

**KARACHI UNIVERSITY BUSINESS SCHOOL
UNIVERSITY OF KARACHI**

BS (BBA) – VII

Course Title : MANAGERIAL ACCOUNTING

Course Number : BA(BS) – 611

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. Garrison, (1996). *Managerial Accounting*. New York: McGraw–Hill.
2. Hilton, R. W. (1995). *Managerial Accounting*. New York: McGraw–Hill.
3. Hongren, C. T. (1998). *Introduction to Managerial Accounting*. Singapore: Prentice Hall.
4. Keller, (2002). *Management Accounting for Profit Control*. New York: McGraw–Hill.
5. Cowe, R. *Royal Handbook of Managing Accounting*. New Delhi: Gower Publishing.
6. The Institute of Bankers Pakistan, (2007). *Management Accounting for the Financial Services*. Karachi: IBP.