

MODULE: **ADVANCED MANAGEMENT ACCOUNTING**

CODE: **BAAF-3-2-10**

Stage: **III**

Credit Points: 4 semester credits / 6 quarter units

Overview and Aims

Introduction to corporate strategy

Differences between strategy and day to day organisational operations

The language of strategy

What makes good strategy

A review of theory and practice

Historical content of strategy

Prescriptive theories versus emergent theories

Concept of strategic drift

Analysis of the macro environment

Consideration of organisation context

PEST analysis

SWOT analysis

Key factors for success

Contribution of Porter

Analysing markets and competitors

Concept of product portfolio

Competitive strategies

Developing sources of sustainable competitive advantage

Analysing organisation markets

- Market segmentation
- Customers and customer driven strategy
- Stakeholder analysis

Analysing organisation resources

- Make or buy decision
- Value chain
- Value system
- Hierarchy of resources

Analyse of organisation human resources

- Human resource audit
- Organisational culture
- International culture prospective

Analyse of organisation operational resources

- The role of operations in adding value
- Lean thinking
- Quality systems

Module Content

Objectives of management accounting in relation to planning, control and decision making, current issues in management accounting, behavioural implications of different costing approaches including performance evaluation, implications of costing approaches for profit reporting, the pricing of products and services.

Absorption, marginal and opportunity cost approaches to the accumulation of costs, activity based costing, use of cost drivers and activities, life cycle and target costing.

Interpretation of variances, planning and operational variances, behavioural implications, mix and yield variances

Objectives of budgeting, planning and control systems including behavioural implications, evaluations of budgetary systems such as fixed, flexible, zero based, incremental periodic, continuous and activity based, the budgetary system principal budgets, cash budgets and a review of budgets.

Concepts of correlation, basic time series analysis and forecasting, use of computer based models.

Decision making, pricing strategies and the evaluation of pricing decisions, price / demand relationships, relevant costs and pricing decisions, transfer pricing and decision making. CVP analysis and profit maximisation, product profitability and limiting factor analysis, theory of constraints and throughput accounting, linear programming techniques.

Performance measurement models such as the balanced scorecard and the performance pyramid, management impact on performance measurement, accountability issues, benefits and problems of performance measurement, reward schemes and performance management, divisional performance, return on investment and residual income.

Format of reports, analysis and dissemination to relevant users, frequency timing and degree of accuracy, influence of trend, materiality and controllable issues.

Corporate versus operational strategy strategy, life cycle issues, SWOT analysis, benchmarking, consideration of risk and uncertainty.

Current developments including advanced manufacturing technologies.