

## **COURSE INSTRUCTOR**

Rui Carlos Pereira Caeiro Augusto

## **OFFICE HOURS**

Office hours are available in the schedules below, subject to appointment via e-mail at least 24 hours in advance.

Francisca Caldas (*francisca.caldas@novasbe.pt*): Thursdays from 2:00 pm to 3:30 pm

Madalena Paiva (*madalena.paiva@novasbe.pt*): Tuesdays from 3:30 pm to 5:00 pm

Pedro Perdigão (*pedro.perdigao@novasbe.pt*): Wednesdays from 5:00 pm to 6:30 pm

Rui Augusto (*raugusto@novasbe.pt*): Thursdays from 3:30 pm to 5:00 pm

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## **PREREQUISITE(S) / PRÉ-REQUISITO(S)**

1217 – Financial Accounting

## **COURSE UNIT AIMS**

This course aims to provide students with an understanding of the information that must be produced within the companies for the valuation of their inventory, for decision-making by their managers, and for the planning, control and performance measurement of their activities. Concern is given to the design, use and role of accounting information in the management of organizational activities.

## **COURSE UNIT CONTENT**

### **1) Introduction to Management Accounting**

- a) Scope and objectives of Management Accounting
- b) Terms, concepts and classifications of costs
- c) Cost concepts in manufacturing companies: cost of goods manufactured, and cost of goods sold

### **2) Profit and loss account by function**

- a) Inventory Valuation and Profit Measurement
- b) Cost assignment:
  - i) Single versus multiple overhead allocation rates
  - ii) Traditional costing systems
  - iii) ABC costing system
- c) Job costing and process costing

**3) Information for Decision-Making**

- a) Alternative cost accumulation systems
  - i) Description
  - ii) Advantages and disadvantages
- b) Cost-volume-profit analysis
  - i) Objectives
  - ii) Break-even point
  - iii) Safety margin
  - iv) Product-mix
- c) Relevant costs and revenues
  - i) Objectives
  - ii) Examples

**4) Information for Planning and Control**

- a) Budgeting
  - i) The planning processes
  - ii) Objectives and importance of budgeting
- b) Standard costs and variance analysis
  - i) Objectives
  - ii) Calculation of variances
  - iii) Identification of the causes of variances and the corrective actions to implement

**LEARNING OBJECTIVES**

**1) Knowledge and Understanding**

- A) Discuss the factors influencing the choice of an optimal management and cost accounting system;
- B) Explain how management and cost accounting can be used in a manufacturing, merchandising or service organization.

**2) Subject-Specific Skills**

- A) Understand the meaning of different cost terms;
- B) Describe differences between traditional and activity-based costing (ABC) systems;
- C) Discuss the arguments for and against variable and absorption costing;
- D) Measure relevant costs and revenues for decision-making;
- E) Identify the various stages in the budget process and explain the purposes of a standard costing system.

**3) General Skills**

- A) Explain how the competitive environment has influenced the development of management accounting;
- B) Understand the main functions of a management and cost accounting system;
- C) Discuss why different cost information is required for different purposes.

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**DEMONSTRATION OF THE COHERENCE OF THE SYLLABUS WITH COURSE UNIT**

**AIMS/LEARNING OBJECTIVES**

This demonstration of coherence stems from the interconnection of the syllabus with learning objectives (LO) and is explained as follows:

LO 1A - Syllabus points: All

LO 1B - Syllabus points: All

LO 2A - Syllabus points: 1b; 1c; 3b; 3c

LO 2B - Syllabus points: 2a

LO 2C - Syllabus points: 3a

LO 2D - Syllabus points: 3b; 3c

LO 2E - Syllabus points: 4a; 4b

LO 3A - Syllabus points: 1a

LO 3B - Syllabus points: 2a; 2b; 3a; 3b; 3c; 4a; 4b

LO 3C - Syllabus points: 1a; 1d; 2a; 3c; 4a; 4b

**ASSESSMENT**

Student assessment in the regular period is based on:

- Midterm exam (35%), scheduled for<sup>1</sup> March 14<sup>th</sup> at 17:30
- 2 Home quizzes (10%), scheduled for<sup>1</sup> March 3<sup>rd</sup> and April 28<sup>th</sup>, respectively.
- Final exam covering all the course content (55%) scheduled for May 31<sup>st</sup> at 11:30

<sup>1</sup>Dates may change. Duration and changes, if any, will be announced in advance in class.

To pass the course, students must get at least 8.5 out of 20 in the final exam and at least 10 out of 20 as the final grade of the course.

Additionally, there is a resit exam covering all the syllabus content, scheduled for June 25<sup>th</sup> at 11:00. The resit exam is worth 100% and it is available for all students that fail the course or want to improve their grade. To pass, students must get at least 9.5 out of 20 in the exam.

Grade improvements follow the assessment rules applicable to the regular or resit period assessment, respectively.

## COURSE SYLLABUS

1218 – Management Accounting, 7 ECTS

Spring Semester

202425

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### BIBLIOGRAPHY

Drury, C. (2015) Management and Cost Accounting, 9th Edition, South-Western / Cengage Learning (ISBN 978-1-4808-9393-1)

Bhimani, A., Horngren, C.T., Datar, S.M. and Rajan, M. (2015) Management and Cost Accounting, 6th Edition, Pearson (ISBN 978-129-206-346-1)

Garrison, R., Noreen, E. and Brewer, P. (2014) Managerial Accounting, 15th Edition, McGraw-Hill (ISBN 007-8-0256-3x)

### ADDITIONAL INFORMATION

A course webpage in Moodle is used to disseminate information about the course, as well as the Powerpoint slides for the lectures and the handbook of problems.

Students are advised to study the material taught and exercised in a class in a continuous and systematic way all along the course.