

# IB232-15 Management Accounting for Decision Making and Control

**21/22**

**Department**

Warwick Business School

**Level**

Undergraduate Level 2

**Module leader**

Angela Lorenz

**Credit value**

15

**Module duration**

10 weeks

**Assessment**

Multiple

**Study location**

University of Warwick main campus, Coventry

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## Description

### Introductory description

This is an elective module available for WBS and non-WBS students.

1. The module will build on core concepts introduced in IB116 Foundations of Management Accounting and will further students' understanding of how accounting is used within organisations for the planning, control and evaluation of activity with a special focus on the manager's role.
2. The module will cover technical issues in cost management and performance measurement systems, and wider issues concerning the role of management accounting in shaping management structures and decisions in manufacturing and service contexts. The module is also relevant for profit, not-for-profit, public and private sector organisations. It will draw on recent research to explain how accounting systems are designed and function in different organisational and social contexts.
3. The module aims to develop both a technical and critical appreciation of management accounting and an understanding of its strengths and limitations. A key emphasis will be on application, for example, the intelligent use of the information available to managers to aid their decisions and to evaluate the performance of business units and individuals within them.

## Module aims

1. The module will build on core concepts introduced in IB116 Foundations of Management Accounting and will further students' understanding of how accounting is used within organisations for the planning, control and evaluation of activity with a special focus on the manager's role.
2. The module will cover technical issues in cost management and performance measurement systems, and wider issues concerning the role of management accounting in shaping management structures and decisions in manufacturing and service contexts. The module is also relevant for profit, not-for-profit, public and private sector organisations. It will draw on recent research to explain how accounting systems are designed and function in different organisational and social contexts.
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## Outline syllabus

This is an indicative module outline only to give an indication of the sort of topics that may be covered. Actual sessions held may differ.

Short and long term decision making.

Organisational Control.

Performance Management.

Management Accounting and the modern business environment.

## Learning outcomes

By the end of the module, students should be able to:

- Understand the technical and conceptual issues of costing and management control systems and their effect on behaviour.
- Explain the alternative approaches to investment appraisal and its practical applications.
- Understand the need for a tailored cost management approaches for different contexts.
- Explain the theory of optimal transfer pricing, the behavioural implications of alternative transfer pricing systems and practical applications.
- Understand the need for a greater external focus in management accounting and the roles of strategic management accounting.
- Understand the problems of divisional performance measurement and management and the need for balanced performance measurement systems.
- Critically evaluate and interpret management accounting information and its relevance to management decisions.
- Develop and demonstrate analytical, and problem solving skills.
- Understand the relationship between theoretical work in management accounting and

management accounting practice.

- Appreciate the cultural and organisational environment and its influences on management accounting theory and practice.

## **Indicative reading list**

Required (Core) Text:

Drury, C., (2021), Management and Cost Accounting (11th Edition), Cengage Learning, Hampshire.

Other Useful Texts:

Drury, C. (2021) Management Accounting for Business (11th Edition), Thomson Business Press, London.

Bhimani, A., Horngren, C.T., Datar, S. M. and Rajan, M (2015) Management and Cost Accounting (6th edition), Prentice Hall, London.

Seal, W., Garrison, R. H. and Noreen E. W. (2006) Management Accounting, McGraw-Hill, Berkshire.

Bhimani, A. (2006) Contemporary Issues in Management Accounting, Oxford University Press, Oxford.

Hopper, T., Northcott, D. and Scapens, R. (2007) Issues in Management Accounting, Prentice Hall, London.

Chapman, C. S. (2005) Controlling Strategy: Management, Accounting and Performance Measurement, Oxford University Press, Oxford.

Grey, S. J., Salter, S. B. and Radebaugh, L. H. (2001) Global Accounting and Control: A Managerial Emphasis, Wiley, New York.

Current research may also be found in such journals as Management Accounting Research (MAR, UK); Journal of Management Accounting Research (JMAR, US); Journal of Cost Management (JCM, US); Accounting Organisations and Society (AOS); Critical Perspectives in Accounting (CPA); Harvard Business Review (HBR), Information and Organization (IO) and Accounting Auditing and Accountability Journal (AAAJ). Accounting Historians Journal (AHJ), Practitioner's articles may also be found in the CIMA journal Financial Management and in the US journal Management Accounting.

## **Subject specific skills**

Demonstrate technical skills related to the preparation and presentation of management accounting information.

Apply management accounting concepts and practices to analyse business problems and make recommendations.

Demonstrate enhanced competency in the use of spreadsheets.

Prepare and present professional reports to recommend courses of action.

## **Transferable skills**

Develop and demonstrate written communication skills.

Develop application of electronic calculation techniques.

Develop and demonstrate group work skills, oral communication and presentation skills.

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# Study

## Study time

Type	Required
Lectures	10 sessions of 2 hours (13%)
Seminars	9 sessions of 1 hour (6%)
Private study	48 hours (32%)
Assessment	73 hours (49%)
Total	150 hours

## Private study description

Directed reading; assessment & examination preparation; private study.

## Costs

No further costs have been identified for this module.

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## Assessment

You do not need to pass all assessment components to pass the module.

### Assessment group D6

	Weighting	Study time
Group Presentation (15 CATS) Tutor assessed student presentations.	10%	8 hours
In-person Examination	90%	65 hours
<ul style="list-style-type: none"><li>• Answerbook Green (8 page)</li><li>• Students may use a calculator</li></ul>		

### Assessment group R1

	Weighting	Study time
In-person Examination - Resit Exam.	100%	

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- Online examination: No Answerbook required

## **Feedback on assessment**

Feedback via my.wbs.

[Past exam papers for IB232](#)

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## **Availability**

### **Pre-requisites**

Management students will also be required to take a bridging module.

To take this module, you must have passed:

- All of
  - [IB116-15 Foundations of Management Accounting](#)
  - [IB146-15 Accounting for Business](#)

### **Post-requisite modules**

If you pass this module, you can take:

- IB373-15 Advanced Management Accounting

## **Courses**

This module is Optional for:

- UIBA-MN34 Law and Business Four Year (Qualifying Degree)
  - Year 3 of MN34 Law and Business Studies Four Year (Qualifying Degree)
  - Year 4 of MN34 Law and Business Studies Four Year (Qualifying Degree)
- Year 4 of UECA-4 Undergraduate Economics 4 Year Variants
- Year 3 of UIBA-MN31 Undergraduate Law and Business Studies
- UIBA-MN32 Undergraduate Law and Business Studies
  - Year 3 of MN32 Law and Business Studies (Four-Year)
  - Year 4 of MN32 Law and Business Studies (Four-Year)
- UIBA-MN37 Undergraduate Law and Business Studies (Qualifying Degree) with Intercalated Year
  - Year 2 of MN37 Law and Business Studies (Qualifying Degree) with Intercalated Year
  - Year 5 of MN37 Law and Business Studies (Qualifying Degree) with Intercalated Year
- UIBA-MN35 Undergraduate Law and Business Studies with Intercalated Year (3+1)

- Year 3 of MN35 Law and Business Studies with Intercalated Year (3+1)
  - Year 4 of MN35 Law and Business Studies with Intercalated Year (3+1)
- UIBA-MN36 Undergraduate Law and Business Studies with Intercalated Year (4+1)
  - Year 2 of MN36 Law and Business Studies with Intercalated Year (4+1)
  - Year 5 of MN36 Law and Business Studies with Intercalated Year (4+1)
- Year 4 of UECA-GL12 Undergraduate Mathematics and Economics (with Intercalated Year)