**International Management Accounting (International Business BSc 2nd Semester, SS2024)**

**Lectures**

Monday 08:00-11:15 as well as 11:30-15.00 in R210 Claudiusstraße 1 (4 SWS = 2 x 1.5 hours weekly), amounting to 180 hours of total work-load consisting of 60 contact hours (of 45 minutes each), 90 hours of independent study and 45 hours of group project work. This module is worth 6 ECTS i.e. 3.3% of one hundred in relation to the students’ final grade obtained for the International Business BSc degree.

**Instructors**

Prof. Dr. Marc Beutner

**Learning outcome**

Students should gain a thorough understanding of management accounting practices and tools for multinational organizations. The goal is to help students acquire the skills:

* *Knowledge*: Different cost types, budgeting and controlling, performance management, multinational and divisional companies, financial planning and analysis tools
* *Understanding*: Cost-volume-profit relationships, overhead allocation, budgeting and performance measurement, multinational company transfer prices, financial analysis
* *Application*: Calculate examples of multi-product and multicurrency cost-volume-price decisions, overhead allocation and ABC, budgets and variances, balanced scorecards and KPIs, transfer prices, capital budgeting using payback/NPV/IRR, financial projections and ratio analysis
* *Analysis*: Analyze company-, division- and product-level production and pricing decisions, budgeting and performance measurement, transfer prices and financial projections.

**Content overview**

Business students need good foundational knowledge in management accounting - no matter what main focus (marketing, finance, operations, logistics, …) you have chosen in your studies and future career. Students will therefore be given an introduction to the fundamentals of modern management accounting, planning and controlling in a multinational setting. Two homework/exercise submissions will expose students to the practice of international management accounting, particularly in relation to decisions about costing and production; budgeting and controlling, transfer prices; cash flows, and financial analysis.

Part 1: Cost, volume and profit incl. break-even and contribution analysis, cost- vs. market-based pricing, multiproduct companies, activity-based costing (ABC)

Part 2: Budgeting, standard costing and variances, balanced scorecards and KPIs

* Group Homework 1 on cost and volume decisions, overhead cost allocation, budgeting and variances

Part 3: Multinational company transfer prices

Part 4: Capital budgeting, financial projections and ratio analysis

* Group Homework 2 on transfer prices and financial analysis.

**Prerequisites**

(i) Introduction to International Accounting and Taxation and (ii) managerial microeconomics.

**Required textbook and lecture slides**

* Bowhill, Bruce (BB: main textbook): Business Planning and Control: Integrating Accounting, Strategy and People, Wiley’s 2013, 5th edition (TH Köln library)
* Instructor’s Lecture Notes (LN).

**Optional textbooks**

* Drury, Colin (CD: examples and exercise questions of relevant Chapters): Management Accounting for Business, Cengage Learning 2016, 6th edition (TH Köln library)
* Weygandt, Jerry, Paul Kimmel, and Donald Kieso (WKK: chapters 17-18,19,22,24-27): Accounting Principles (IFRS Version), Global Edition, 2019 (TH Köln library).

**Requirements for grades**

This course will be taught as a seminar in an interactive fashion with the instructor serving as a facilitator for student discussions of the various issues raised. Course activities shall include preparatory readings, interactive lectures and class discussions, three group homework- and one case study submissions and an end-of-term written exam. Grading will comprise two parts

* Written closed-book exam: 60% of weight, 60 minutes; non-programmable calculator and dictionary English/Mother tongue are allowed
* Group homework and exercises: 40% of grade.

**Lecture and reading schedule (SS2024)**

| **Lecture** | **Date** | **Topics** | **Pre-Class-Readings & Assignments** |
| --- | --- | --- | --- |
| **Part 1** |  | **Cost, volume and profit, overhead allocation** | |
| 1 | 08.04 | Course motivation and overview  Cost behavior, contribution and break-even analysis | IBB IMA SS2020 Syllabus  LN on Costing & Profits, BB 1, CD 2-3, WKK 19,22 |
| 2 | 15.04 | Cost behavior and analysis (cont’d)  Price and profit decision making problems | LN on Cost & Profit Decisions, BB 2-3, CD 4-5, WKK 22 |
| 3 | 22.04 | Price and profit decisions (cont’d)  Traditional full costing, overheads and ABC | LN on Overheads and ABC, BB 5-6, CD 7-8 |
| 4 | 29.04 | Traditional full costing, overheads and ABC (cont’d) | Additional Exercises |
| **Part 2** |  | **Budgeting and controlling, balanced scorecards and KPIs** | |
| 5 | 06..05 | Budgetary control systems  Standard costing and variance – Part I | LN on Budgeting and Standard Costs, BB 7-9, CD 9-11, WKK 24-26 |
|  | 13.05 | No lecture (Independent Week HIP) |  |
|  | 20.05 | No lecture (Pentecost) |  |
| 6 | 27.05 | Budgetary control systems  Standard costing and variance – Part II | LN on Budgeting and Standard Costs, BB 7-9, CD 9-11, WKK 24-26 |
| 7 | 03.06 | Performance Measurement & Balanced Scorecard | **Group Homework on costing, budgeting and controlling**  LN Performance Measurement & Balanced Scorecards, BB 19-20, CD 15, WKK 26 |
| 8 | 10.06 | Additional Exercises on Part 2 | Additional Exercises |
| **Part 3** |  | **Multinational transfer prices** |  |
| 9 | 17.06 | Multinational transfer prices | LN on Multinationals & Transfer Prices, BB 10,  CD 12-13 |
| **Part 4** |  | **Investments, financial projections and ratio analysis** | |
| 10 | 24.06 | Capital budgeting using payback/NPV/IRR | LN on Capital Budgeting and Financial Analysis  BB 4,11, CD 6, WKK 17-18 |
| 11 | 24.06 | Additional Exercises on the four parts | Additional Exercises |
| 12 | 01.07. | **End of semester Exam (Klausur)** | |

**Contact**

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