



MAKERERE UNIVERSITY BUSINESS SCHOOL COURSE OUTLINE

PROGRAMME: BACHELOR OF SCIENCE IN ACCOUNTING (BSA)

Course Name	:	STRATEGIC MANAGEMENT ACCOUNTING
Course Code	:	BSA 3210
Course Level	:	3
Credit Units	:	4
Contact Hours	:	60
Semester	:	One
Academic Year	:	2025/26

Course Description

This course equips learners with the essential tools and techniques required to support strategic decision-making in dynamic business environments.

Course objective

The objective of this course is to enable the learners to apply strategic management accounting models and tools and, provide information for management decisions

Learning outcomes

Upon completion of this course, learners should be able to apply strategic management accounting tools and techniques to support informed decision-making, evaluate performance, and enhance organizational effectiveness in a dynamic business environment.

Mode of delivery

Straight lectures
Group Discussion
Tutorials

Mode of Assessment

Course work - 30%
Examination - 70%

Detailed Course Outline

TOPIC	SUBTOPICS	Duration
1. Introduction to Strategic Management Accounting	<ul style="list-style-type: none"> • Introduction to Strategic Management Accounting (SMA) • Elements/features of Strategic Management Accounting • Strategic management accounting process • Functions of strategic management accounting • Strategic Management accounting in a dynamic business environment • Ethics, decision-making, and management accounting • SMA Tools (Value analysis, Activity-based Costing, Life Cycle Costing, Target Costing, Total Quality Management, Just In Time, Backflush Costing, Benchmarking, Balance score card, attributable costing) 	7 Hours
2. Cost behavior and profit analysis	<ul style="list-style-type: none"> • Cost behavior • Cost structure • Evaluating sources of cost structures • Estimating cost behavior (Scatter graph, least squares regression analysis and High-low Method. <ul style="list-style-type: none"> ○ Learning curve ○ Confidence intervals ○ Test reliability • Cost Control & Cost Reduction 	8 Hours
3. Strategic Cost and process Analysis	<ul style="list-style-type: none"> • The Process of Strategic Cost Analysis • Types of Cost System <ul style="list-style-type: none"> ○ Full costing ○ Activity-Based Costing (ABC) ○ Time-Driven ABC (TDABC) • Activity Based Costing • Identifying opportunities to reduce costs • Impact of volume diversity. • Critical factors in designing ABC systems • Activity-based profitability analysis • Application of ABC systems in product and service systems • Process analysis • Costing Methods Used in Service Sector 	6 Hours

4. Product costing and financial reporting	<ul style="list-style-type: none"> • Product costing for external reporting • Different ways of collecting costs • Variable costing; its effects of production and sales on operating income • Evaluation of variable costing 	4 Hours
<i>Coursework 1 Assessments: March 14, 15, 21, and 22, 2026</i>		
5. Short term decisions and pricing	<ul style="list-style-type: none"> • Strategic Decision Making • Making decisions; Occasions for, identification and alternative selections • Relevant Costing: Short term decisions and their relevant costs <ul style="list-style-type: none"> ○ The make-or-buy pricing decisions ○ Pricing products on specific orders ○ Rationing scarce resource ○ Produce or sale in the current form decision • Pricing Decisions: Cost Plus Pricing, Competitive Pricing, Sealed Bid Pricing • Different Pricing Strategies (Penetration Pricing, Skimming Pricing, Price Discrimination) • Using cost data in pricing decisions <ul style="list-style-type: none"> ○ Industry strategies ○ Product strategies ○ Customer strategies ○ Full cost Vs. marginal costing • Other approaches to pricing <ul style="list-style-type: none"> ○ Emerging pricing trends ○ Target pricing ○ Transfer Pricing ○ Responsibility Accounting and Reporting • Qualities of A Good Pricing Policy (Determination of pricing policies) • Customer profitability analysis 	6 Hours
6. Applications of short term decision models	<ul style="list-style-type: none"> • Product mix decisions • Inventory decisions <ul style="list-style-type: none"> ○ Order quantity ○ Economic order quantity decisions and setups 	6 Hours
	<ul style="list-style-type: none"> ○ Just in Time inventory systems ○ Uses of linear programming ○ Outsourcing decisions and creating partnerships ○ Eliminating non-performing products ○ Dealing with uncertainties 	

	<ul style="list-style-type: none"> ○ Sensitivity analysis 	
7. Information for planning, control and performance measurements	<ul style="list-style-type: none"> ● The role of budgeting and the budgeting process in an organization ● Better and beyond budgeting (Alternative Approaches to Budgeting): Incremental Budgeting, Better Budgeting, rolling budgets, Zero-based budgets, Activity Based budgets, Beyond budgeting, Contract Budgeting ● Management control systems ● Behavioral, organizational and social aspects of budgets ● Standard costing and variance analysis ● Standard costs and their interpretation ● Reconciliation of actual with budgeted profits ● Preparation of departmental performance report ● Investigation of variances (sales, material, labour and overheads) ● Difference between Standard Costing and Budgetary Control 	4 Hours
<i>Coursework 2 Assessments: April 18, 19, 25, and 26, 2026</i>		
8. Role of accounting in strategic planning and management control	<ul style="list-style-type: none"> ● Strategy and management control systems ● Linking financial reports to the organization's structure ● Management control process ● Reporting and analysis ● Motivation and evaluation ● Alternatives for control 	4 Hours
Final Exam	<p>May 16 – June 06, 2026</p> <ul style="list-style-type: none"> □ Final Review and Course Wrap-Up 	Final Week

Important Dates:

Course Start-End Dates: February 10 – May 15, 2026

Class Days: Mondays, Wednesdays & Thursday.

Coursework 1 Assessments: Saturday & Sunday, March 14, 15, 21, and 22, 2026

Coursework 2 Assessments: Saturday & Sunday, April 18, 19, 25, and 26, 2026

Facilitators

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Study Materials

Textbooks, Journal Publications, and Online Sources (CIMA, ACCA).

Reading lists

1. Drury, C. (2020). Management and Cost Accounting, 11th edition, Cengage Learning India Pvt. Ltd
2. Hogarth, K. (2018), Strategic Management Accounting, 3rd Edition, McGraw-Hill Education (Australia)
3. Kamukama.A. Nixon (2013), Cost & Management Accounting (2nd Revised Edition).
4. Li, W. S. (2018). *Strategic management accounting: A practical guidebook with case studies*. Springer.
5. Ward, K. (2012), Strategic management accounting, Taylor and Francis.