

Subject Code	AF5112
Subject Title	Management Accounting
Credit Value	3
Level	5
Normal Duration	One Semester
Pre-requisite / Co-requisite/ Exclusion	None
Role and Purposes	This subject aims to equip students with a thorough understanding in management accounting concepts and techniques, and to provide them with an understanding of the uses and limitations of data in planning, control and decision making. It contributes to the achievement of PgDPA/MPA Programme Outcomes by enabling students to <u>use cost accounting and financial accounting information effectively for planning, control and decision making, appreciate management accounting as an interdisciplinary subject</u> in its context as an information and decision support system within the modern industrial and commercial organizations and <u>apply planning and control techniques for strategy formulation and implementation</u> (Programme Outcome 2).
Subject Learning Outcomes	Upon completion of the subject, students will be able to: <ul style="list-style-type: none"> (a) <u>explain the overall management accounting framework</u> and its implications in business context; (b) <u>explain the basic costing concepts and the various costing systems</u> in both traditional and contemporary manufacturing environment and <u>determine product cost</u> under traditional and contemporary costing systems; (c) <u>use cost information and other factors to aid management decision making</u>; (d) <u>explain the planning and control framework and their implications</u> to management functions and <u>use financial / non-financial information to aid planning and control</u>; and (e) <u>appreciate management accounting as an interdisciplinary subject</u> in its context as an information and decision support system within modern industrial and commercial organizations.
Subject Synopsis/ Indicative Syllabus	Introduction to Management Accounting The function of management. The difference between financial accounting and management accounting. Ethical issues in management accounting.

	<p>Job-order and Process Costing The flow of cost. Problems of overhead application. Job-order costing in service companies. Equivalent unit computations. First-in-first-out and weighted average method.</p> <p>Activity-based Costing ABC vs. traditional costing systems. Cost pools and cost hierarchies. First and second stage allocation. Activity-based management.</p> <p>Joint and By-product Costing Differentiate between joint and by-products. Accounting for joint and by-products.</p> <p>Cost-Volume-Profit Analysis and Decision Making Review of Cost Behavior. Approaches to analyse the cost function. Breakeven point for single and multi-product settings. The concepts of operating leverage and margin of safety. Use of relevant cost in different decision environments. Buy versus make decision. Keep or abandon. Decision Making under Uncertainty.</p> <p>Standard Costing and Budgeting Budgetary Process. Behavioural aspects of the budgetary process. Basic and advance variance computations. Application of variances in management control.</p> <p>Performance Measurement Review of different performance indicators. The choice of the appropriate performance measures. Behavioural aspects of performance measures.</p> <p>Transfer Pricing Policy Examine various transfer pricing policy and the criteria of a good transfer policy will be examined. The behavioural aspects of implementing different transfer policy.</p> <p>Responsibility to Clients, Management and Owners</p> <p>Contemporary Issues in Management Accounting</p>
<p>Teaching/Learning Methodology</p>	<p>Key concepts and principles will be introduced in the 3-hour seminar. Class discussion will also be conducted to stimulate students' critical thinking on the subject matter. Students will immediately apply the knowledge they have learnt in completing group assignments.</p>

Assessment Methods in Alignment with Intended Learning Outcomes	Specific assessment methods/tasks	% weighting	Intended subject learning outcomes to be assessed (Please tick as appropriate)				
			a	b	c	d	e
	Term test	25%	√	√			
	Class participation	10%	√	√	√	√	√
	Group assignments	15%	√	√	√	√	√
	Final examination	50%	√	√	√	√	√
	Total	100 %					
<p>Explanation of the appropriateness of the assessment methods in assessing the intended learning outcomes:</p> <p>The term test assesses the students' understanding of costing principles. The test requires students to analyze and apply costing principles to determine product cost under different manufacturing or non-manufacturing settings.</p> <p>Class participation stimulates students' critical thinking in issues related to product cost determination and using financial/non-financial information for strategic and operational planning, control and decision making.</p> <p>Group assignments require students to complete a problem/mini-case by applying the concepts presented in class.</p> <p>Final examination – The 3-hour examination tests the students' ability to apply financial and non-financial information towards management planning, control and decision-making.</p> <p>Note: To pass this subject, students are required to obtain Grade D or above in BOTH the Continuous Assessment and Examination components. In addition, the specific requirements on individual assessment components discussed above could be adjusted based on the pedagogical needs of subject lecturers.</p>							
Student Study Effort Expected	Class contact:						
	▪ 13 weeks of three-hour seminar		39 Hrs.				
	Other student study effort:						
	▪ Class preparations, reading subject materials/textbook, assignments and group discussions		78 Hrs.				

	Total student study effort	117 Hrs.
Reading List and References	Garrison, Noreen, Brewer, et al, Managerial Accounting, Asian Global Edition, Latest edition, latest edition, McGraw Hill. Horngren, Datar, Foster, Ittner, Cost Accounting, latest edition, Prentice Hall. Antony & Govindarajan, Management Control Systems, latest edition, McGraw Hill.	