



**College of Business and Economics
Department of Accounting and Finance**

Course Number	AcFn2092
Course Title	Cost and Management Accounting –II
Degree Program	BA Degree in Accounting and Finance
Module	Cost and managerial accounting
ETCTS Credits	5
Contact Hours (per week)	3
Course Objectives & Competences to be Acquired	<p>After successfully completing this course, the students should be able to:</p> <ul style="list-style-type: none"> • Explain the importance of cost- volume- profit analysis; • Describe the benefit of budgeting and its application; • Prepare a master budget; • Prepare a flexible budget; • Compute and interpret variances; • Apply relevant costing to different decisions; • Explain the methods of pricing; • Explain the costs and benefits of decentralization.
Course Description	The course builds on the knowledge acquired from the course entitled cost and Management Accounting and introduces some new concepts and uses of accounting tools and techniques in the analysis, planning and control of business operations and management decision making processes. Topics covered include: intensive review of the management decision making processes and nature of management information, examination of concepts and rationale underlying managerial accounting managerial methods, the budgeting process and standard costing, the investment decision and quantitative methods of evaluation.
Course Contents	
1. Cost-Volume-Profit Relationships	
<ul style="list-style-type: none"> 1.1. Variable and fixed cost behavior and patterns 1.2. Break-even analysis uses and techniques 1.3. Planning with cost-volume-profit Data 1.4. Limitation of CVP analysis 	
2. The Master Budget	
<ul style="list-style-type: none"> 2.1. The overall plan and its characteristics 2.2. Advantages of budgeting 2.3. Types of budgets 2.4. Developing the master budget 2.5. Difficulties of sales forecasting 	
3. Flexible Budgets and Standards	
<ul style="list-style-type: none"> 3.1. Static vs. Flexible budgets 	

<ul style="list-style-type: none"> 3.2. Standards for material and labor 3.3. Controllability and variance analysis <ul style="list-style-type: none"> 3.3.1. Direct material 3.3.2. Direct labor 3.4. Overheads
<p>4. Measuring Mix and Yield Variances</p> <ul style="list-style-type: none"> 4.1. Sales variances <ul style="list-style-type: none"> 4.1.1. Sales volume variance 4.1.2. Sales Mix Variance 4.1.3. Market-size and market-share variance. 4.2. Input variances <ul style="list-style-type: none"> 4.2.1. Direct materials Mix and Yield Variances 4.2.2. Direct Labor Mix and Yield variances 4.3. Productivity Measurement
<p>5. Decision-Making and Relevant Information</p> <ul style="list-style-type: none"> 5.1. The role of Accounting in special decisions 5.2. The meaning of relevance 5.3. Irrelevance of past costs and future costs that will not differ 5.4. Special decision areas <ul style="list-style-type: none"> 5.4.1. Make or Buy decision 5.4.2. Special Order decisions 5.4.3. Add or Drop decisions 5.4.4. Product Mix decisions 5.4.5. Scarce Resource decisions
<p>6. Pricing Decisions and Cost Management</p> <ul style="list-style-type: none"> 6.1. Major influence on pricing decisions 6.2. Costing and pricing for the short run and long run. 6.3. Cost plus target rate of return on investment
<p>7. Decentralization and Transfer Pricing</p> <ul style="list-style-type: none"> 7.1. Decentralization 7.2. Responsibility Center 7.3. Transfer Price
<p><u>Text Book:</u></p> <ul style="list-style-type: none"> • Horngren, Foster, & Datar. Cost Accounting: A Managerial Emphasis. 9th Ed. 1997 • Horngren, Sunden & Stratton. Introduction to Management Accounting. 11th Ed. 1999 <p><u>Reference Books</u></p> <ul style="list-style-type: none"> • C.T Homgren, Introduction to Management Accounting 4th to 8 th editions, 1999 USA • C.T. Homgren, Cost Accounting: A Managerial Emphasis 5th to 8th editions prentice Hall Inc. 1982 to 1994 • Homgren, foster, & Datar, Cost Accounting A Managerial Emphasis. 10 th Edition • L.E. Heitger Managerial Accounting 1th and 2 nd editions, McGraw Hill , 1998, India • GetuJemaneh, Management Accounting 1996. • Ray H.Garrison, Managerial Accounting. 6th edition • Caluinegler, Managerial Accounting 2nd edition • L. Gayle Rayburn Principles of cost Accounting using a cost Management Approach 4th edition Richard DIR WIN Inc. 1989.