MAKERERE UNIVERSITY BUSINESS SCHOOL
FACULTY OF COMMERCE
DEPARTMENT OF ACCOUNTING
COURSE OUTLINE
ACADEMIC YEAR 2026/2027

Programme	Master of Science in Accounting & Finance (MSc A&F)
Course Title	Strategic Management Accounting
Course Code	ACC 7103
Course Category	Core
Course Level	Year One, Semester One
Notional Hours	60 (1 Credit = 10 Notional Hours)
Credits	4
Course Lead	Dr. Brendah Akankunda

1.0 Course Description

Strategic Management Accounting course is designed to equip learners with the analytical knowledge, technical skills, and professional judgement needed to examine the management accountant's role in dynamic organisations operating in the global business environment. In this role, the management accountant engages with the organisation's management team and contributes to strategy development and implementation, helping create customer and shareholder value and a strong competitive position for the organisation.

1.1 Course Competences

- Knowledge Competences: Comprehensive understanding of SMA concepts, tools, and frameworks including ABC, life-cycle costing, target costing, performance measurement systems, budgeting, and risk management and how these connect to organisational strategy.
- Practical Competences: Proficiency in applying strategic costing and budgeting techniques, designing performance measurement systems, preparing and analysing operational and financial budgets, and using variance analysis to support managerial decisions.
- Cognitive Competences: Critical and analytical reasoning to evaluate stakeholder information needs, diagnose strategic and operational risks, and recommend management accounting responses appropriate to an organisation's competitive position.
- Professional Competences: Professional judgement, ethical awareness, and stakeholder sensitivity in advising management teams, together with the collaborative and communication skills needed to present strategic financial analysis to non-specialist audiences.

1.2 Course Learning Outcomes

Upon completion of this course, the student should be able to:

1. Integrate financial and non-financial information to support comprehensive strategic decision-making.
2. Apply strategic cost management techniques, including activity-based costing and life-cycle costing, to organisational problems.
3. Design and evaluate performance measurement systems aligned with organisational strategy.
4. Analyse the role of strategic management accounting in identifying and managing organisational risk.
5. Develop budgets and planning processes that support strategic goals.

2.0 Detailed Course Outline

S/N	Topic	Sub-Topics	Learning Outcomes	Readings (Primary & Supplementary)	Formative Assessment Activities	Hours
1	**Strategic Management Accounting Overview** *(7 hrs)*	1.1 Nature, scope, and definition of SMA 1.2 Differences between traditional and strategic management accounting 1.3 The SMA process 1.4 Role and key challenges of management accountants in strategic management 1.5 Causes of change in the business environment 1.6 Tools for creating and managing value ((shareholder, customer, stakeholder perspectives): • Target costing and Kaizen costing • Life-cycle costing • Throughput accounting • Activity-Based Costing (ABC) • Environmental Management Accounting (EMA) • Value analysis 1.7 Analytical techniques: • SWOT analysis • Internal and external analysis • Porter's Five Forces model	Distinguish SMA from traditional management accounting and explain the management accountant's role, key challenges, and drivers of change. Apply target costing, life-cycle costing, ABC, value chain and EMA tools. Use the Value chain analysis by Porter's to evaluate an organization's margin and activity cost shares.	Wing Sun Li (2018); SMA; Arora (2021), Colin (2025); Simmonds (1981), Tayles (2011), Thompson et al. (2023).	a) Concept-mapping exercise comparing traditional and strategic management accounting (small group, with instructor feedback). b) Case-based costing assignment: compute and compare product costs under Value chain analysis, target costing, LCC, absorption costing vs. ABC for an assigned organisation.	**7 Hrs**
2	**Information for Stakeholder Decision-Making** *(12 hrs)*	2.1 The management accountant's role in stakeholder decision-making 2.2 Stakeholder mapping: the power-interest matrix 2.3 Balancing competing stakeholder information needs 2.4 Differing levels of information in organisations 2.5 Importance of linking information to strategy 2.6 Measuring stakeholder value and performance	Apply the power-interest matrix to map stakeholders and recommend how competing information needs should be balanced. Evaluate an organisation's management information system, identify the need for change, and assess proposed solutions while avoiding common pitfalls. Communicate stakeholder value to non-specialist audiences using appropriate tools and reporting	Wing Sun Li (2018);	c) Stakeholder mapping exercise on an assigned organization, presented in small groups for peer and instructor feedback. d) Practical assignment: critique of a case organisation's information system, submitted for instructor feedback. e) Short group presentation: communicating stakeholder value to a non-specialist audience.	**12 Hrs**

		2.7 Stakeholder analysis tools in evaluating business scenarios 2.8 Communication and reporting to stakeholders 2.9 Case studies and real-world applications 2.10 Upgrading or replacing information systems: • Stimulus for a new or updated system • Preliminary assessment • Pitfalls in evaluating information needs • Analysing new and existing information systems • Evaluating a suggested information solution	frameworks.			
3	**Planning, Budgeting, and Forecasting** *(20 hrs)*	3.1 Introduction to plans, budgets, and forecasts • Relationship between budgets and strategic planning • Roles of operational plans, budgets, and forecasts • Purposes of a budget; relationship with responsibility accounting 3.2 Developing master budgets • Impact of external and internal factors • Operational budgets (manufacturing and non-manufacturing) • Financial budgets and departmental budgets • Flexible budgets 3.3 Variance analysis and control • Static versus flexible budgets • Profit- and revenue-related variances • Material, labour, and overhead variances 3.4 Behavioural aspects of budgets • Participative budgeting	Distinguish plans, budgets, and forecasts, and explain how budgeting links to strategic planning and responsibility accounting. Prepare master, operational, financial, and flexible budgets for manufacturing and non-manufacturing organisations. Compute and interpret profit, revenue, material, labour, and overhead variances to support managerial decision-making. Critically evaluate the behavioural implications of participative budgeting, target-setting, and incentive design. Compare incremental, zero-based, activity-based, and Beyond Budgeting approaches and recommend an approach suited to an organisation's strategic context.	**Primary:** Colin (2025); Kamukaka (2020). Kurt (2010)	f) Continuous quiz on budgeting concepts and responsibility centres. g) Practical take-home assignment: prepare a flexible budget for an assigned case organisation. h) Continuous test on variance computation and interpretation. i) Group debate/case discussion on behavioural consequences of selected budgeting practices. j) Group presentation: compare budgeting approaches for an assigned organisation or sector.	**20 Hrs**

		• Setting realistic and achievable targets • Monetary and non-monetary incentive schemes 3.5 Alternative budgeting approaches • Incremental budgeting • Zero-based budgeting (ZBB) • Activity-based budgeting (ABB) • Beyond Budgeting: managing without budgets				
4	**Project Management for Management Accountants** *(15 hrs)*	4.1 Project management fundamentals • Definition of a project and project management • The project management process 4.2 Organisational structures for projects • Roles: project sponsor, project manager, project teams • International and virtual project teams 4.3 The management accountant's role in project selection • Business case development • Strategic fit assessment • Stakeholder identification and risk assessment • Financial analysis — single and multiple projects 4.4 The management accountant's role in project planning • Project scheduling • Project budgeting • Supplier contracts 4.5 The management accountant's role in project implementation and control • Monitoring progress, costs, specification, and quality • Measuring performance; probity in projects • Risk management and stakeholder management	Explain project organisational structures and roles, and describe the management accountant's contribution to business case development, strategic fit assessment, and financial analysis. Develop a project plan incorporating scheduling, budgeting, and supplier contracting considerations. Apply project monitoring and control techniques to track cost, quality, and performance, and manage project risk and stakeholders. Evaluate project completion decisions against strategic fit and stakeholder satisfaction criteria, and prepare financial closure and final project reports.	**Primary:** William (2013);	k) Quiz and group discussion on project organisational structures and roles. l) Practical group assignment: draft a project budget and schedule for an assigned case project. m) Case study analysis: diagnose control weaknesses in a project scenario and recommend corrective action. n) Individual or group presentation: project review and lessons-learned report.	**15 Hrs**

		4.6 The management accountant's role in project completion and review • Completion decision and checklist • Strategic fit and stakeholder satisfaction assessment • Financial closure, resource dispersion, and final report				
5	**Performance Management** *(6 hrs)*	5.1 The role and multiple dimensions of performance management 5.2 Linking strategy, management control, and performance management 5.3 Models of performance management: • Balanced Scorecard (BSC) • Performance prism • Benchmarking 5.4 Determining performance measures and setting performance targets 5.5 Performance management for continuous improvement	Design and evaluate a performance measurement system, linking performance management models, measures, and targets to organisational strategy. Apply the Balanced Scorecard and other performance management frameworks to support strategic decision-making and continuous improvement.	**Primary:** Wing Sun Li (2018) Kaplan & Norton ( )	o) Research report / technical paper proposal presentation. p) Ongoing participation assessment. q) Individual reflective assignment: critique a performance management system of a Ugandan organisation against the BSC framework.	**6 Hrs**

3.0 Modes/Strategies of Assessment

Assessment in this course is competency-based, continuous, authentic, and aligned with the defined learning outcomes. It emphasises demonstration of knowledge, technical skill, and professional judgement, and is categorised into Formative (minimum 40%) and Summative (maximum 60%), in accordance with CBE principles.

a) Formative Assessment (40%)

- Continuous tests and quizzes: 15%
- Practical/case study assignments (take-home or online):15%
- Individual and group presentations: 10%

b) Summative Assessment (60%)

- End-of-semester examination — 60%

(Course Work 40% / Final Examination 60%)

4.0 Mode of delivery.

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

5.0 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.