

<b>Module</b>	Accounting Information for Managers
<b>Course code</b>	BABSH-AIM
<b>Credits</b>	5
<b>Important notes</b>	This is a management accounting module and is available to students who have completed <b>at least one year of Financial Accounting Tuition.</b>
<b>Allocation of marks</b>	20% Continuous Assessment 80% Final Examination

### Intended Module Learning Outcomes

On successful completion of this module, the learner will be able to:

1. Describe and evaluate the role of the management accountant and their contribution to the achievement of changing organisational objectives
2. Identify and explain cost and revenue classifications and cost behaviour patterns
3. Describe, apply and evaluate marginal cost accounting techniques
4. Explain and interpret decision making techniques to evaluate business choices
5. Apply budgeting techniques and evaluate alternative methods of budgeting, planning and control
6. Compute and interpret basic variances

### Module Objectives

This module is designed to provide learners with an understanding of how management accounting plays an integral part in business organisations. It highlights the importance of costs and the driver of costs in the production, analysis and use of information for decision making in organisations. It provides competencies on how to analyse information on costs, volumes and prices to take short-term decisions on products and services.

### Module Curriculum

#### The nature and scope of management accounting

- Organisational objectives and the role of the management accountant
- Operating environment of the management accountant, internal and external
- Ethical issues facing the management accountant
- Cost centres, revenue centres, profit centres, investment centres and the impact of these on management information and appraisal
- Management information requirements
- Strategic, tactical and operational planning

### **Cost classification, Behaviour and Purpose**

- Classification of costs – production, non-production, direct and indirect
- Cost behaviour patterns – fixed, variable, semi-variable, stepped costs
- Techniques for identifying fixed/variable elements in costs

### **Elements of cost**

- Inventory – valuation, pricing methods, inventory control
- Labour – direct and indirect
- Overheads - direct and indirect expenses, overhead cost analysis, overhead apportionment, absorption rates

### **Marginal Costing**

- Concept and importance of contribution
- Inventory valuation,
- Profit determination,

### **CVP Analysis and Breakeven Analysis**

- Breakeven point, margin of safety, breakeven charts
- Target profit / revenue
- Limitations

### **Budgeting and Variance Analysis**

- Purpose of budgeting
- Budget setting process, principal budget factor, functional budgets, cash budgets
- Standard costing – role and procedures for standard setting
- Variance analysis - calculation and interpretation of basic sales and cost variances