



**MAKERERE UNIVERSITY BUSINESS SCHOOL  
FACULTY OF COMMERCE  
DEPARTMENT OF ACCOUNTING  
COURSE OUTLINE**

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<b>Course name</b>	:	Strategic Management Accounting
<b>Semester</b>	:	One
<b>Course code</b>	:	ACC 7103
<b>Course category</b>	:	Core
<b>Credit units</b>	:	4
<b>Credit hours</b>	:	60

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### **1.1 Course Description**

The course will acquaint students with comprehensive knowledge and skills to examine the management accountant's role in dynamic organizations operating in the global business environment. In this role, the management accountant engages with the organization's management team and contributes to strategy development and implementation, to create customer and shareholder value and a strong competitive position for the organization.

### **1.2 Course Objectives**

**The objective of the course is to enable students to;**

- a) Develop the ability to integrate financial data with non-financial information for comprehensive decision-making
- b) Gain proficiency in strategic cost management techniques, including activity-based costing and life-cycle costing
- c) Explore the design and implementation of performance measurement systems aligned with organizational strategy
- d) Study the role of strategic management accounting in identifying and managing risks.
- e) Develop skills in budgeting and planning processes that support strategic goals.

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## Learning Outcomes.

### 1.3 At the end of this course, students will be able to;

- a) Demonstrate the ability to integrate financial data with non-financial information for comprehensive decision-making
- b) Show proficiency in strategic cost management techniques, including activity-based costing and life-cycle costing
- c) Design and implement performance measurement systems aligned with organizational strategy
- d) Demonstrate the role of strategic management accounting in identifying and managing risks.
- e) Develop skills in budgeting and planning processes that support strategic goals.

### 2.1 Course content

s/n	Topic	Sub Topic	Facilitators	Hours
1	Introduction to strategic management accounting	<ol style="list-style-type: none"><li>a) Value<ul style="list-style-type: none"><li>• Shareholder value</li><li>• Customer Value</li><li>• Stakeholder value</li><li>• Which viewpoint should be taken when determining 'value'</li></ul></li><li>b) The strategic management processes</li><li>c) The role of management accountants in strategic management<ul style="list-style-type: none"><li>• The role of the management accountant</li></ul></li><li>d) The key challenges facing management accountants<ul style="list-style-type: none"><li>• Challenges</li><li>• Causes of change in the business environment</li></ul></li><li>e) <b>Analytical techniques available to management accountants</b><ul style="list-style-type: none"><li>• Value analysis (value chain analysis)</li><li>• Strategic cost analysis</li><li>• Managing customers</li><li>• Competitor analysis</li><li>• Managing corporate value</li><li>• SWOT analysis</li><li>• Internal analysis</li></ul></li></ol>	Dr. Akankunda B	7 HRS

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		<ul style="list-style-type: none"> <li>• External analysis</li> <li>• Porter's Five Forces model</li> <li>• Lifecycle accounting,</li> <li>• Target accounting,</li> <li>• Balanced Scorecard</li> <li>• Benchmarking</li> <li>• Activity-Based Costing (ABC)</li> </ul>		
<b>2</b>	<b>Types of information needed for stakeholder decision-making</b>	<p>(a) The role of management accountants in influencing stakeholder decision-making</p> <ul style="list-style-type: none"> <li>• Balancing stakeholder requirements and information delivery</li> <li>• Differing levels of information in the organization</li> <li>• Importance of linking information to strategy</li> <li>• Roles of the management accountant</li> </ul> <p>(b) Upgrading or replacing information systems</p> <ul style="list-style-type: none"> <li>• The stimulus for a new or updated system</li> <li>• Making a preliminary assessment</li> <li>• Pitfalls in evaluating major information needs</li> <li>• Analyzing new and existing information systems</li> <li>• Evaluating a suggested information solution</li> </ul>	Dr. Akankunda B	12
<b>3</b>	<b>Planning, budgeting and forecasting</b>	<p>a) Introduction to plans, budgets and forecasts</p> <ul style="list-style-type: none"> <li>• Relationship between budgets and strategic planning</li> <li>• Roles of operational plans, budgets and forecasts</li> <li>• Purposes of a budget</li> </ul>	Dr. Kinatta M	20

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		<ul style="list-style-type: none"> <li>• Relationship with responsibility accounting</li> <li>• Planning and control</li> </ul> <p>b) Developing master budgets</p> <ul style="list-style-type: none"> <li>• Impact of external and internal factors on budgets</li> <li>• Preparing operational budgets in manufacturing organisations</li> <li>• Preparing budgets in non-manufacturing organisations</li> <li>• Preparing financial budgets</li> <li>• Preparing budgets for various departments</li> <li>• Preparing flexible budgets</li> </ul> <p>c) Variance analyses and control</p> <ul style="list-style-type: none"> <li>• Static versus flexible budgets</li> <li>• Profit- and revenue-related variances</li> <li>• Direct material analysis</li> <li>• Direct labor analysis</li> <li>• Variable manufacturing overhead analysis</li> <li>• Fixed manufacturing overhead analysis</li> </ul> <p>d) Behavioral aspects of budgets</p> <ul style="list-style-type: none"> <li>• Participative budgeting</li> <li>• Setting realistic and achievable targets</li> <li>• Monetary and non-monetary incentive schemes</li> </ul> <p>e) Alternative approaches to budgeting</p> <ul style="list-style-type: none"> <li>• Shortcomings of traditional budgets</li> <li>• Incremental budgeting</li> <li>• Zero-based budgeting</li> <li>• Activity-based budgeting</li> </ul>		
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		<ul style="list-style-type: none"> <li>Beyond Managing budgets</li> </ul>	Budgeting: without	
4	<b>Project management</b> <b>Project management defined</b>	<p><b>a)</b> Project management defined</p> <ul style="list-style-type: none"> <li>What is a project?</li> <li>What is project management?</li> <li>The project management process</li> <li>Organizational structures for projects</li> </ul> <p><b>b)</b> Roles in project management</p> <ul style="list-style-type: none"> <li>Project sponsor</li> <li>Project manager</li> <li>The project teams</li> <li>International project teams</li> <li>Virtual project teams</li> </ul> <p><b>c)</b> The management accountant's role in project selection</p> <ul style="list-style-type: none"> <li>Developing a business case for projects</li> <li>Strategic fit</li> <li>Stakeholder identification and assessment</li> <li>Risk assessment</li> <li>Financial analysis—single project</li> <li>Financial analysis—multiple projects</li> </ul> <p><b>d)</b> The management accountant's role in project planning</p> <ul style="list-style-type: none"> <li>Project scheduling</li> <li>Project budgeting</li> <li>Supplier contracts</li> </ul> <p><b>e)</b> The management accountant's role in project implementation and control</p> <ul style="list-style-type: none"> <li>Monitoring progress</li> <li>Monitoring costs</li> <li>Monitoring specification and quality</li> <li>Measuring performance</li> <li>The importance of probity in projects</li> <li>Risk management</li> </ul>	Dr. Kinatta M	15

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		<ul style="list-style-type: none"> <li>• Stakeholder management</li> </ul> <p>f) The management accountant's role in project completion and review</p> <ul style="list-style-type: none"> <li>• The completion decision</li> <li>• Checklist</li> <li>• Specification satisfaction consensus</li> <li>• Strategic fit assessment</li> <li>• Stakeholder satisfaction assessment</li> <li>• Financial closure</li> <li>• Resource dispersion</li> <li>• Final report</li> </ul>		
5	<b>Performance Management</b>	<p>a) The role of performance management</p> <ul style="list-style-type: none"> <li>• The multiple roles of performance management</li> </ul> <p>b) Strategy, management control and performance management</p> <ul style="list-style-type: none"> <li>• Models of performance management</li> </ul> <p>c) Determining performance measures and setting performance targets</p> <ul style="list-style-type: none"> <li>• Performance management for performance improvement</li> </ul>	Dr. Akankunda	6
	<b>TOTAL</b>			60

### 3.1 Mode of Assessment

Mode	Score
Course Work	40%
Final Examination	60%
Total	100%

*Assessments may be in the form of Take-home assignments, Online assignments, Physical sit-ins, based on multiple-choice, scenario-based, discussion, or hypothetical scenario-based.*

#### 4.1 Mode of delivery.

1. Face to face classes
2. Online classes
3. Case analysis and discussions.
4. Presentations by individual students.

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### **5.1 Reference materials:**

1. Wing Sun Li., 2018. Strategic Management Accounting. A Practical Guidebook with Case Studies, Beijing Normal University–Hong Kong, published by Springer Nature.
2. Arora, M. N., 2021. Cost Accounting: Principles & Practice, 13th ed, Vikas Publishing House.
3. Colin, D., 2015. Management and Costing Accounting, 9th ed, Cengage Learning.
4. Kurt, H., 2010. Essentials of Managerial Accounting, International Edition, South-Western Cengage Learning.
5. William, S., 2013. Operations Management, Theory and Practice, 11th ed, McGraw-Hill.