

# KARACHI UNIVERSITY BUSINESS SCHOOL

## UNIVERSITY OF KARACHI

MBA – IV	
Course Title	: Managerial Accounting
Course Number	: BA (M) 602
Credit Hours	: 03

### COURSE CONTENT:

#### 1. MANAGERIAL ACCOUNTING AND THE BUSINESS ORGANIZATION:

- Accounting and Decision Making
- Management Accounting in Service and Nonprofit Organization
- Cost-benefit and Behavioral Considerations
- The Management process and Accounting
- Planning and Control for Product Life Cycle and the Value Chain
- Accounting's Position in the Organization
- Career Opportunities in Managerial Accounting

#### 2. INTRODUCTION TO COST BEHAVIOR AND COST VOLUME

##### RELATIONSHIP

- Activities, Cost and Cost Drivers
- Comparison of Variable and Fixed Costs
- Cost Volume Profit Analysis
- Additional Uses of Cost Volume Analysis
- Lowering the Break-Even Point
- Nonprofit Application

#### 3. MEASUREMENT OF COST BEHAVIOR

- Cost Drivers and Cost Behavior
- Management influence on Cost Behavior
- Cost Functions
- Methods of Measuring Cost Functions

#### 4. COST MANAGEMENT SYSTEMS AND ACTIVITY BASED COSTING

- Classification of Costs


- Cost Accounting for financial Reporting
- Cost Behavior and Income Statements
- Activity Based Costing
- Contribution Approach and Activity Based Costing
- Cost Management Systems

## **5. RELEVANT INFORMATION AND DECISION MAKING MARKETING**

### **DECISIONS**

- The concept of Relevance
- The Special Sales Order
- Deletion or Addition of Products, Services or Departments
- Optimal use of Limited Resources
- Pricing Decisions
- General Influences on Pricing in Practice
- Role of Costs in Pricing Strategy
- Target Costing
- Target Costing ABC and Service Companies

## **6. RELEVANT INFORMATION AND DECISION MAKING**

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- Production Decision
  - Opportunity, Outlay, and Differential Costs
  - Make-or-Buy Decision
  - Joint Product Costs
  - An example of Make-or-Buy Outsourcing
  - Irrelevance of Past Cost
  - Sunk Costs and Government Contracts
  - Irrelevance of Future Costs That Will Not Differ
  - Beware of Unit Costs
  - Conflicts Between Decision Making and Performance Evaluation

## **7. MASTER BUDGET**

## **8. FEXIBLE BUDGET**

### **Recommended Books:**

1. Managerial Accounting by: Horngern – Prince Hall
2. “Introduction to Managerial Accounting” 1996 Garison, Ronald Whatt