Management Accounting

(offered by the Department of Management Accounting)
Telephone number 012 429 4753

1 Introduction

The Department of Management Accounting is one of four departments in the School of Accounting Sciences, the other three being the Departments of Financial Accounting, Auditing and Taxation. The School of Accounting Sciences offers qualifications for students in a comprehensive range from certificates (vocational programmes) to Doctorates (formative programmes). Various Bachelor’s and Honours degrees are presented which are aimed at professional qualifications. The Bachelor of Accounting Science (BCompt) and other specialised BCom degrees with the corresponding Honours degrees are examples of these professional programmes.

Management Accounting is a substantial part of the BCompt and Honours BCompt/CTA programmes (professional programmes) which are based on the curriculum of the South African Institute of Chartered Accountants (SAICA) which ultimately leads to the successful candidate being registered as a Chartered Accountant CA(SA).

The National Diploma Cost and Management Accounting (vocational programme) and the BCom (Accounting) and Honours BCom (Accounting) both with specialization in Management Accounting (professional programmes) which are presented in the Department of Management Accounting, serve as preparation towards various stages of the professional qualification as a Chartered Management Accountant (CMA), registered at the Chartered Institute of Management Accountants (CIMA). Similarly, the National Higher Certificate in Accountancy presented by the School of Accounting Sciences also serves as preparation towards one of the stages of the CIMA qualification, with Management Accounting being part of the curriculum. Refer to the CIMA website at www.cimaglobal.com or contact CIMA at 011 268 2555 for present exemptions, if any.

Chartered Accountants CA(SA) and Management Accountants of various levels of expertise are not only in demand in the professions, but also in commerce and industry.

Management Accounting provides information to managers within the organisation, placing them in a position to use the information for strategic and tactical decision-making, planning, control and performance measurement. Management Accounting includes the processing, communication and interpretation of current information which is used to make projections for expected future events, revenue and costs. The projections are used as a basis for decisions on future courses of action.

Within the department of Management Accounting, modules in Accounting Data Processing (formative and professional qualifications) and Business Information Systems (vocational) are also presented. These modules are aimed at equipping students with a sound theoretical knowledge as well as the application of an accounting data processing system in the business environment. Practical exposure to Windows, spreadsheet applications and Pastel are included.

2 General information

- Financial Accounting, Management Accounting and Auditing may be taken for the BCom general.
- On second and third level, BCom and BAdmin students may choose between Financial Accounting, Management Accounting and Municipal Accounting.
- Students who wish to continue with postgraduate studies must have completed their major subject, in which the postgraduate studies will be followed, within five years prior to registration for their postgraduate qualification.

3 Syllabus

SECOND-LEVEL MODULE

ACN203S Cost accounting and control (S1 and S2)*
Prerequisite: ACN101 and (ACN102 or 103) and (QMG102 or QMS102 or QMI101)
Purpose: to introduce students to elements of cost; cost concepts; variable budgets; cost volume profit analysis; recovery of cost of service departments; job costing; contract cost accounting; process costing; standard costing; direct and absorption costing; joint and by-products; ABC cost accounting.

THIRD-LEVEL MODULES

On third level, certain modules are common to different qualifications and therefore have different module codes. The course material and content are identical in all respects. For example:
- the series ACN31 is offered for the BCompt degree and the BCom degree (with specialisation in Management Accounting)
- the series ACN30 is offered for all other BCom degrees.
- A non-programmable financial calculator is a requirement for ACN306Y/ACN3164, ACN3073/ACN3175 and ACN3084/ACN3186

ACN306Y/ACN3164 Management accounting techniques as an aid in decision-making (S1 and S2)*
Prerequisite: ACN203
Purpose: to equip students with the knowledge, values and skills to act as consultants and advisors to other managers and to use management accounting techniques to make recommendations for managerial decision-making purposes. Students should be able to apply this knowledge: management accounting versus financial accounting and the role of the management accountant; cost-volume-profit analysis; optimum utilisation of production
ACN3073/ACN3175  Financial planning and control (S1 and S2)*
Prerequisite: ACN203
Purpose: to gain knowledge and insight into the following subject matter as well as the ability to apply this knowledge by virtue of calculations, interpretation and integration: time value of money; cost of capital; capital investment decisions; financing decisions; standard costing and budgets.

ACN3084/ACN3186  Financial analysis, valuations and restructuring (S1 and S2)*
Prerequisite: ACN202
Purpose: to gain knowledge of and insight into the following subject matter as well as the ability to apply this knowledge: financial analysis; risk; valuation of business interests; changes in shareholder’s equity: reorganisations, arrangements and compromises, liquidations; changes in shareholding; absorptions, amalgamations, conversions: partnerships to companies, close corporations to companies, companies to partnerships, and companies to close corporations.

HONOURS PAPERS

The prerequisites for the various postgraduate qualifications and papers are included in the Calendar Part 4, at every qualification.

Paper for the Postgraduate Diploma in Accounting Sciences:

DIPAC26  Advanced management accounting* (4-hour examination paper)
Purpose: to prepare students to meet the minimum admission requirements for direct access to Honours BCompt and includes functions of financial management; nature of costs; cost management: material, labour and overhead; management accounting information systems; absorption and variable costing; cost-volume-profit analysis; activity-based costing; cash budgets; variance analysis in standard costing; decentralised performance; relevant costs; price determination; risk and return; sources and forms of finance; the cost of capital; time value of money; NPV method for capital investment appraisal; analysis of financial information; dividend decisions; treasury function; valuation of debt instruments and earnings yield method for equity valuations and working capital management.

Paper for the Honours BCompt degree/CTA

TOE408W/ZAC408H  Applied management accounting* (5-hour examination paper)
Purpose: the curriculum and syllabus are designed for preparing students for Part 1 of the Qualifying Examination (QE1) of the South African Institute of Chartered Accountants (SAICA) and includes nature of costs; cost management: material, labour and overhead; management accounting information systems; absorption and variable costing; cost-volume-profit analysis; activity-based costing; budgeting and control; standard costing; performance management; transfer pricing; decision making; capital investment appraisal; function of financial management; risk and return; sources and forms of finance; the cost of capital; analysis of financial information; the dividend decision; treasury function; valuations; management of working capital and corporate transactions.

Papers for various Honours BCom Accounting Degrees:

AAD000R  Advanced accounting information systems* (3-hour examination paper)
Purpose: to equip students to define, develop and implement accounting data processing systems; to manage information resources, including data and technology, in compliance with technical and operational requirements; to meet user needs; to advise management on the development of accounting data-processing strategies; to utilise accounting information to support the management activities of planning and decision making and to monitor and control accounting data processing systems and services.

ACA000P  Advanced cost and management accounting* (3-hour examination paper)
Purpose: to gain in-depth knowledge of and insight into the performance of the management accountant in ensuring that the organisation survives in a competitive business environment; the importance of the planning function to ensure the effective utilisation of resources; strategic planning and the setting of goals and formulation of long-term strategies to ensure long-term survival; the supportive role that management accountants render to the various management functions and effective management of resources.

ADMAAATS  Advanced management accounting techniques* (3 hour examination paper)
Purpose: to equip students with advanced management accounting techniques for managerial decision-making. These include advanced methods and approaches to be applied under circumstances of risk and uncertainty, for pricing; overhead absorption; investment appraisal; costing systems; developments in management accounting; non-financial performance measures and the management of information and knowledge.

AFM000U  Advanced financial management* (3 hour examination paper)
Purpose: to gain in-depth knowledge of and insight into the planning, management and monitoring of financing and investments; to equip a student to identify the various sources of finance available; to teach students to appreciate investment and financing proposals and formulate financial strategy. The topics covered are financial policy formulation and action, the financing function (finance sources, capital structure), the investment function (valuations and investment appraisal) as well as financial analysis and forecasting.

FPC000A  Financial planning and control* (3-hour examination paper)
Purpose: to equip students with in-depth knowledge of and insight into the planning and control functions and the management accountant’s role to ensure effective planning and control; the importance of the planning function, both strategically and operationally; performance measurement and management control to ensure effective utilisation of resources; management audit to ensure efficiency.
FST0005 The meaning, analysis, interpretation and design of financial statements* (3-hour examination paper)
Purpose: to equip students to analyse and interpret financial information contained in financial statements, to perform a complete analysis of a firm's business and financial statements, to explain and apply forecasting and valuation techniques within the broad context of evaluating share investments, mergers and takeover activities and to utilise the analysis results to support the management activities of planning and decision-making.

Paper for the Honours BCom Internal Auditing degree:

HBCMAC8 Advanced management accounting* (4-hour examination paper)
Purpose: to prepare students to meet the minimum admission requirements for direct access to Honours BCom and includes functions of financial management; nature of costs; cost management: material, labour and overhead; management accounting information systems; absorption and variable costing; cost-volume-profit analysis; activity-based costing; cash budgets; variance analysis in standard costing; decentralised performance; relevant costs; price determination; risk and return; sources and forms of finance; the cost of capital; time value of money; NPV method for capital investment appraisal; analysis of financial information; dividend decisions; treasury function; valuation of debt instruments and earnings yield method for equity valuations and working capital management.