

**DEPARTMENT OF MANAGEMENT, ECONOMICS & QUANTITATIVE METHODS**

**MODULE OUTLINE FOR: *STRATEGIC MANAGEMENT ACCOUNTING***

**SESSION: 2015/2016**

*COD: 900003*

**Academic year:** 2015/2016

**Module:** Strategic Management Accounting (SMA)

**Course Organizer:** Prof. MASSIMO CONTRAFATTO

**Course Lecturers:** Prof. MASSIMO CONTRAFATTO  
Prof. JOHN FERGUSON (University of St. Andrews)  
Dr. SARA MOGGI (University of Verona)

**Course Tutors:** Dr. IRIS BURGIA  
Dr. PAREDI MARCO

**Subject Area:** SECS-P/07 - ECONOMIA AZIENDALE

**Period:** First Semester

**Department:** Department of Management, Economics and Quantitative Methods

**Attendance:** Compulsory

**Credit value:** 9 CFU

**Lecture hours:** 72 hours

Requirements for degree programme. See web site: [http://www00.unibg.it/struttura/en\\_struttura.asp?cerca=en\\_LM-EADAP](http://www00.unibg.it/struttura/en_struttura.asp?cerca=en_LM-EADAP)

**Prerequisites:**

**Aims and learning objectives:**

The aim of the module is to develop knowledge of management accounting techniques and systems with reference to the use of internal accounting information in planning, control and decision making processes. In particular, students will gather knowledge and understanding of a range of strategic management accounting techniques and how to apply these techniques to problem-solving.

In addition, the class examines management accounting from a range of theoretical perspectives. The aim is to understand the boundaries of what is and isn't management accounting, contemporary thinking on management accounting and how management accounting may develop in the future. Management Accounting is described in many different ways to allow students to gather their own understanding and to develop a conceptual framework for evaluating its effectiveness in different institutional and organisational contexts.

On completing this class, students will:

- i. be aware of the historical developments in management accounting and of the more recent developments drawing from leading research in the area;
- ii. gather a knowledge of a range of management accounting techniques applicable to the strategic management of organisations;
- iii. develop understanding of the strategic organisational contexts within which management accounting processes operate;
- iv. be aware of the impact of environmental issues on management accounting;
- v. be aware of the different theoretical and philosophical approaches to understanding management accounting;
- vi. be able to develop a theoretical or conceptual framework to help structure their understanding of management accounting
- vii. be aware of the dynamic nature of management accounting practise and theory.

**Course content:**

The first part of the course will focus on the theoretical understanding of management accounting and its role in supporting the processes of strategic planning and control in decision making. In particular, students will gather knowledge and understanding of a range of management accounting techniques to use for strategy formulation and control: balanced scorecard, value chain analysis, activity based budgeting, activity based management, beyond budgeting, total quality management, accounting for just in time, benchmarking, environmental management accounting.

The second part of the module will focus on the theoretical and philosophical foundations of management accounting practice. The purpose is to allow students to develop their theoretical and conceptual framework to evaluate management accounting practice today and in the future. In the second part of the module, the following themes will be examined:

- i. What is management accounting? What are its origins, its theoretical framework, its historical development?
- ii. What can management accountants do?
- iii. How important is the institutional context when evaluating management accounting practice?
- iv. Are there any new 'solutions' or 'developments' that claim to improve 'management accounting'?
- v. What are the interactions between management accounting and other forms of 'accounting' (e.g. social accounting) in the organisational context? How and to what extent is management accounting implicated in organisational change?

**Reading list:**

1. Main recommended textbook: Drury, J C., 2015, Management and Cost Accounting, 9th ed., International Thomson Business Press. Please note that previous editions (e.g. the 7th ed.), will be sufficient in the majority of situations.

2. Academic articles: Note that in a number of lectures (especially in the second part of the module), additional required reading will be provided. Further information about the reading list for each class is provided online in the 'class' web page.

3. Other: We also encourage wider independent reading around different topics by browsing the management accounting journals in the library including Management Accounting, Management Accounting Research (UK), Journal of Management Accounting Research (USA). Other journals such as, Accounting, Auditing and Accountability Journal, and Accounting, Organisations and Society often include papers on management accounting.

**Teaching methods:**

Lectures, tutorials, workshops and seminars

**Assessment:**

The course is assessed by means of a written exam, which will focus on the theoretical and practical aspects. In particular the theoretical part consists of open ended, multiple choice and essay-type questions. In addition, the exam includes one or two numerical and calculation type questions. Further, details of the assessment will follow in due course.

**IMPORTANT:** see instructions on web site

**Other information:**

Midterm exams are scheduled for November (1<sup>st</sup> part at the end of the first 8 weeks) and January (2<sup>nd</sup> part at the end of 12 weeks).

*Please note that:*

1. Each student needs to achieve a mark of 18/30 or above to obtain a 'pass' grade in the assessment. Any mark below 18 will be considered as a 'fail' and students will be required to resit.
2. The November mid-term exam mark is valid until the end of March 2016. This means that students are required to pass the 'second part' of the exam either in January or March. If students fail to do so, a resit for the entire module is required.
3. Students who are not doing the pre-exam in November (or do not 'pass' it) are required to take the FULL exam for the entire module at any of the scheduled exam dates starting from January onwards. The final grade of the FULL exam will be the weighted mean of the two mid-term exams (first weighting 2/3 and the second 1/3). Students will pass the exam if they achieve a mark of 18/30 or above.

**Final mark:**

Final mark as described above.

**MODULE OUTLINE**  
**(Lecturers: Massimo Contrafatto, John Ferguson, Sara Moggi)**

Teaching date: 14th Sep-22 Dec

Classes:

- i. Tuesday: 12:30- 14:30
- ii. Thursday: 10:30-12:30
- iii. Friday: 8:30- 10:30

Week	Topic	Reading	Wks
1 <b>(14-20 Sept)</b>	Introduction to Strategic Management Accounting (SMA): Management Accounting, strategic context, benchmarking, strategy control competitor analysis	1. Chapter 1, 21 2. Langfield-Smith, Kim (2008), Strategic management accounting: how fare have we come in 25 years? Accounting, Auditing & Accountability <i>Journal</i> , Vol. 21 Issue 2	<u>SMA Paper Discussion</u>  Beverley R. Lord, Strategic Management accounting: the emperor new clothes? <i>Management Accounting Research</i> , n. 7/1996, pg. 347-366

<p><b>2</b> <b>(21-27 Sept)</b></p>	<p>Balanced Scorecard (BSC): Concepts and applications</p>	<ol style="list-style-type: none"> <li>1. Chapter 22</li> <li>2. Kaplan R.S. and Norton D.P. (1996b), <i>Balanced Scorecard: Translating Strategy into Action</i>, Harvard Business School Press, Boston</li> <li>3. Norreklit H., The balance on the balanced scorecard, a critical analysis of some of its assumptions, <i>Management Accounting Research</i>, vol 11/1, March 2000.</li> <li>4. Nørreklit H. (2003), "The Balanced Scorecard: what is the score? A rhetorical analysis of the Balanced Scorecard", <i>Accounting, Organizations and Society</i>, 28(6), pp. 591-619</li> </ol>	<p><u>BSC applications</u></p>
<p><b>3</b> <b>(28 Sep- 4 Oct)</b></p>	<p>Value Chain Analysis (VCA): theory &amp; applications</p>	<ol style="list-style-type: none"> <li>1. Chapter 21</li> <li>2. J. Shank &amp; V. Govindarajan (1992), <i>Strategic Cost Management: The value chain perspective</i>,</li> </ol>	<p><u>VCA applications</u></p>

		Journal of Management Accounting Research, Fall, pp. 179-197.	
<b>4</b> <b>(5-11 Oct)</b>	Budgeting within a strategic context: incremental budgeting, ZBB, Beyond Budgeting.	1. Chapter 15 2. T. Lybby, R.M. Lindsay (2010), Beyond budgeting or budget reconsidered? A survey of North-American budgeting practice. <i>Management Accounting Research</i> , No. 21, pp.56-75	<u>SMA case study</u>
<b>5</b> <b>(12-18 Oct)</b>	Activity Based Costing (ABC) within a strategic context: theory, applications and limits	1. Chapter 15 2. R. Kaplan & S. Anderson (2004), Time driven Activity-based costing. <i>Harvard Business Review</i> Nov. 2004	<u>ABC case study</u>
<b>6</b> <b>(19-25 Oct)</b>	Activity Based Budgeting & Activity Based Management: theory and applications.	Chapter 11, 15.	<u>ABM case study</u>
<b>7</b>		1. Chapter 21	

<b>(2-8 Nov)</b>	Strategic cost Management: Management accounting for Just In Time (JIT), Benchmarking, Total Quality Management (TQM), Target Costing & Kaizen Costing.		<u>ABB Case study</u>
<b>8 (9-15 Nov)</b>	Environmental management accounting (EMA) & Accounting for sustainability (A4SD)	1. Chapter 21 2. R. Gray & J. Bebbington (2001), Chapter from 3 to 9, 14 & 15 3. Albelda-Perez, E., Correa-Ruiz, C. and Carrasco-Fenech, F. (2007), Environmental management systems and management accounting practices as engagement tools for Spanish companies, <i>Accounting, Auditing and Accountability Journal</i> , Vol. 20, No. 3	<u>A4SD paper discussion</u>  Contrafatto M., & Burns J., (2013), Social and Environmental Accounting, organizational change and management accounting: a processual view, <i>Management Accounting Research</i> , Vol. 24
<b>9 (23-29 Nov)</b>	The origins of management accounting	1. Kaplan, R.S. (1984) The Evolution of Management Accounting. <i>The Accounting Review</i> July 1984 Vol. LIX No. 3, pp. 390 - 418.	General Motors case study



		<p>2. Loft, A. (1995) <i>The History of Management Accounting: Relevance Found'</i> in <b>Issues in Management Accounting</b> ed. D Ashton, T Hopper &amp; RW Scapens, Prentice Hall 1995.</p>	
<p><b>10</b> <b>(30 Nov-6 Dic)</b></p>	<p>Management Accounting: Control &amp; Power</p>	<p>1. Miller, P. and O'Leary, T. (1987) Accounting and the Construction of the Governable Person <i>Accounting, Organisations and Society</i> 12(3) 1987, 235-265.</p> <p>2. Hoskin, K., and Macve, R. (1986). Accounting and the Examination: A Genealogy of Disciplinary Power. <i>Accounting, Organisations and Society</i>, 11(2), 105-136</p>	<p><u>Miller &amp; O'Leary (1987) paper: Discussion</u></p>

<p><b>11</b> <b>(7-13 Dic)</b></p>	<p>Management Accounting Change: theory and example</p>	<ol style="list-style-type: none"> <li>1. Miller, P., Kurunmaki, L. and O’Leary, T. (2008), “Accounting, Hybrids and the Management of Risk”. <i>Accounting, Organizations and Society</i>, 33: 942 – 967.</li> <li>2. Siti-Nabiha, A. K. and Scapens, R. W., 2005. Stability and change: an institutionalist study of management accounting change. <i>Accounting, Auditing and Accountability Journal</i>, 18(1), 44-73.</li> <li>3. Soin, K., Seal, W., &amp; Cullen, J., 2002. ABC and organisational change: an institutional perspective. <i>Management Accounting Research</i>, 13, 249–71.</li> </ol>	<ol style="list-style-type: none"> <li>1. Case study</li> <li><u>2. Miller &amp; Kurunmaki (2008) paper: Discussion</u></li> </ol>
--	---	---	--

<p><b>12</b></p> <p><b>(14-20 Dic)</b></p>	<p>Management Accounting in the Public Sector &amp; NPOs</p>	<p>1. Broadbent, J., Jacobs, K., and Laughlin, R. (2001) "Organisational resistances to unwanted accounting and finance changes. The case of general medical practice in the UK", <i>Accounting, Auditing and Accountability Journal</i>, 14(5), 565-586.</p>	<p>1. Case Study</p> <p>2. <u>Broadbent &amp; Jacobs (2001) paper: Discussion</u></p>