**Preparatory course a.a. 2014 / 2015**
**Cod. 20353 MANAGERIAL ACCOUNTING**

**Instructor: FRANCO FLAVIO MIROGLIO**

*Course taught in English*

## Course Objectives

This course emphasizes the use of accounting information for internal planning and control purposes. The course is intended as an introduction for individuals who make business decisions and evaluate the performance of business units using data obtained from the accounting system. The course covers the vocabulary and mechanics of cost accounting, basic issues involved in the design of a cost accounting system, and the role of management accounting in decisions concerning resource allocation and performance evaluation.

## Course Content Summary

The course is structured as followed:
I. Introduction to Management Accounting Concepts

- Definition, description and classification of different cost categories
- Understand the associations between cost drivers, variable costs, and fixed costs, and the major assumptions underlying the definitions of variable and fixed costs
- The concepts of contribution margin, breakeven point, and cost-volume-profit analysis

II. Cost accounting systems

- Introduce cost allocation and the computation of overhead rates.
- Understand the differences between traditional cost systems and Activity-Based Costing (ABC).

III. Budgets and analysis of variances

- Flexible budgets and standard costs as aids for planning and control
- The functioning of standard costing systems
- Variance analysis between actual and standard costs
- Computation and meaning of volume variances and the effects of capacity utilization on performance evaluation

IV. Decentralization and Performance Measurement

- The reasons behind decentralization and understand the concept and various forms of responsibility accounting.
- The nature of performance evaluation in business units.
- Understand the nature of intra-firm transactions and the importance of proper accounting for them.

## Textbooks

- C.T. HORNGREN, G.L. SUNDEM, W.O. STRATTON, *Introduction to management accounting,* Pearson Prentice Hall 2007, 14th Edition