

Syllabus(tentative)	Subject	ACC 840 Management and cost accounting– 3KU credits (6ECTS)	
	Department	Economics and Management	
	Program	Graduate	
	Term	Spring 2023	
	Instructor	Fateh Israfilzada	
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	Classroom/hours	Bashir Safaroglu 122	
Language	English		
Prerequisites	ACC 801 Financial Accounting		
Compulsory/Elective	Compulsory		
Textbooks and course materials	<i>Core Textbooks:</i> 1. Managerial and Cost Accounting by Christopher J. Skousen Larry M. Walther (2022) 2. Elaine Henry, PhD, CFA, is at Stevens Institute of Technology (USA). Thomas R Robinson, PhD, CFA, CAIA, Robinson; Global Investment Management (USA), (2022) - ACCA MA (relevant chapters) - CFA Level I (chapters from Financial Statement Analysis and Corporate issuers)		
Course outline	This course will present and discuss the types of financial information a manager needs in order to plan, assess performance, and choose between alternative courses of action. This course is organized around the major uses of accounting by managers, and, at the conclusion of the course, you will have a better understanding of what accounting information represents, and what financial information is needed for effective decision making.		
Course objectives	To develop knowledge and understanding of management accounting techniques to support management in planning, controlling and monitoring performance in a variety of business contexts.		
Learning Outcomes	<ul style="list-style-type: none">• Evaluate the main accounting concepts needed for managerial decisions.• Analyze and implement information for management accounting concepts and procedures planning, control, and decision-making.• Understand and analyze financial statements in order to help managers to determine what financial information is needed for effective decision making.		
Teaching methods	Case analysis		X
	Lecture		X
	Problem Solving		X
Evaluation Criteria	Methods	Date/deadlines	Percentage (%)
	Midterm Exam		30
	Activity		5
	Attendance		5
	Homework/Case analysis		20
	Final Exam		40
	Total		100
Policy	<p>Activity/Attendance Because of the once-a-week course format, students are expected to attend all sessions. If you have an absence, take responsibility for making up assignments and for obtaining missed lecture information.</p> <p>Participation is important for doing well in the course. You'll be graded for your active engagement with the material and your peers.</p> <p>The activity and participation will account for 10 % of the total course grade.</p> <p>Class preparation. Students are responsible for: 1) reading the assigned materials; 2) taking the initiative to ask questions that promote understanding of the academic subject; 3) communicating regularly with the instructor, especially in matters related to class assignments.</p> <p>Homework/Case analysis. The structure and format of the homework may include multiple choice and open-ended questions.</p> <p>Analysis of the assigned case will be conducted by each student.</p> <p>Homework and case analysis will account for 20 % of the final grade.</p>		

		Cheating/Plagiarism. Academic integrity is fundamental to the activities and principles of a university. Breaches of the academic integrity will lead to assignment cancellation. When in doubt about plagiarism or any other form of cheating, consult the course instructor	
Tentative Schedule			
Wee k	Date (tentative)	Topics	Textbook/Assignments
1		Accounting for management <ul style="list-style-type: none">Describe the purpose and role of cost and management accounting within an organization.Compare and contrast financial accounting with cost and management accounting.Outline the managerial processes of planning, decision-making and control.Explain the difference between strategic, tactical and operational planning.Distinguish between data and information.Identify and explain the attributes of good information	ACCA MA Chapter 1
2		Cost classification <ul style="list-style-type: none">Describe the different elements of nonproduction costs - administrative, selling, distribution and finance.Describe the different elements of production costs - materials, labour and overheads.Explain the importance of the distinction between production and non-production costs when valuing output and inventories.Explain and illustrate with examples classifications used in the analysis of product/service costs including by function, direct and indirect, fixed and variable, stepped fixed and semi variable costs.Explain and illustrate the use of codes in categorising transactions.Describe and illustrate, graphically, different types of cost behaviour.Explain and illustrate the concept of cost objects, cost units and cost centres.Distinguish between cost, profit, investment and revenue centres	ACCA MA Chapter 3
3		Introduction to financial statement analysis <ul style="list-style-type: none">describe the roles of financial reporting and financial statement analysis.describe the roles of the statement of financial position, statement of comprehensive income, statement of changes in equity, and statement of cash flows in evaluating a company’s performance and financial position.describe the importance of financial statement notes and supplementary information—including disclosures of accounting policies, methods, and estimate and management’s commentary.describe the objective of audits of financial statements, the types of audit reports, and the importance of effective internal controls.identify and describe information sources that analysts use in financial statement analysis besides annual financial statements and supplementary information.describe the steps in the financial statement analysis framework.	CFA Level I Financial statement analysis (Chapter 1)
4		Understanding income statement, I	

		<ul style="list-style-type: none"> describe the components of the income statement and alternative presentation formats of that statement. describe general principles of revenue recognition and accounting standards for revenue recognition calculate revenue given information that might influence the choice of revenue recognition method describe general principles of expense recognition, specific expense recognition applications, and implications of expense recognition choices for financial analysis describe the financial reporting treatment and analysis of non-recurring items 	CFA Level I Financial statement analysis (Chapter 3)
5		Understanding income statement, II <ul style="list-style-type: none"> contrast operating and non-operating components of the income statement. describe how earnings per share is calculated and calculate and interpret a company's earnings per share for both simple and complex capital structures. formulate income statements into common-size income statements evaluate a company's financial performance using common-size income statements and financial ratios based on the income statement describe, calculate, and interpret comprehensive income describe other comprehensive income and identify major types of items included in it. 	CFA Level I Financial statement analysis (Chapter 3)
6		Understanding balance sheet <ul style="list-style-type: none"> describe the elements of the balance sheet: assets, liabilities, and equity. describe uses and limitations of the balance sheet in financial analysis. describe alternative formats of balance sheet presentation. contrast current and non-current assets and current and non-current liabilities. describe different types of assets and liabilities and the measurement bases of each. describe the components of shareholders' equity. demonstrate the conversion of balance sheets to common-size balance sheets and interpret common-size balance sheets. calculate and interpret liquidity and solvency ratios. 	CFA Level I Financial statement analysis (Chapter 4)
7		Understanding cash flow statements <ul style="list-style-type: none"> compare cash flows from operating, investing, and financing activities and classify cash flow items as relating to one of those three categories given a description of the items. describe how non-cash investing and financing activities are reported. contrast cash flow statements prepared under International Financial Reporting Standards (IFRS) and US generally accepted accounting principles (US GAAP). compare and contrast the direct and indirect methods of presenting cash from operating activities and describe arguments in favor of each method. describe how the cash flow statement is linked to the income statement and the balance sheet. describe the steps in the preparation of direct and indirect cash flow statements, including how cash flows can be computed using income statement and balance sheet data. 	CFA Level I Financial statement analysis (Chapter 5)

		<ul style="list-style-type: none"> analyze and interpret both reported and common-size cash flow statements calculate and interpret free cash flow to the firm, free cash flow to equity, and performance and coverage cash flow ratios 	
8		Mid-term Exam.	
9		Financial analysis techniques <ul style="list-style-type: none"> describe tools and techniques used in financial analysis, including their uses and limitations. identify, calculate, and interpret activity, liquidity, solvency, profitability, and valuation ratios. describe relationships among ratios and evaluate a company using ratio analysis. demonstrate the application of DuPont analysis of return on equity and calculate and interpret effects of changes in its components. calculate and interpret ratios used in equity analysis and credit analysis. 	CFA Level I Financial statement analysis (Chapter 6)
10		Inventories <ul style="list-style-type: none"> contrast costs included in inventories and costs recognized as expenses in the period in which they are incurred. describe different inventory valuation methods (cost formulas). calculate and compare cost of sales, gross profit, and ending inventory using different inventory valuation methods and using perpetual and periodic inventory systems. calculate and explain how inflation and deflation of inventory costs affect the financial statements and ratios of companies that use different inventory valuation methods. explain LIFO reserve and LIFO liquidation and their effects on financial statements and ratios. demonstrate the conversion of a company's reported financial statements from LIFO to FIFO for purposes of comparison. describe the measurement of inventory at the lower of cost and net realizable value. calculate and compare ratios of companies, including companies that use different inventory methods. analyze and compare the financial statements of companies, including companies that use different inventory methods. 	CFA Level I Financial statement analysis (Chapter 7)
11		Measures of leverage <ul style="list-style-type: none"> define and explain leverage, business risk, sales risk, operating risk, and financial risk and classify a risk. calculate and interpret the degree of operating leverage, the degree of financial leverage, and the degree of total leverage. analyze the effect of financial leverage on a company's net income and return on equity. calculate the breakeven quantity of sales and determine the company's net income at various sales levels. calculate and interpret the operating breakeven quantity of sales. 	CFA Level I Corporate Issuers (Chapter 6)
12		Capital investment <ul style="list-style-type: none"> describe the capital allocation process and basic principles of capital allocation. demonstrate the use of net present value (NPV) and 	CFA Level I Corporate Issuers (Chapter 2)

		<p>internal rate of return (IRR) in allocating capital and describe the advantages and disadvantages of each method.</p> <ul style="list-style-type: none"> describe and calculate other investment appraisal methods describe expected relations among a company's investments, company value, and share price. describe types of real options relevant to capital investment. describe common capital allocation pitfalls. 	
13		<p>Accounting for labour</p> <ul style="list-style-type: none"> Calculate direct and indirect costs of labour. Explain the methods used to relate input labour costs to work done. Prepare the journal and ledger entries to record labour cost inputs and outputs. Describe different remuneration methods: time-based systems, piecework systems and individual and group incentive schemes. Calculate the level and analyse the costs and causes of labour turnover. Explain and calculate labour efficiency, capacity and production volume ratios 	ACCA MA Chapter 10
14		<p>Accounting for overheads</p> <ul style="list-style-type: none"> Explain the different treatment of direct and indirect expenses. Describe the procedures involved in determining production overhead absorption rates. Allocate and apportion production overheads to cost centres using an appropriate basis. Reapportion service cost centre costs to production cost centres (including using the reciprocal method where service cost centres work for each other). Select, apply and discuss appropriate bases for absorption rates. Prepare journal and ledger entries for manufacturing overheads incurred and absorbed. Calculate and explain the under and over absorption of overheads 	ACCA MA Chapter 11
15		<p>Accounting for overheads</p> <ul style="list-style-type: none"> Explain the different treatment of direct and indirect expenses. Describe the procedures involved in determining production overhead absorption rates. Allocate and apportion production overheads to cost centres using an appropriate basis. Reapportion service cost centre costs to production cost centres (including using the reciprocal method where service cost centres work for each other). Select, apply and discuss appropriate bases for absorption rates. Prepare journal and ledger entries for manufacturing overheads incurred and absorbed. Calculate and explain the under and over absorption of overheads <p>ACCA MA Chapter 11</p> <p>Revision</p>	ACCA MA Chapter 11
		Final exam	