

UNIVERSITY OF KARACHI

MANAGERIAL ACCOUNTING

BBA – VII (Hons.)

Course Title:MANAGERIAL ACCOUNTING

Course Number :BA (H) – 562

Credit Hours : 03

Objective

The objective of this course will be concerned with providing information for the more day-to-day functions of control and decision-making. This will involve budgeting, cost accounting, variance analysis, and evaluation of alternative uses of resources.

Course Contents

1. Introduction : Managerial Accounting

- 1.1 A Perspective
- 1.2 Cost Terms
- 1.3 Concepts and Classification

2. Responsibility Accounting and Cost Allocation Concepts

- 2.1 Responsibility Accounting Centers and Performance Reports

3. Cost Flows and Accumulation

- 3.1 The Basic Cost Flow Model
- 3.2 Cost Accumulation
- 3.3 Merchandizing Organizations
- 3.4 Manufacturing Organizations
- 3.5 Services Organizations

4. Costing Systems

- 4.1 Job Order Costing Systems
- 4.2 Process Costing System
- 4.3 Hybrid Product Costing System
- 4.4 Cost Management Systems for New Manufacturing Environment

5. Cost Behavior and Estimation

- 5.1 Cost Behavior Patterns
- 5.2 Cost Estimation Methods

6. Cost–Volume–Profit Analysis

- 6.1 The Break Even Point
- 6.2 CVP Analysis
- 6.3 CVP with Multiple Products
- 6.4 Cost Structure and Leverage Analysis

7. Standard Costing System

- 7.1 Standard Costs and Control
- 7.2 Setting Cost Standards
- 7.3 Overhead Application in a Standard Costing System
- 7.4 Analysis of Cost Variances

8. Differential Cost Analysis

- 8.1 Differential Costs versus Variable Costs
- 8.2 Differential Costs versus Total Costs
- 8.3 Cost Analysis for Pricing Decisions
- 8.4 Make-or-Buy Decision

9. Variable Costing

- 9.1 Variable Costing versus Full Absorption Costing
- 9.2 Appropriateness of Variable Costing and Full Absorption Costing Methods

10. Flexible Budgeting

- 10.1 Static Budget versus Flexible Budget
- 10.2 Sales Activity (Volume) Variance
- 10.3 Profit Variance Analysis
- 10.4 Variable
- 10.5 Manufacturing Costs Variance

11. Budgeting and Monitoring

- 11.1 Framework of Budgeting
- 11.2 The Master Budget Development Process
- 11.3 Budgeting in Merchandising Operations
- 11.4 Service Enterprising and Non-Profit Organization
- 11.5 Budget Under Uncertainty
- 11.6 Report for Monitoring

Recommended Books

1. Hilton Ronald W., Managerial Accounting, McGraw Hill, 1995.
2. Hongren Charles T., Introduction to Managerial Accounting, Prentice Hall International, 1998.
3. Garrison, Managerial Accounting, McGraw Hill, 1996.