

## **COST ACCOUNTING, PLANNING & CONTROL**

**(Prof. Antonio CHIRICO)**

### **TEACHING STAFF RESPONSIBLE FOR THE COURSE:**

Prof. Antonio CHIRICO, Ph.D.  
Email: [chirico@economia.uniroma2.it](mailto:chirico@economia.uniroma2.it)  
Office Hour: Monday 15:00 – 17 :00

### **OTHER MEMBERS CONTRIBUTING TO THE COURSE:**

Assistant Researcher : dr. Gabriele Saponaro  
Email: [saponaro@economia.uniroma2.it](mailto:saponaro@economia.uniroma2.it)

### **PRE-REQUISITES FOR THE COURSE:**

General concepts of Financial Accounting

### **AIMS OF COURSE**

The course emphasizes the use of accounting information for internal planning and control purposes. The aim of this course is to provide foundations of managerial accounting and its concepts and enable students to use accounting information to make better decisions. The focus of the course is calculation and decision making based on cost-volume profit analyses, relevant costs. This course also aims to enable students to effectively use budget as a planning and control device. Moreover this course will get students familiar with special cases in management accounting. Therefore, the course will cover topics 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**

A study of the accounting information in managerial analysis and decision making; analysis of the output of the accounting system for planning and controlling activities of an organization; formulation of budgets as a planning and control tool; variance analysis and performance measurement.

### **LEARNING OUTCOMES OF THE COURSE**

Upon successful completion of this course, the enrolled students will be gaining the following knowledge, skills and competences:

1. To articulate the role of the accountant's in the organization
2. To distinguish functions of management accounting from financial accounting
3. To define cost terms examining the use of cost data
4. To identify cost types and behaviors
5. To distinguish between various costing system
6. To prepare master budget
7. To define budget variances
8. To use relevant information in decision making
9. To prepare a Balanced Scorecard

### **COURSE STRUCTURE**

The course is divided into six different sections:

- Section I: Concepts and Fundamentals of Management Accounting
- Section II: Cost Accounting Systems and Cost Analysis
- Section III: Relevant Costs for Decision Making and Control
- Section IV: Budgeting Process for Planning and Controlling
- Section V: Segment Reporting, Decentralization and the Balanced Scorecard
- Section VI: Managerial Accounting in practice: cases study discussion

### **TEACHING METHODS**

The course will be a combination of lectures, problem-solving, case studies, and interactive class discussions.

### **MAIN REFERENCES**

Garrison, Norreen, Brewer, *Managerial Accounting* (17th Edition, McGraw-Hill International Edition)

In particular, students are requested to study chapters: 1-14

During the course, cases will be discussed from the book above-mentioned or other text book provided by lectures.

### **CASE DISCUSSIONS**

Students are expected to be fully engaged in the entire learning process. This means that students need to prepare the assigned readings of the cases prior to each class and come to class prepared to participate in group work and/or discussions to enhance the learning of the individual and the class. Students will find the relative assignment for each case on the website. Please read the questions carefully before the lesson.

The objective is to involve all the class members in the discussion. The cases are designed to integrate the concepts from the case into the context of the course.

With case discussions, each student will develop:

1. The ability to set the parameters for the problem (key concepts from the case).
2. Ample knowledge regarding the subject of the case (understanding of material, good response to the observations of others).
3. The ability to connect the case to other course concepts.
4. The ability to involve others in the discussion.

In order to effectively discuss the cases, students need to be:

- prepared with facts and specific quotes from the case.
- prepared to comment, ask questions, or make observations about the case.

During the discussion, students need to:

- take a position on a question or a point.
- ask questions to clarify a point.
- help keep the discussion moving and on track.
- help draw others into the discussion.
- integrate theories and content from other cases.

During the discussion, students should not:

- come unprepared and show their lack of knowledge.
- monopolise the discussion.
- make irrelevant comments.
- be insensitive to other's desire to speak or share opinions.

### **OTHER LEARNING SOURCES**

Slides and other material will be available on the course website.

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### **ATTENDANCE**

Due to the concentrated nature of the MScBA programme, attendance in class is very important.

*NOTE:* Attendance for the first class session is mandatory as important information regarding the course and the lecturer's expectations are given. However, If students know in advance that they will be absent for one session, they must contact lecturer to ensure that absence from that particular session is acceptable.

### **EXAM**

The exam is made up of two parts: a written and an oral exam which will be usually held on the same day.

I° - Written exam) The format will be the follow:

Part A: multiple choice quizzes and true/false quizzes;

Part B: exercises ("Managerial Accounting in practice");

Part C: open questions (from 1 to 3).

II° - Oral exam) Students may be asked to discuss their written answers and to focus on some specific theoretical issues.

**ANALYTICAL SYLLABUS A.Y. 2024/2025**

<b>Date</b>	<b>Time</b>	<b>Agenda</b>	<b>Lecture/Case discussion</b>
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**Section I:**

Concepts and Fundamentals of Management Accounting

16 <sup>th</sup> September 2024	09:00 11:00	Introduction to Management Accounting Concepts	Lecture
17 <sup>th</sup> September 2024	09:00 11:00	Managerial Accounting and Cost Concepts	Lecture
18 <sup>th</sup> September 2024	09:00 11:00	Managerial Accounting and Cost Concepts	Lecture

**Section II:**

Cost Accounting System and Cost Analysis

23 <sup>th</sup> September 2024	09:00 11:00	System Design: Job-Order Costing	Lecture Case study
24 <sup>th</sup> September 2024	09:00 11:00	System Design: Process Costing	Lecture Case study
25 <sup>th</sup> September 2024	09:00 11:00	Applications	Lecture Case study
30 <sup>th</sup> October 2024	09:00 11:00	Case study	Lecture
1 <sup>st</sup> October 2024	09:00 11:00	Applications	Lecture
2 <sup>nd</sup> October 2024	09:00 11:00	Cost Behaviour: Analysis and Use	Lecture Case study
7 <sup>th</sup> October 2024	09:00 11:00	Cost-Volume-Profit Relationships	Case study Exercises
8 <sup>th</sup> October 2024	09:00 11:00	Applications	Case study Exercises
9 <sup>th</sup> October 2024	09:00 11:00	Variable Costing: A Tool for Management	Case study Exercises

**Section III:**

Relevant Costs for Decision Making

14 <sup>th</sup> October 2024	09:00 11:00	Applications	Lecture Case study
15 <sup>th</sup> October 2024	09:00 11:00	Case Study	Lecture Case study
16 <sup>th</sup> October 2024	09:00 11:00	Activity-Based Costing: A Tool to Aid Decision Making	Lecture
21 <sup>st</sup> October 2024	09:00 11:00	Activity-Based Costing: A Tool to Aid Decision Making	Lecture
22 <sup>nd</sup> October 2024	09:00 11:00	Activity-Based Costing: A Tool to Aid Decision Making	Exercises
23 <sup>rd</sup> October 2024	09:00 11:00	Applications	Case study Exercises

End of 1<sup>st</sup> module – (from 25<sup>th</sup> October to 3<sup>rd</sup> November)

4 <sup>th</sup> November 2024	09:00 11:00	The Make or Buy Decisions	Lecture
5 <sup>th</sup> November 2024	09:00 11:00	Opportunity costs, Special Orders and utilization of Constrained Resource	Lecture Exercises
6 <sup>th</sup> November 2024	09:00 11:00	Applications	Case study Exercises
11 <sup>th</sup> November 2022	09:00 11:00	Profit Planning	Lecture
12 <sup>th</sup> November 2022	09:00 11:00	Applications	Exercises
13 <sup>th</sup> November 2022	09:00 11:00	Applications	Exercises

**Section V:**

Segment Reporting, Decentralization and the Balanced Scorecard

18 <sup>th</sup> November 2024	09:00 11:00	Case study on Profit Planning	Lecture
19 <sup>th</sup> November 2024	09:00 11:00	Standard Costs and Management by exception	Exercise

20 <sup>st</sup> November 2024	09:00 11:00	Applications	Exercises
25 <sup>th</sup> November 2024	09:00 11:00	Flexible Budget	Lecture Exercises
26 <sup>th</sup> November 2024	09:00 11:00	Performance management and Balanced Scorecard	Lecture
27 <sup>h</sup> November 2024	09:00 11:00	Balanced Scorecard	Exercises
2 <sup>nd</sup> December 2024	09:00 11:00	Pricing product and services	Lecture Exercises
3 <sup>rd</sup> December 2024	09:00 11:00	Service Department allocation	Lecture Exercises

**Section VI:**

**Managerial Accounting in practice: cases study on budgeting**

9 <sup>th</sup> December 2024	09:00 11:00	Discussion case study on budget
10 <sup>th</sup> December 2024	09:00 11:00	Discussion case study on budget
11 <sup>th</sup> December 2024	09:00 11:00	Discussion case study on budget