

European Business School London
MBA: International Business

Module Code:	MBA 406
Module Title:	Financial and Managerial Accounting
Academic Level:	M Level
Credit Value:	12
Status:	Core
Formal Student Hours:	
Contact:	36
Self-directed:	70
Pre-Requisites:	None
Co-Requisites:	None
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A. Rationale

This module is designed to develop the students understanding of financial and management accounting in an international and strategic context. It covers the interpretation, use, and analysis of accounting information both for external (financial) and internal (managerial) purposes. It is differentiated from the financial management module in that it relates to the recording of accounting transactions rather than the control, planning and decision-making applications of the sources of finance.

The main focus of this module is to provide the relevant strategic accounting factors which affect international organisations in possible ethical scenarios. It will concentrate upon the practical application of financial and managerial accounting techniques whilst determining how these contribute to forming international financial decisions in practical strategic problem-solving situations.

It introduces the accounting environment in an international context and analyses the individual components of the financial statements. It also examines the preparation process of financial statements through the accounting cycle before focusing upon the two main opportunities of financial accounting 'window dressing' through fixed asset and inventory valuation. The managerial accounting section focuses upon the cost volume profit analysis and the techniques of costing in their influence upon product

pricing and decision making. The module will then examine the impact of short-term operational and long-term capital budgeting and their deviational investigation and decision-making through variance analysis.

B. Aims

To discuss the concepts, frameworks, debates and issues surrounding Financial and Managerial Accounting in both a domestic, European and international, strategic context.

The main aims of this module are to appreciate:

- the international financial accounting environment, recent international developmental issues and their impact upon international financial reporting from a strategic and ethical perspective;
- the main issues of ‘window dressing’ and their interpretation through financial ratio analysis and interpretation;
- the cost volume profit analysis and its relationship with costing and pricing decision-making;
- the operational and capital budgetary process in an international context and its advisory role through the process of variance analysis;
- the importance of current global accounting research to international organisations;
- the best international accounting practice both at the functional, planning and strategic stages;
- the wider developmental strategic and ethical international issues concerned with financial and managerial accounting.

The foundation of this module is the critical understanding and appraisal of current research in the field of strategic, international and ethical practices within financial and managerial accounting.

C. Learning Outcomes

Upon completion of the module, students should have knowledge and skills that connect to the overall learning outcomes of the programme, as indicated in the table overleaf:

Module Learning Outcomes (MLOs)	Programme Learning Outcomes (PLOs)
Attain the knowledge and understanding of the management of the sources, control and application of finance and its recording through the accounting and economic process	A3
Appreciate the dynamic aspects of accountancy within a changing international and global environment	B4 C4
Prepare for international assignments based on accurate self-knowledge and anticipation of areas of difficulty.	B1 B2 B3
Demonstrate a high degree of self-awareness and sensitivity to others in an international context.	A4 B4
Exhibit the application of analytical and creative skills in evaluating accounting information and generating alternative solutions.	B1 B2
Identify the importance of self-directed learning and continuous personal development in financial and management accountancy.	C4

D. Teaching/Learning Strategy

The teaching/learning strategy for this module has been designed to ensure that the programme level learning outcomes outlined above have been acquired. The teaching activities will consist of two hours of lectures as well as seminars. This module unit will be taught in a twelve week semester divided into lectures, seminars and student led seminars.

The main strategy in lecturing will be to introduce the knowledge base and demonstrating the evaluation methods. Students are encouraged to be active learners by developing their critical thinking for the subject. Teaching will be supported by directed study of textbooks and journal articles. Students will be encouraged to bring into seminars other articles, case studies. It is designed to make the student active in the learning process and will allow students to engage with, evaluate and reflect upon the ideas presented.

The lectures are also intended to provide the student with the framework to guide them in their independent study and to reinforce what they have already learned. The lectures will provide a coherent overview of the materials, while the tutorials will focus upon a series of seminars and case-related material. These will assist the students in their appreciation of the general principles and issues and to enhance their understanding of financial and managerial accounting.

Intellectual skills such as critical analysis, synthesis and problem-solving will be practised through the active learning processes within group learning activities such as seminars, workshops or a field-based study. Independent thought and understanding of intellectual skills will be examined by unforeseen examinations or case study exercises.

E. Assessment Methods

The assessment consists of two main components (each weighted as being 50%) – course assessment and examination.

1. Group Presentation 25%

Each seminar group will be divided into reasonable sub-groups which will then be assigned a topic to present. This will also incorporate self-reflection (on individual and group-based) participation and contribution through a full written report. The student may also be required to make a formal presentation of the Case Report to their peers and staff members.

Rationale for Assessment:

Students should demonstrate that they can relate problematic, conceptual, theoretical and practical issues to actual international financial and managerial accounting issues.

Each sub-group's work will be assessed in terms of the content and clarity of the presentation.

Programme Learning Outcomes assessed: A3, B1, B2, B3, C1

2. Assignments 25%

Problem-solving cases (with a group work element) in high level analysis and appraisal in practical and multi-dimensional international financial and managerial accounting situations.

Rationale for Assessment:

Students should demonstrate that they can relate conceptual and theoretical issues to everyday international financial and managerial accounting issues.

Programme Learning Outcomes assessed: A3, B1, B2, B3, C1, C2, C4

3. Final Examination 50%

An unseen three-hour final examination will require a comprehensive understanding of the techniques and principles of financial and managerial accounting.

Students must demonstrate an ability to apply judgement and express opinions in relation to solving practical financial and managerial accounting problems.

The students will be examined under a time constraint to create a realistic pressure environment.

Rationale for Assessment:

Students should demonstrate that they understand accounting issues as they relate to international organisations under the constraints of a deadline.

Programme Learning Outcomes assessed: A3, B1, B2, B3, C1, C4, C6

Knowledge and Skills to be assessed

“If a time-constrained learning outcome has been listed above, the student should be aware that failure to meet that outcome will result in a mark of zero being awarded for the module work. However, if there are genuine reasons as to why that outcome could not be met, the student should consult and follow the procedure outlined in the section called "Extenuating Circumstances" in the Student Handbook”

F. Indicative Content

- Topic 1: Course Introduction
- Topic 2: The Role of International Accountancy, Williams chapters 1-2
- Topic 3: The Accounting Cycle, Williams chapters 3-5
- Topic 4: Analysing Financial Statements, Williams chapter 14
- Topic 5: Fixed Assets Valuation, Williams chapters 7,9
- Topic 6: Inventory Valuation, Williams chapters 6,8
- Topic 7: Costing Techniques, Williams chapters 16-18
- Topic 8: Cost Volume Profit Analysis, Williams chapter 19
- Topic 9: Operational Budgeting, Williams chapter 22
- Topic 10: Variance Analysis, Williams chapter 23
- Topic 11: Capital Budgeting, Williams chapter 25
- Topic 12: Course Review

G. Reading

Core Text

Williams et al, 12th Edition, *Financial and Managerial Accounting - The Basis for Business Decisions*. McGraw Hill, 2001

Recommended Reading

Britton and Waterston, 3rd Edition *Financial Accounting*, Pearson, 2003

Choi, Frost and Meek, 4th Edition, [*International Accounting*](#), Pearson, 2003

Drury, 5th Edition, *Cost and Management Accounting*, Thomson, 2003

Needles, 8th Edition, *Financial Accounting*, Houghton and Mifflin, 2003

Nobes and Parker, 7th Edition, [*Comparative International Accounting*](#), Pearson, 2002

Roberts, Weetman and Gordon, 2nd Edition, [*International Financial Accounting*](#), Pearson, 2001

Weetman, 3rd Edition, *Financial and Managerial Accounting*, Pearson Education, 2002

Journals

Accounting and Business

Accounting and Business Research

Accounting Forum

Accounting Horizons

Accounting Review

British Accounting Review

Journal of Accounting and Economics

Useful Websites

Association of Accounting Technicians (AAT) <http://www.aat.co.uk>
Provides practical information on exams, publications and AAT activities worldwide.

Association of Chartered Certified Accountants (ACCA) <http://www.acca.co.uk/>
Provides information on membership, conferences and studying with the ACCA.

British Association of Accounting (BAA) <http://www.bham.ac.uk/baa/>
Includes the latest on BAA conferences and meetings.

The Chartered Institute for Public Finance and Accountancy (CIPFA) <http://www.cipfa.org.uk>
Provides information on membership, conferences and meetings and studying with CIPFA.

The Chartered Institute of Management Accountants (CIMA) <http://www.cima.org.uk>
Provides practical information on exams, publications and CIMA activities worldwide.

European Accounting Association (EAA) <http://www.bham.ac.uk/EAA>
Information relating to the association, its publications and its conferences.

Institute of Chartered Accountants of England and Wales (ICAEW) <http://www.icaew.co.uk>
Site includes details about the institute and membership.

International Accounting Network <http://www.csu.edu.au/onet>
Provides a discussion forum for international accounting issues.

International Accounting Standards Committee <http://www.iasc.org.uk>
Site provides the analysis and explanation of International Accounting Standards.

The Summa Project <http://www.summa.org.uk>
Provides international accounting research information.