

# Vesalius College

## Course description

**Course title:** Managerial Accounting

**Course code:** BUS 242E

**Teacher responsible:** Dr. Jan Rimbaut

**Course description:**

The focus of the course is the understanding of costs and cost behavior and the use of cost information for planning and control decisions. The fundamental accounting concepts and techniques for planning and control are applicable to all types and functions of organizations, not just to manufacturing (but also to nonprofit, retail, wholesale, selling and administrative situations). Stress is on planning and control, not on product costing for purposes of inventory valuation and income determination. Cost allocation, job costing, process costing, and the implications of overhead application for product costing are considered in perspective and in relation to management decisions regarding the best inventory valuation method.

The course covers four topics. A first part focuses on cost behavior and cost-volume relationships and an introduction to cost management systems. The second part examines the different ways of product costing (activity-based costing, job-costing systems, process-costing systems) and the problem of overhead allocation (variable and absorption costing). The third part introduces concepts of decision making from a marketing/pricing and from a production point of view. The final part examines the accounting for planning and control. This part introduces the master budget and the use of flexible budgets and standards for control.

**Course objectives:**

The twin objectives of this course are to clearly present the basic concepts and techniques in management accounting and to recognize current trends. Although basic concepts in management accounting have not changed dramatically, the application of those concepts has been significantly influenced by a changing world-wide competitive environment and significant changes in the cost accounting systems used by world-class companies. Both terminology and applied settings are intended to reflect the changes in the real world of management accounting.

**Grade weighting scheme:**

Attendance & participation	10%
Homework (exercises/quizzes)	20%
Project	15%
Midterm exam	25%
Final exam	30%

**Used course material (handbooks, readers, readings, newspapers, magazines) and references:**

Horngren Charles T., Sundem Gary L., Stratton William O., Introduction to Management Accounting, 14th edition, Prentice Hall, 2008.