



## **ACCOUNTING AND FINANCE**

# Managerial Accounting: Information For Planning, Decision Making & Control

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# Managerial Accounting: Information For Planning, Decision Making & Control

## Introduction:

Managerial accounting is an activity that provides financial and nonfinancial information to business managers and other internal decision makers of an organization. This course examines how managerial accounting information is gathered, and how it is used by business professionals to make effective plans & decisions. Lessons such as fundamentals of managerial accounting, cost accounting concept, and managerial accounting approaches will provide you with the concepts, procedures, and analytical skills you'll need to make informed decisions in today's challenging business world. Managerial accounting is not as widely used as other forms of accounting, nor is it as known. While companies concern themselves with financial accounting methods like audits, budgets and financial statements, they often completely ignore the forward-thinking methods of managerial accounting. Key points include:

- Managerial vs. financial accounting
- Cost-Volume-Profit analysis for decision making
- Make vs. buy decisions for planning
- Fixed vs. variable vs. mixed costs for control
- Capital budgeting that makes a difference

## Who Should Attend?

Finance Professionals, Finance Managers, Senior Accountants, Accounting & Budgeting Personnel, Corporate Controllers, Financial Controllers, Treasury Professionals, Chief Accountants, Accounting Managers, Accounting Professionals, Financial Executives, Auditors, Financial Analysts, Bankers, Investment Bankers, Senior Accountants, Banking Professionals, Corporate Business Professionals, all accounting and finance professionals who are currently working, or seeking to work, in the financial planning, analysis, budgeting and forecasting domain within their organizations

## Course Objectives:

**By the end of this course, delegates will be able to know about:**

- Cost terms and concepts
- Cost behavior: analysis and use
- Direct vs. absorption costing
- Overhead costing for planning and control
- Standard costs & variance analysis
- Relevant costs for decision making
- Financial statement analysis
- Defining managerial accounting & its impact on the organization
- Making better decisions through the results calculated
- Maintain better control of all costs
- Planning more accurately using managerial accounting
- Describing policies and company components that affect managerial accounting

## Course Outline:

### **Managerial Accounting: A Perspective**

- The role of Managerial Accounting
- Financial vs. managerial accounting
- Cost accounting vs. managerial accounting
- The work of management
- The organization aspects of managerial accounting
- Using managerial accounting for planning, decision-making & control

### **Cost Concepts, Terms & Classifications**

- Different costs for different purposes
- Cost classifications
- Cost by function
- Product vs. period costs
- FC, VC & mixed costs
- Costs for planning, control & decision making

### **Cost Behavior Patterns**

- Analysis of cost behavior
- Fixed costs-committed vs. discretionary
- Variable costs
- Semi-variable costs
- The contribution margin approach
- Comparing gross profit to the contribution margin

### **Cost-Volume-Profit & Break Even**

- Cost-volume-profit & break even defined
- Cost-volume-profit analysis
- Target income calculations
- Margin of safety calculations
- Sales mix analysis
- Break even analysis

### **Standard Costs**

- Responsibility accounting defined
- Responsibility centers
- Standard costs & Variance Analysis
- Fixed overhead variances
- VA for factory overhead
- Absorption vs. direct costing

### **Relevant Costs**

- Relevant costs defined
- Decision-making approaches
- Make vs. buy decisions

- Sell vs. process decision
- Lease vs. buy decision
- Adding or dropping a line decision

### **Capital Budgeting**

- Capital budgeting decisions defined
- Capital budgeting techniques demonstrated
- Mutually exclusive projects
- Capital rationing & decision making
- Investment decisions
- Decision-making tools

### **Performance Evaluation**

- Division evaluation
- Return On Investment (ROI)
- Profit planning
- Residual income (RI)
- Controlling results using ROI
- Controlling results using RI

### **Financial Statement Analysis**

- Ratio overview
- Liquidity ratios
- Activity ratios
- Leverage ratios
- Profitability ratios
- Market ratios

### **Statement of Cash Flows**

- P&L to cash flow analysis
- Accrual basis of accounting
- Operations section explored
- Investing section explored
- Financing section explored
- Cash flow statement to balance sheet connection