of High & Low Point Method, Least Square regression method	Prescribed readings, class discussions and applications of concepts using numerical problems and local & International case studies wherever required	Class Assignments, Class Participation, Quiz	To be announced in class
4	Activity Analysis, Cost Behaviour & Cost Estimation	To understand the core concepts of Cost behavior patterns, Fixed, Variable & Semi Variable Costs, Engineered, Committed & Discretionary Costs,	Learning of Cost Estimation Methods inclusive of High & Low Point Method, Least Square regression method	Prescribed readings, class discussions and applications of concepts using numerical problems and local & International case studies wherever required	Class Assignments, Class Participation, Quiz	To be announced in class
5	Product Costing System	To understand the Product & Service Costing, Job Order Costing System and the Process Costing System using Weighted Average method	To prepare Job Order Cost Sheet using the Job Order costing system. To prepare Cost of Production report using the Process Costing	Prescribed readings, class discussions and applications of concepts using numerical problems and local & International	Class Assignments, Class Participation, Quiz	To be announced in class

			system	case studies wherever required		
6	Product Costing System	To understand the Product & Service Costing, Job Order Costing System and the Process Costing System using Weighted Average method	To prepare Job Order Cost Sheet using the Job Order costing system. To prepare Cost of Production report using the Process Costing system	Prescribed readings, class discussions and applications of concepts using numerical problems and local & International case studies wherever required	Class Assignments, Class Participation, Quiz	To be announced in class
7	Activity based Costing	To understand the Traditional, Volume-based Product-Costing System and the Activity based Costing systems, Cost Drivers etc.	To differentiate and calculate the profitability of the product using the Traditional and activity based costing systems and to explain how an activity based costing system operates including the use of two stage procedure for cost assignment, the identification of activity cost pools and the selection of cost drivers.	Prescribed readings, class discussions and applications of concepts using numerical problems and local & International case studies wherever required	Class Assignments, Class Participation, Quiz	To be announced in class
8	Activity based Costing	To understand the Traditional, Volume-based Product-Costing System and the Activity based Costing systems, Cost Drivers etc.	To differentiate and calculate the profitability of the product using the Traditional and activity based costing systems and to explain how an activity based costing system operates including the use of two stage procedure for cost assignment, the identification of activity cost pools and the selection of cost drivers.	Prescribed readings, class discussions and applications of concepts using numerical problems and local & International case studies wherever required	Class Assignments, Class Participation, Quiz	To be announced in class
9	Budgeting	To understand the purposes of the budgeting systems and the similarities and differences in the operational budgets prepared by the manufacturers, service industry firms, merchandizers and non-profit organizations	Preparation of various types of budgets including Sales & Purchase Budget, Production Budget, Cash Budget, Master Budget.  Understanding of the concepts of Activity Based Budget, Zero Based Budgeting & Balanced	Prescribed readings, class discussions and applications of concepts using numerical problems and local & International case studies wherever required	Class Assignments, Class Participation, Quiz	To be announced in class



			Scorecard			
10	Budgeting	To understand the purposes of the budgeting systems and the similarities and differences in the operational budgets prepared by the manufacturers, service industry firms, merchandizers and non-profit organizations	Preparation of various types of budgets including Sales & Purchase Budget, Production Budget, Cash Budget, Master Budget.  Understanding of the concepts of Activity Based Budget, Zero Based Budgeting & Balanced Scorecard	Prescribed readings, class discussions and applications of concepts using numerical problems and local & International case studies wherever required	Class Assignments, Class Participation, Quiz	To be announced in class
11	Cost Volume Profit Analysis	To understand the Break Even Point, Contribution Margin Approach, Equation Approach, CVP graph, Safety Margin	Application of Cost Volume Profit analysis to determine the effect on profit of changes in fixed expenses, variable expenses, sales price and sales volume. Prepare and interpret the contribution income statement.	Prescribed readings, class discussions and applications of concepts using numerical problems and local & International case studies wherever required	Class Assignments, Class Participation, Quiz	To be announced in class
12	Cost Volume Profit Analysis	To understand the Break Even Point, Contribution Margin Approach, Equation Approach, CVP graph, Safety Margin	Application of Cost Volume Profit analysis to determine the effect on profit of changes in fixed expenses, variable expenses, sales price and sales volume. Prepare and interpret the contribution income statement.	Prescribed readings, class discussions and applications of concepts using numerical problems and local & International case studies wherever required	Class Assignments, Class Participation, Quiz	
13	Standard Costing	To understand the role of standard costing in today's manufacturing environment. Besides Setting of Standards, calculation of various cost and efficiency variances	To calculate and interpret the Direct material Variances, Direct Labor Variances, Overhead Variances, Planning & Operational variances	Prescribed readings, class discussions and applications of concepts using numerical problems and local & International case studies wherever required	Class Assignments, Class Participation, Quiz	
14	Costing for International Projects	<b>To understand the role of costing in global environment.</b>	To calculate and interpret the costing techniques being practiced in global projects	Prescribed readings, class discussions and applications of concepts using numerical problems and local & International case studies wherever	Class Assignments, Class Participation, Quiz	To be announced in class

				required		
15	<b>Costing Decisions &amp; Ethical Practices for Sustainable Businesses</b>	To Understand the Managerial Accounting Decisions for Sustainable Businesses.	Able to understand the significance of Managerial accounting decision for the sustainability of business	Prescribed readings, class discussions and applications of concepts using numerical problems and local & International case studies wherever required	Class Assignments, Class Participation, Quiz	To be announced in class