

Syllabus of the course «Managerial Accounting: Marketing Emphasis»

Approved by
Academic council of the Global Business
Master's programme
Protocol №3 as of 27.08.2018

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ECTS	6
Contact hours	40
Self-study	188
Year	2nd
Teaching format	Full time

I. COURSE AIM, LEARNING OUTCOMES AND PREREQUISITES

The aim of the course «Managerial Accounting: Marketing Emphasis» is teaching students the integrative role of the management accounting system in making decisions in the field of marketing and mastering a set of methods that allow planning and controlling of marketing activities in accordance with international standards.

Upon the completion of the course the student should:

know:

- Theoretical foundations of management and marketing, the conceptual apparatus of accounting, the principles of functioning of commercial companies at the macro and micro- levels;
- basic marketing technologies;

be able to:

- apply optimization mathematical models for solving applied problems;
- analyze the organizational structure of the company management;

have skills in:

- special economic and management terminology and vocabulary in English;
- computerized methods of collecting, storing and processing information

The course is based on the following prerequisites (topics):

- International Marketing
- International Management
- Research Methods in Management
- Project seminar

To successfully complete the course the students should have the following knowledge and competences:

- Have a systematic understanding of the development of the Russian and world economy;
- Understand the essence of business processes occurring at the enterprise level or at the macroeconomic level (industry, regional, international).

The fundamental principles of the course can be later used in mastering the following courses:

1. research internship
2. master's thesis preparation

II. COURSE CONTENT

Topic 1. The role of managerial accounting in a company.

- Main objectives of the accounting system
- Basic definitions
- Unused power and a downward spiral in demand.

Topic 2. The basic definitions in international managerial accounting.

- The concept of the object of accounting;
- Direct and indirect costs;
- Cost factors, variable costs, and fixed costs;
- Features of management accounting in service, trade and production companies;
- Various ways of calculating the cost of production corresponding to different goals

Topic 3. The relationship between costs, volume and profit.

- Income and cost factors
- Prerequisites for strategic profit analysis
- Break even
- Financial planning in the face of uncertainty
- Impact of assortment changes on income
- Role of income taxes
- Coverage and gross margin

Topic 4. Functional cost analysis in marketing.

- The use of functional cost analysis to improve cost management and improve the profitability of the organization
- Classification of costs in operational costing systems
- An example of creating a costing system
- Solutions to reduce costs in the organization using cost management by type of activity
- Comparison of costing for operations and costing system by department
- The use of costing systems and cost management by type of activity in marketing

Topic 5. Master-budget and accountability

- Stages of the operational budget
- Stages of creating a flexible budget
- Direct Cost Deviation Analysis

- Deviations of efficiency for categories of direct costs
- Budgeting by activity

Topic 6. Flexible budgets, budget deviation analysis and management control

- The difference between a static budget and a flexible budget;
- Using a flexible budget to calculate sales variances, price deviations, and efficiency;
- Methods for analyzing budget prices and the number of direct investments;
- Continuous improvement of the effectiveness of the organization as a result of the analysis of deviations

Topic 7. Significant income and costs, support for management decisions

- Information and decision process
- External supply and make or buy solutions
- Product range solutions with power limitations
- Customer profitability, activity-based costing and significant costs
- Non-materiality of past costs and the decision to replace equipment

Topic 8. Pricing and cost management

- Calculation of the minimum allowable price of a single order
- Target pricing and cost management
- Pricing methods focused on costs and desired return on investment
- Demand-oriented pricing methods
- Method for determining the optimal price to achieve maximum sales when launching goods to the market
- Price discrimination, peak pricing

Topic 9. Balanced Scorecard, Factor Analysis of Profit

The choice of the optimal strategy of the company based on the analysis of the company;

Cost management methods;

Development of a system of financial and non-financial indicators to monitor the implementation of the strategy;

Analysis of changes in operating income to assess the success of the chosen strategy

Topic 10. Distribution of costs, assessment of customer profitability, analysis of revenue deviations

- The stages of tracking and allocating costs for costing production in the value chain
- Plant-wide rates compared to individual rates of departments (divisions)
- Cost sharing from one department to another.
- Distribution of corporate expenses
- Cost allocation for related products and by-products
- Distribution of revenue from sales of related products
- Cost allocation in the performance of government orders
- Customer Costs
- Customer ranking by operating income. Management of high and low cost customers

Topic 11. Accounting for the influence of factors of quality, time and theory of limitations

- Quality as a tool for achieving competitive advantage
- Financial aspect: assessment of the cost of quality
- Consumer aspect: non-financial indicators of customer satisfaction with the quality of products and services
- Determination of significant costs and revenues in the implementation of quality programs
- The aspect of training and staff development in improving quality
- Time as a tool for achieving competitive advantage
- Time factors and time value
- Technological cycle time, significant revenue and costs
- Steps for managing bottlenecks:
- Eliminate downtime

Topic 12. Transfer pricing in international trade

- Methods for calculating transfer prices between divisions
- Transfer prices based on market price
- Transfer prices calculated on the basis of the full or partial cost of the product
- Contractual transfer prices
- The principle of choosing the optimal transfer price.

III. GRADING

$$G_{\text{cumulative}} = 0,5 \times G_{\text{home assignment}} + 0,5 \times G_{\text{class participation}}$$

$$G_{\text{final}} = 0,7 \times G_{\text{cumulative}} + 0,3 \times G_{\text{exam}}$$

where G - grade

IV. SAMPLE ASSESSMENT TOOLS

Tools for ongoing assessment

ABC in marketing. Baseline data for the ATLANTA wholesale company for the 20_1 year:

Table 1. Data on grocery lines per unit

Indicators	Product A	Product B	Product C
Selling price	\$10.00	\$8.00	\$12.00
Purchase cost	\$8.00	\$5.00	\$11.00
Average weight, kg	2	3	4
Number of orders from consumers	100	200	200

Table 2. Types of activity and costs

Activity	Factor	Gross activity costs
Implementation	Amount of revenue	\$49,000
Advertising	Quantity of goods sold	\$40,000
Warehouse operations	Weight of goods sold	\$27,000
Packing and shipment	Quantity of goods sold	\$20,000
Administration	Number of orders from consumers	\$10,000

1. Which of the following is *not* a factor in cost-volume-profit analysis?
 - a. Units sold
 - b. Selling price
 - c. Total variable costs
 - d. Fixed costs of a product
2. Which of the following is *not* an assumption of cost-volume-profit analysis?

- a. The time value of money is incorporated in the analysis.
 - b. Costs can be classified into variable and fixed components.
 - c. The behavior of revenues and expenses is accurately portrayed as linear over the relevant range.
 - d. The number of output units is the only driver.
3. Contribution margin is calculated as
- a. total revenue – total fixed costs.
 - b. total revenue – total manufacturing costs (CGS).
 - c. total revenue – total variable costs.
 - d. operating income + total variable costs.

Questions 4 through 6 are based on the following data.

Tee Times, Inc. produces and sells the finest quality golf clubs in all of Clay County. The company expects the following revenues and costs in 2004 for its Elite Quality golf club sets:

Revenues (400 sets sold @ \$600 per set) \$240,000

Variable costs 160,000

Fixed costs 50,000

4. How many sets of clubs must be sold for Tee Times, Inc. to reach their breakeven point?
- a. 400
 - b. 250
 - c. 200
 - d. 150
5. How many sets of clubs must be sold to earn a target operating income of \$90,000?
- a. 700
 - b. 500
 - c. 400
 - d. 300
6. What amount of sales must Tee Times, Inc. have to earn a target net income of \$63,000 if they have a tax rate of 30 percent?
- a. \$489,000
 - b. \$429,000
 - c. \$420,000
 - d. \$300,000
7. One way for managers to cope with uncertainty in profit planning is to

- a. use CVP analysis because it assumes certainty.
 - b. recommend management hire a futurist whose work is to predict business trends.
 - c. wait to see what does happen and prepare a report based on actual amounts.
 - d. use sensitivity analysis to explore various what-if scenarios in order to analyze changes in revenues or costs or quantities.
8. The Beta Mu Omega Chi (BMOC) fraternity is looking to contract with a local band to perform at its annual mixer. If BMOC expects to sell 250 tickets to the mixer at \$10 each, which of the following arrangements with the band will be in the best interest of the fraternity?
- a. \$2500 fixed fee
 - b. \$1000 fixed fee plus \$5 per person attending
 - c. \$10 per person attending
 - d. \$25 per couple attending

Tools for final assessment

Sample exam questions

1. Analysis of deviations of revenue and sales of the company (from the budget or for several periods)
2. Drawing up a budget for a trading company and analyzing its deviations.
3. Drawing up the basic budget of a production company and analyzing its deviations.
4. Target pricing and cost reduction methods
5. Determination of the profitability of goods (customers) by type of activity
6. The concept of a comprehensive analysis of budget deviations as a tool for effective organization management
7. Formation of flexible budgets and analysis of their deviations
8. Analysis of revenue deviations
9. Calculation of deviations of purchase prices and the efficiency of the use of direct investments
10. Comparative analysis of deviations of benchmarks in competing companies
11. Calculation and analysis of deviations of variable and fixed overhead costs
12. The impact of the method of accounting for the cost of inventory and the choice of power level on the deviations of operating income
13. Calculation and analysis of deviations in cost accounting systems by type of activity
14. Balanced Scorecard, quantitative assessment of the success of the chosen strategy
15. Calculation of deviations of variable and fixed overhead costs;
16. Controlling revenue

17. Principles for identifying material costs;
18. Quantitative and qualitative factors in management decisions;
19. The concept of alternative cost and its application in decision making;
20. The concept of choice among a variety of manufactured products when there are power limitations;
21. Financial analysis of the management decision on opening (closing) branches and increasing (reducing) the customer base.

V. RESOURCES

5.1 Main literature

1. Advances in Management Accounting [Электронный ресурс] / editors Marc J. Epstein, Mary A. Malina; DB ebrary. – United Kingdom: Emerald Group Publishing Limited, 2016. – 305 p. – (Advances in Management Accounting, Vol. 26). – Режим доступа: <https://ebookcentral.proquest.com/lib/hselibrary-ebooks/reader.action?docID=4509345&query=management+accounting>. – Загл. с экрана.

5.2 Further readings

1. Sisaye, S. An Organizational Learning Approach to Process Innovations: The Extent and Scope of Diffusion and Adoption in Management Accounting Systems [Электронный ресурс] / Seleshi, Sisaye, Jacob J. Birnberg; DB ebrary. - Emerald Insight, 2012. - 171p. – (Studies in Managerial and Financial Accounting, Vol. 24). – Режим доступа: [https://ebookcentral.proquest.com/lib/hselibrary-ebooks/reader.action?docID=1035088&query=An+organizational+learning+approach+to+process+innovations%3A+The+Extent+and+Scope+of+Diffusion+and++Adoption+in++Management+Accounting+Sys](https://ebookcentral.proquest.com/lib/hselibrary-ebooks/reader.action?docID=1035088&query=An+organizational+learning+approach+to+process+innovations%3A+The+Extent+and+Scope+of+Diffusion+and++Adoption+in++Management+Accounting+Systems+)tems+. – Загл. с экрана.

2. Рыжова, В.В. Функционально-стоимостный анализ в решении управленческих задач по сокращению издержек [Электронный ресурс]: учебное пособие / В.В.Рыжова; ЭБС Znanium. - М.: ИЦ РИОР: НИЦ ИНФРА-М, 2012. - 224 с. - (Высшее образование; Магистратура). – Режим доступа: <http://znanium.com/bookread2.php?book=257267>. – Загл. с экрана.

5.3 Software

№	Name	Access
1.	Microsoft Windows 7 Professional RUS Microsoft Windows 10 Microsoft Windows 8.1 Professional RUS	<i>Из внутренней сети университета (договор)</i>
2.	Microsoft Office Professional Plus 2010	<i>Из внутренней сети университета (договор)</i>
3.	R (Rstudio)	<i>Свободное лицензионное соглашение</i>

5.4 Professional database, enquiry systems, internet sources (electronic educational resources)

№ п/п	Name	Access
<i>Professional database, enquiry systems</i>		
1.	Электронно-библиотечная система Юрайт	URL: https://biblio-online.ru/
<i>Internet sources, electronic educational resources</i>		
1.	Открытое образование	URL: https://openedu.ru/

5.5 Course support

Lecture rooms for the course classes are equipped with the necessary tools for the course visual aids demonstration:

- computer with access to the internet (operational system, office software packages, antivirus software);
- multimedia projector with remote control.