



FAKULTI PENGURUSAN & INDUSTRI HALAL

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| PROGRAM | Diploma in Accountancy |
| COURSE NAME | COST AND MANAGEMENT ACCOUNTING 2 |
| COURSE CODE | MAF251 |
| CREDIT HOUR | 3 |
| SYNOPSIS | This course introduces the fundamentals of management accounting methods, principles and techniques for management at operational level. This includes standard costing and basic variance analysis for control purposes; analytical approaches for short-term decision-making including pricing; and modern business environment on management accounting. |
| COURSE STRUCTURE | |
| CHAPTER | TOPICS |
| 1 | Introduction to Management Accounting 1.1 Definition of management accounting 1.2 Differences and similarities of management accounting and financial accounting 1.3 Objectives of management accounting 1.4 Roles of management accounting 1.5 Requirements for management information (characteristics of good information, presentation of information, role and importance of information technology) |
| 2 | Standard Costing and Variance Analysis 2.1 Definition and concepts 2.2 Advantages and purposes 2.3 Types of standard cost 2.4 Establishment of standards, problems and preparation of standard cost card 2.5 Variance analysis and causes of material variances, labour variances, variable overhead variances, fixed overhead variances and sales variances 2.6 Performance evaluation and flexible budget 2.7 Reconciliation of budgeted profit and actual profit |
| 3 | Short-term Decision Making 3.1 Relevant and irrelevant costs 3.2 Avoidable and unavoidable costs 3.3 Sunk costs, opportunity costs, committed costs and cost behaviour 3.4 Types of short-term decision making: limiting factors, make or buy decision, accept or reject a special order, drop or add a segment |



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| 4 | Pricing Decisions 4.1 Full cost-plus pricing policy 4.2 Marginal cost-plus pricing policy 4.3 Minimum pricing 4.4 Factors affecting pricing decision 4.5 Target costing |
| 5 | Modern Business Environment on Management Accounting 5.1 Impacts of modern business environment and contemporary issues in management accounting 5.2 Modern business environment vs traditional business environment (change in focus towards customer, quality and value, traditional production vs flexible production, inventory management, cost reduction programs, life cycle costing, target costing) |
| References: | Rozainun, A. A., Che Hamidah, C. P., Indra Devi, R. & Nagarethnam, T. (2018), Management Accounting, Third Edition, Oxford University Press. |