

## MANAGEMENT ACCOUNTING FOR SUSTAINABLE BUSINESS DEVELOPMENT

<b>Course code</b>	<i>GRAB006</i>
<b>Level of studies</b>	<i>Graduate</i>
<b>Number of credits</b>	<i>6 ECTS; 36 class hours, 124 hours of self-study, 2 hours of consultation</i>
<b>Course coordinator (title and name)</b>	<i>Assoc. prof. dr. Renata Legenzova, e-mail: renleg@faculty.ism.it</i>
<b>Prerequisites</b>	<i>Undergraduate diploma</i>
<b>Language of instruction</b>	<i>English</i>

### THE AIM OF THE COURSE

In today's competitive and constantly changing environment relevant and timely financial information and its efficient employment for decision making is crucial for sustainable business development. The course focuses on defining and analyzing important causal relationship between factors that contribute to creating long term values of the firm. It is designed to provide students with key knowledge and skills on how to plan, measure, assess and control business processes and activities as well as products' profitability, to plan and assess business performance and make strategic and other relevant management decisions towards sustainable business growth and company's value maximization.

### LEARNING OUTCOMES

<b>Course learning outcomes (CLO)</b>	<b>Study methods</b>	<b>Assessment methods</b>
CLO1. To be able to specify main tasks of managerial accounting, needs and characteristics of management accounting information and their relevance to value creation and sustainable business development.	Lectures, teamwork, discussion, individual study	Final exam, evaluation of discussion.
CLO2. To be able to explain how value chain model can be used to analyze various activities carried out by an organization and what is the link between the activities and their use of resources.	Lectures, teamwork, discussion, case analysis, individual study	Final exam, evaluation of discussion and case analysis, written report and oral presentation of group work
CLO3. To be able to identify, classify and analyse costs, make indirect cost allocation decisions, differentiate and be able to apply costing and pricing methods for different cost objects.	Lectures, teamwork, discussion, case studies, individual study, home assignments, presentation	Final exam, evaluation of discussion and case analysis, written report and oral presentation of group work
CLO4. To be able to perform support department costs and divisional profitability analysis and measure efficiency of various business processes.	Lectures, teamwork, discussion, case studies, individual study, home assignments, presentation	Final exam, evaluation of discussion and case analysis, written report and oral presentation of group work
CLO5. To be able to explain the link between strategies, plans and budgets; design tools for budgeting and other financial planning; identify business risks and design their management tools.	Lectures, teamwork, discussion, solution of exercises, individual study, home assignments, presentation	Final exam, evaluation of discussion and exercises solution, written report and oral presentation of group work
CLO6. To be able to explain how organization could measure and manage its performance; differentiate business performance measurement models and tools; define critical success factors, design a scorecard and suggest relevant KPIs;	Lectures, teamwork, discussion, case studies, individual study	Final exam, evaluation of discussion and case analysis.
CLO7. Be able to explain the scope, content and managerial implications of sustainability accounting and integrated corporate reporting.	Lectures, teamwork, discussion, individual study	Final exam, evaluation of discussion.
CLO8. To learn with teams, be able to cooperate with team members; to assume leadership while evaluating and solving complex ideas and cases.	Teamwork, discussion, case studies, individual study, home assignments, presentation	Written report and oral presentation of group work; evaluation of discussion and case analysis.

### ACADEMIC HONESTY AND INTEGRITY

The ISM University of Management and Economics Code of Ethics, including cheating and plagiarism are fully applicable and will be strictly enforced in the course. Academic dishonesty, and cheating can and will lead to a report to the ISM Committee of Ethics. With regard to remote learning, ISM remind students that they are expected to adhere and maintain the same academic honesty and integrity that they would in a classroom setting.

## COURSE OUTLINE

Topic	In-class hours	Readings
<b>Introduction to the course.</b> Challenges of sustainable business development. Strategic management accounting for corporate financial sustainability.	4	<ul style="list-style-type: none"> <li>Zabolotnyy, S. and Wasilewski, M. (2019) The Concept of Financial Sustainability Measurement: A Case of Food Companies from Northern Europe// Sustainability Vol. 11, 5139; doi:10.3390/su11185139</li> <li>R. Roslender, S.J. Hart In search of strategic management accounting: theoretical and field study perspectives // Management Accounting Research 14 (2003) 255–279</li> </ul>
<b>Management information needs and characteristics.</b> Ethical issues.	4	<ul style="list-style-type: none"> <li>Drury, C. &amp; M. Tayles (2020). Management and Cost Accounting</li> <li>Datar, S.M., Rajan. M. (2022). Horngren's Cost Accounting: A Managerial Emphasis.</li> </ul>
<b>Profitability management.</b> Understanding cost behaviour and value chain. Costing and pricing products and services. Operational control. Management of processes and activities' costs.	8	<ul style="list-style-type: none"> <li>Drury, C. &amp; M. Tayles (2020). Management and Cost Accounting</li> <li>Datar, S.M., Rajan. M. (2022). Horngren's Cost Accounting: A Managerial Emphasis.</li> </ul>
<b>Divisional performance towards sustainable corporate development.</b> Support department costs. Decentralization, divisional performance measurement and segment reporting.	4	<ul style="list-style-type: none"> <li>Drury, C. &amp; M. Tayles (2020). Management and Cost Accounting</li> <li>Datar, S.M., Rajan. M. (2022). Horngren's Cost Accounting: A Managerial Emphasis.</li> </ul>
<b>Financial planning.</b> Aligning strategy, financial planning and control. Financial planning and budgeting towards sustainable development.	4	<ul style="list-style-type: none"> <li>Drury, C. &amp; M. Tayles (2020). Management and Cost Accounting</li> <li>Datar, S.M., Rajan. M. (2022). Horngren's Cost Accounting: A Managerial Emphasis.</li> </ul>
<b>Control and risk management.</b> Business risks and their management tools. Role and scope of internal audit.	4	<ul style="list-style-type: none"> <li>Drury, C. &amp; M. Tayles (2020). Management and Cost Accounting</li> <li>Anderson U. et al. (2018) Internal Auditing: Assurance &amp; Advisory Services, Fourth Edition 4th Edition.</li> </ul>
<b>Business performance measurement and management.</b> Management accounting and value creation. Strategic control towards sustainable development. Business performance measurement models and tools.	4	<ul style="list-style-type: none"> <li>Umit S. Bititci. (2015) <i>Managing Business Performance: The Science and the Art</i>. John Wiley &amp; Sons, Ltd.</li> <li>Thilini R. Ariyachandra &amp; Mark N. Frolick (2008) Critical Success Factors in Business Performance Management—Striving for Success.// Information Systems Management, 25:2, 113-120, DOI: 10.1080/10580530801941504</li> </ul>
<b>Sustainability accounting and integrated corporate reporting.</b> Corporate transparency – drivers, contents, stakeholders. Reporting corporate social responsibility.	4	<ul style="list-style-type: none"> <li>Bennett, M., Schaltegger, S. and Zvezdov, D. (2018) Exploring Corporate Practices In Management Accounting For Sustainability. icaew.com/academic</li> </ul>
	<b>Total: 36 hours</b>	

## FINAL GRADE COMPOSITION

Type of assignment	Self-study hours	% of the total grade
Case analysis and class discussion	30	20%
Group work	40	30%

Final Exam	54	50%
<b>Total:</b>	<b>124</b>	<b>100</b>

## DESCRIPTION AND GRADING CRITERIA OF EACH ASSIGNMENT

### Case analysis and class discussion

Each topic (as presented in the Course outline) involves either a discussion or analysis of cases/exercises. Class participants will be split in groups of 3-4 people and will complete assignments (discussion, case analysis, exercise solving) in class. At the end of the meeting each group will have to make a short presentation of the group work results. If an assignment involves analysis of cases/exercises, groups will also have to submit their written calculations. The group work and presentation will be graded based on the criteria presented in an assignment. Generally all group members receive the same grade for the assignment. Students may change the class assignment groups throughout the course.

A student who missed a class meeting has to do the class assignments in written and submit them in e-learning platform within 1 week after the missed class. In cases where evaluation criteria involve grading for the presentation and discussion, students, absent from the class meeting, receive 0 for this part.

### Group work

To conduct a group work students will be assigned in groups of 3-4 people (1-2 students do not make a group). For a group students will have to complete a complex financial planning task which involves calculation of product costs, product pricing, segment profitability analysis and development of master budget and calculation of KPIs. Students are expected to present an Excel file with calculations as well as orally present their results and answer questions.

The assessment should be submitted electronically before the assigned due date.

### RETAKE POLICY

In case of an unsatisfactory exam grade, students will be allowed to sit a retake exam, worth 50% of the final grade (the grades of the other assessments will remain untouched).

### ADDITIONAL REMARKS

**Class Participation:** It is expected that you will actively participate in class discussion, debates and other activities.

**Assistance:** Do not ever hesitate to request assistance with anything you do not understand.

**Class Conduct/Professional Behavior:** Students are expected to behave in a manner conducive to an educational setting in the classroom. Inappropriate behavior will result in the student being asked to leave the class. In addition, students contacting the public (including, but not limited to, research for your project) are expected to act in a professional manner – keeping appointments, dressing appropriately if personal interview, being respectful of the public's time, etc.

**Deadlines and Details:** Meeting deadlines and taking care of details are of extreme importance. Therefore, for all assignments that are not turned in on time a grade of "0" will be given.

### REQUIRED READINGS

1. Drury, C. & M. Tayles (2020). Management and Cost Accounting. Cengage Learning EMEA; 11th edition (10 Dec. 2020)
2. Datar, S.M., Rajan. M. (2022). Horngren's Cost Accounting: A Managerial Emphasis. Pearson Education, Inc. 16th Edition

### ADDITIONAL READINGS

1. Umit S. Bititci. (2015) *Managing Business Performance: The Science and the Art*. John Wiley & Sons, Ltd.
2. Global Management Accounting Principles. Effective management accounting: Improving decisions and building successful organisations. CMA. E-resource:  
<https://www.cgma.org/resources/reports/globalmanagementaccountingprinciples.html>
3. Anderson U. et al. (2018) *Internal Auditing: Assurance & Advisory Services*, Fourth Edition 4th Edition. Internal Audit Foundation.
4. Various research papers and other related readings will be provided during the course on e-learning platform.