

City University of Hong Kong

**Information on a Course
offered by Department of Accountancy
with effect from Semester B in 2014 / 2015**

Part I

Course Title: Cost and Management Accounting

Course Code: AC5521

Course Duration: 1 semester

Credit Units: 3

Level: P5

Medium of Instruction: English

Prerequisites: AC5511 Financial and Management Accounting or
AC5601 Corporate Accounting I

Precursors: Nil

Equivalent Courses: AC5522 Cost and Management Accounting

Exclusive Courses: Nil

Part II

Course Aims

This course aims to provide students with:

1. an introduction to management accounting for internal reporting and decision making purposes;
2. familiarity with cost terminology, and management accounting reports;
3. the ability to apply numerical techniques to solve short run decision making problems;
4. the skill to interpret financial and non-financial performances measures in business.

Course Intended Learning Outcomes (CILOs)

Upon successful completion of this course, students should be able to:

No.	CILOs	Weighting (if applicable)	DEC-related dimension
1.	Apply the principles of cost-volume-profit analysis and relevant costs in short run business decisions (Aims 1, 2 & 3)	15-20%	Attitude and Ability
2.	Construct operational budgets, the cash budget and the budgeted financial statements and discuss ethical/behavioural issues in budgeting (Aims 2, 3 & 4)	15-20%	Attitude and Ability
3.	Compute and interpret standard costs and variances, and critically evaluate the advantages and disadvantage of standard costing (Aims 2, 3 & 4)	15-20%	Attitude and Ability
4.	Analyse the different responsibility centres, performance measures and goal congruence issues, including the balanced scorecard (Aim 4)	15-20%	Attitude and Ability
5.	Become exposed to issues of strategic planning and control (Aim 4)	15 – 20%	Attitude
6.	Become familiar with methods of advanced costing methods to aid decision-making (Aim 4)	15 -20%	Attitude and Ability

Teaching and Learning Activities (TLAs)

(Indicative of likely activities and tasks designed to facilitate students' achievement of the CILOs. Final details will be provided to students in their first week of attendance in this course)

CILO No.	TLAs	Hours/week (if applicable)
CILO 1,2,3,4,5,6	Interactive lectures/seminars (TLA1) and tutorials (TLA2)* through which the lecturer facilitates the communication of subject materials, discussions on related topical issues from the media, and the active participation of students *DEC TLA element	2 hours
CILO 1,2,3,4,5,6	Classroom activities (TLA2) and groups presentations (TLA3)* will allow students to work in groups to improve their group learning, oral presentation, and active leanings skills *DEC TLA element	1 hour

CILO No.	TLAs	Hours/week (if applicable)
CILO 1,2,3,4,5,6	Group project (TLA3)* provides students with the opportunity to apply their classroom learning to solve real world problems. *DEC TLA element	1 hour outside classroom time per week
CILO 1,2,3,4, 5, 6	Outside regular class time used to do assigned practice questions will allow students to apply their knowledge and consolidate what they learn.	No limit

Notes:

TLA 1: Interactive lecture/seminar mode is the normal way subject material is delivered by the course instructor.

TLA 2: Interactive tutorial times are assigned for self-practice by students in the presence of the course instructor where questions can be dealt with in class.

TLA 3: A case study or an open-ended question describing cost & management accounting techniques employed in real-life companies and may be assigned to students as a tool for problem-based learning, for class discussion.

Assessment Tasks/Activities

(Indicative of likely activities and tasks designed to assess how well the students achieve the CILOs. Final details will be provided to students in their first week of attendance in this course)

CILO No.	Type of Assessment Tasks/Activities	Weighting (if applicable)	Remarks
CILO 1	AT1 + AT3 + AT4 + AT2		
CILO 2	AT1 + AT3 + AT4 + AT2		
CILO 3	AT1 + AT3 + AT4 + AT2		
CILO 4	AT1 + AT3 + AT4 + AT2		
CILO 5	AT1 + AT3 + AT4 + AT2		
CILO 6	AT1 + AT3 + AT4 + AT2		

Coursework: 50%

AT1: Mid-term test (20-30%) to provide a mid-semester assessment of students' competence level of the topics.

AT2: The project (10-20%) can take the form of an open-ended question or a case study which requires research and analysis and may be completed individually or in groups (about 5 members).*

AT3: Participation (5-10%): encourage cooperative attitude, reasonable efforts in completing tutorial/reading assignments, and active participations in class discussions (e.g. initiatives to raise questions or debate identified issues).*

Examination: 50% (a 3-hour examination)

AT4: A written comprehensive examination to assess students' competence level of the topics.

*DEC AT element

Students are required to pass both coursework and examination components in order to pass the course.

Grading of Student Achievement: Also refer to Grading of Courses in the Academic Regulations for Taught Postgraduate Degrees.

CILO No.	Excellent (A+, A, A-)	Good (B+, B, B-)	Adequate (C+, C, C-)	Marginal (D)
1,	Demonstrate superior skills in solving short run decisions in business.	Demonstrate a high level of skills in solving short run decisions in business.	Demonstrate an adequate level of skills in solving short run decisions in business.	Sufficient skills in solving short run decisions in business.
2,3	Demonstrate superior knowledge and ability to compute and interpret cost variances and budgets.	Demonstrate a high level of knowledge and ability to compute and interpret cost variances and budgets.	Demonstrate an adequate level of knowledge and ability to compute and interpret cost variances and budgets.	Sufficient knowledge and ability to compute and interpret cost variances and budgets.
4	Demonstrate superior knowledge in critical analysis of performance measures and strategies used in management control.	Demonstrate a high level of knowledge in critical analysis of performance measures and strategies used in management control.	Demonstrate an adequate level of knowledge in critical analysis of performance measures and strategies used in management control.	Sufficient knowledge in critical analysis of performance measures and strategies used in management control.

CILO No.	Excellent (A+, A, A-)	Good (B+, B, B-)	Adequate (C+, C, C-)	Marginal (D)
5,6.	Demonstrate superior skills in using selected advanced methods to solve strategic planning problems.	Demonstrate a high level of skills in using selected advanced methods to solve strategic planning problems.	Demonstrate an adequate level of skills in using selected advanced methods to solve strategic planning problems.	Sufficient skills in using selected advanced methods to solve strategic planning problems

Part III

Keyword Syllabus

1. Introduction to Strategic Management Accounting and its control systems
2. Review of cost behavior, cost-volume-profit relationships.
Relevant costs for decision making
3. The management control environment:
Segment reporting decentralization and responsibility centers
- Revenue and Expense Centers
4. Profit Centers
5. Investment Centers and Transfer pricing
6. Value Chain Analysis; ABC and ABM; Quality Costs and TQM
7. JIT, Target Costing, and Product life-cycle costing
8. Financial statement analysis
9. The management control process:
Strategic and profit planning; Budget Preparation
Flexible budgets & Variance analysis
Performance Measurement; Balanced Scorecard; Management Compensation
Management control in multi-national corporations & Corporate Social Responsibility Reporting
10. Hot topics in China accounting research.

Recommended Reading

Text(s) including:

1. Garrison, Noreen & Brewer, "Managerial Accounting", latest edition, McGraw-Hill International.
2. Hilton, Maher & Selto, "Cost Management, Strategies for Business Decisions", latest edition, McGraw-Hill International.
3. Drury, "Management and Cost Accounting", latest edition, Thomson Learning.
4. Horngren, Datar & Rajan, "Cost Accounting: A Managerial Emphasis", latest edition, Pearson.

5. For a perspective on management control practice in China:
 - ◆ Neale G. O'Connor, "Management Control of Multinational Enterprises in China", latest edition, McGraw-Hill Education

Online Resources

1. <http://www.imanet.org/> (Institute of Management Accountants- US)
2. <http://www.cimaglobal.com/> (Chartered Institute of Management Accountants- UK)