

Number of ECTS credits : 5

Course responsible : PUYOU François-Régis

Teachers : BARGAIN Aurélien , BELHOURANIA Rajaa , CHARLES François , FOUGERE Thalie , GERMAIN Christophe , HILEY Hubert , MOINARD Christian , PUYOU François-Régis , SAMBROOK Timothy , THIERRY Patrick

≡ COURSE DESCRIPTION

The course introduces the student to basic management accounting tools and techniques useful to analyse complex situations, choose between options and anticipate future outcomes of present decisions. The lectures will introduce fundamental management accounting concepts providing participants with a solid understanding of technical issues in the design and functioning of budgets and reporting. Participants will therefore be made familiar with forecasts and variance analysis. This course requires a prior understanding of basic concepts of financial accounting (P&L; Balance Sheet; Cash Flow Statements) and prior knowledge of Cost accounting methods and Cost Volume Profit analysis.

≡ COURSE OBJECTIVES

Upon successful completion of this course a student will be able to:

- Participate to budgeting and reporting procedures
- Implement sound reasonings grounded on management accounting concepts
- Use appropriate management accounting tools in decisions making
- Plan resources (material, technical,...)
- Assess financial implications of decisions

Develop an understanding of:

- methods and techniques of forecasting
- the formulas used in budget control (variances)

≡ LEARNING GOALS

LO02 - Analysis : Analyse complex situations

LO05 - Action : Evaluate, prevent and manage short, medium and long-term risks

LO07 - Entrepreneurship and Innovation : Identify needs and draw up an appropriate offer

LO13 - Cooperation : Communicate and interact in diversified contexts

LO15 - Cooperation : Act with flexibility, adaptability and intellectual curiosity

≡ TACKLED CONCEPTS

- Forecasting techniques
- Reporting structure
- Budget control
- EBIT
- Profit & loss account
- Cash flow budget
- Variances (flexed budget & profit reconciliation statement).

≡ LEARNING METHODS

Lecture, discussion, case analysis

≡ ASSIGNMENTS

Lecture before sessions. Case studies preparation. The whole course represents a minimum of 10 hours of personal work.

≡ BIBLIOGRAPHY

Hornlgren C., Bhimani A., Datar S., & Foster G. (2015). Management and Cost Accounting. (6th ed.). London: Pearson

≡ EVALUATION METHODS

20 % : Contrôle continu

80 % : Examen

1 Introduction: Budget, Control & Performance

LECTURE : 02h00

Introduction to management control in relation to financial accounting and cost accounting. Introduction to budgeting and standard costing.

2 Budgeting I

LECTURE : 02h00

Master budget, functional budgets, primary budget. Linking sales, production, purchases and other operational forecasts.

3 Budgeting II

LECTURE : 02h00

Applying budgeting concepts to service companies and preparing forecasts considering market shares and competition in simple situations.

4 Budgeting III

LECTURE : 02h00

Exercises

5 Linking financial statements

LECTURE : 02h00

Calculating impacts of future activities on profits, on cash and on the balance sheet. Modeling future impacts with Excel.

6 Variance analysis I

LECTURE : 02h00

Introduction to variance analysis: its rationale and its benefits and limitations

7 Short Run Decision Making II

LECTURE : 02h00

Flexed budgets, cost, price and volume variances applied to raw material, direct labour, variable overheads.

8 Variance analysis III

LECTURE : 02h00

Variance analysis on sales including an introduction to product-mix variance, market share variance and market size variance

9 Conclusion

LECTURE : 02h00

Open discussion about management control concepts studied during the course. Collective work on the previous year examination.