

COURSE DESCRIPTION FOR: **4454: Managerial and Cost Accounting**

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(Latest update: 8 Dec. 2008/bb)

**COURSE CODE NO:** 4454

**COURSE NAME:** Managerial and Cost Accounting

**COURSE LEVEL:** Elective course for the bachelor's and master's levels.  
Compulsory course for the 3rd semester in the Business Administration major program

**NUMBER OF ECTS:** 10

**APPROVED:** Approval by the Study Board on 25 January 2008

**SEMESTER FOR WHICH THE COURSE DESCRIPTION APPLIES:** Fall 2008

**REPLACES COURSE DESCRIPTION DATED:** 28 Aug. 2007

**INTERVALS AT WHICH THE COURSE IS OFFERED:** Every fall semester

**FILLED IN BY:** Leonidas Enrique de la Rosa and Michael Stæhr

**LECTURER:** Leonidas Enrique de la Rosa

**NUMBER OF HOURS PER WEEK:** 4 (2x2) – 48 lecture hours total

**COMPLEMENTARY COURSES:**

4725: Accounting for Decision and Control

4142: Advanced Management Accounting

**RESTRICTIONS ON ADMISSION:**

This course may not appear in a study program together with 4353: Managerial and Cost Accounting I.

**COURSE DESCRIPTION:**

While financial accounting focuses on external reporting — and thus follows very clear guidelines set forth by a regulating body or generally accepted accounting principles, managerial and cost accounting focuses on internal reporting and does not need to follow any external regulation. The way that information is reported in managerial and cost accounting responds, rather, to function: information should be presented in whichever way is more conducive to sound decision making, planning, and control. Besides learning different methods of measuring and allocating costs, students will learn how to use managerial and cost accounting information in business decision making, short- and long-run planning, and control.

**LEARNING OBJECTIVES:**

After following this course, students should be able to

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- apply and evaluate alternative costing methods
- formulate and analyze internal accounting reports (including cost reports, income statements, budgets, variance analysis, etc.)
- apply internal accounting information to make sound economic decisions
- contrast the internal accounting system and decision making within the firm

**TEACHING METHOD:**

Lectures with active student participation. Suggested problems following each topic.

**FORM OF ASSESSMENT:** 4-hour written exam

**EXAMINATION AIDS ALLOWED:** All - except for any electronic equipment including calculators, mobile phones or PCs. However, a simple calculator will be provided at the exam.

**TEACHING LANGUAGE:** English

**LITERATURE:**

Horngren, C. T., Datar, S. M., and Foster, G.: *Cost accounting: a managerial emphasis*, Pearson Prentice Hall, latest edition. (around 800 pages)

**COURSE SUBJECT AREAS:**

- Cost structure and allocation  
(e.g. direct costs, overhead, fixed and variable costs, cost estimation, joint costs, support-department costs)
- Costing methods  
(e.g. job costing, process costing, activity-based costing)
- Decision making  
(e.g. production volume, pricing, quality and stock management, strategy)
- Planning and control  
(e.g. budgets, variance analysis, evaluation, transfer pricing, control systems, performance measurement, compensation)

**REQUIRED COURSES:**