

Module	Performance Management
Course code	BAAFH-PEM
Credits	10
Important notes	Available to students who have completed at least two Management Accounting courses/modules or similar.
Allocation of marks	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 principles of strategic management accounting
2. Select and apply planning and control models and tools to plan and monitor organisational performance
3. Generate and interpret relevant information for management decision making
4. Evaluate the strategic performance of a business using appropriate performance measures
5. Identify the information needs of management and recommend suitable systems for implementation
6. Demonstrate an appreciation of current developments in management accounting

Module Objectives

This module builds on the knowledge acquired at Stage 2. It provides the learners with an understanding of strategic management accounting principles. It enhances and further develops the learner's ability and awareness of advanced management accounting techniques and topics.

Module Curriculum

Strategic management accounting

- Objectives of management accounting in relation to planning, control and decision making
- Behavioural implications of different costing approaches including performance evaluation, costing approaches for profit reporting, pricing of products and services

Cost and Management accounting techniques

- Absorption, marginal and opportunity cost approaches to the accumulation of costs
- Activity based costing, use of cost drivers and activities

- Life cycle costing
- Target costing
- Back-flush accounting
- Throughput accounting

Planning and control

- 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
- Forecasting techniques including basic time series analysis, simple average growth models and estimates based on judgment and experience
- Use of computer based models, benefits and dangers
- Behavioural aspects

Standard Costing and Variance Analysis

- Standard setting, difficulties, behavioural implications
- Planning and operational variances
- Mix and yield variances
- Interpretation of variances
- Effect of variances on staff motivation and action

Decision making techniques

- Pricing strategies and the evaluation of pricing decisions
- Price / demand relationships
- Relevant costs and pricing decisions
- CVP analysis and profit maximisation
- Product profitability and limiting factor analysis, theory of constraints, linear programming techniques
- Dealing with risk and uncertainty in decision-making

Performance measurement and control

- Balanced scorecard and the performance pyramid
- Management impact on performance measurement
- Accountability issues
- Benefits and problems of performance measurement

- Divisional performance and transfer pricing, return on investment and residual income
- Format of reports, analysis and dissemination to relevant users
- Current developments including advanced manufacturing technologies