GMIT
INSTITIÚID TEICNEOLAÍOCHTA NA GAILLIMHE-MAIGH EO
GALWAY-MAYO INSTITUTE OF TECHNOLOGY

Galway International Hotel School

# MODULE DOCUMENTATION

## Management Accounting

## ACCT06022

Mandatory

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# ACCT06022
# Management Accounting

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|---|---|---|---|
| **Full Title** | Management Accounting | | |
| **Status** | Uploaded to Banner | **Start Term** | 2016 |
| **NFQ Level** | 06 | **ECTS Credits** | 05 |
| **Module Code** | ACCT06022 | **Duration** | Semester - (13 Weeks) |
| **Grading Mode** | | **Department** | Culinary Arts |
| **Module Author** | Marie Burke | | |
| **Co Authors** | Mr. Shane Durcan, Susanne OReilly | | |

## Module Description

This module introduces the student to decision makers' use of accounting information in the areas of cost behaviour, decision making using cost volume profit analysis, working capital management and capital investment appraisal.

| | **Learning Outcomes**<br>***On completion of this module the learner will/should be able to:*** |
|---|---|
| 1. | Describe and illustrate the relationship between Financial Accounting, Management Accounting and Business Management. |
| 2. | Examine the nature of costs and apply the principles of accounting for overhead costs. |
| 3. | Illustrate and discuss the importance of cost volume profit analysis and be able to apply the principles in decision making. |
| 4. | To examine the importance of working capital management and to apply techniques in the management of working capital. |
| 5. | Evaluate capital investments proposals. |

## Indicative Syllabus

**Decision Makers use of Accounting**

- Key Characteristics of the Hospitality and Tourism Industry
- Accounting and Business Management
- Accounting and Hospitality & Tourism decision makers

**Cost Information**

- Classifying costs & costs Behaviour
- Labour costs (including PAYE, PRSI, USC)
- Accounting for overhead cost
  - Absorption costing
  - Blanket or single rate approach
  - Overview of Activity based costing

**Cost Volume Profit Analysis (Single Product)**

- Marginal Costing
- Cost Volume Profit Analysis – CVP terminology, concepts, calculations
- Graphical Representation of CVP - Break Even Chart & Profit Volume Chart
- Assumptions Underlying CVP Analysis

**Working Capital Management**

- Cash Management
- Accounts Receivables (Debtors) Management
- Accounts Payable (Creditors) Management
- Inventory (Stock) Management
- Working Capital Ratios

- Working Capital Cycle
- Working Capital Management/Financing Policy

**Capital Investment Appraisal**

- Features of Capital Investment Appraisal
- Factors to Consider in Assessing Capital Projects
- Capital Appraisal Methods – Accounting Rate of Return, Payback, Net Present Value, Internal Rate of Return, Profitability Index
- The Cost of Capital
- Non-Financial Considerations

**Teaching and Learning Strategy**

This module will be taught through lectures. Students will be encouraged to participate in the classroom and to relate their learning experience to the business environment. The approach will include lectures, examples and practical application of student learning through exercises.

**Assessment Strategy**

Continuous assesment and an end of semester final closed book examination.

**Repeat Assessment Strategies**

A repeat Autumn examination.

| **Indicative Coursework and Continuous Assessment:** | | **30 %** | | |
|---|---|---|---|---|
| ***Form*** | ***Title*** | ***Percent*** | ***Week (Indicative)*** | ***Learning Outcomes*** |
| Assessment | Assessment | 30 % | Any | 1,2,3,4,5 |

| **End of Semester / Year Formal Exam:** | | **70 %** | | |
|---|---|---|---|---|
| ***Form*** | ***Title*** | ***Percent*** | ***Week (Indicative)*** | ***Learning Outcomes*** |
| Closed Book Exam | Final Exam | 70 % | End of Semester | 1,2,3,4,5 |

| **Full Time Delivery Mode Average Weekly Workload:** | | | **3.00 Hours** | | |
|---|---|---|---|---|---|
| ***Type*** | ***Description*** | ***Location*** | ***Hours*** | ***Frequency*** | ***Weekly Avg*** |
| Lecture | Lecture | Lecture Theatre | 3 | Weekly | 3.00 |

**Literary Resources**

**MAIN TEXT**

O Donoghue, Luby, Management Accounting for the Hospitality, Tourism and Retail Sectors, Blackhall Publishing, 2005

**SUPPLEMENTARY TEXTS**

Guilding, Chris, Accounting Essentials for Hospitality Managers, (3rd edition), Routledge Taylor & Francis, 2014

Collier, Paul, M. Accounting for Managers (4th Edition) Wiley, 2012

Dopson & Hayes, Managerial Accounting for the Hospitality Industry, Wiley, 2009

Jagels, Hospitality Management Accounting, (9th Edition), Wiley, 2007

Dopson & Hayes, Food and Beverage Cost Control, (5th Edition), Wiley, 2011

Jones, Tracey, Atkinson, Helen, Lorenz Angela, Harris, Peter, Strategic Managerial Accounting, Goodfellow Publishing, 2012

Burgess, Cathy, Essential Financial Techniques for Hospitality Managers, Goodfellow Publising, 2010

Harper, W M, Cost and Management Accounting, Pearson Education, 1998

Drury, C. Cost and Management Accounting, (8th Edition), Cengage Learning 2012

Horngren, Sundem, Stratton,Schatzberg, Burgstahler, Introduction to Management Accounting (16th Edition) Pearson Education, 2013

Jones, Atkinson, Lorenz, Harris, Strategic Managerial Accounting, (6th Edition), Goodfellow Publishing, 2012

Sheppard Gail, Management Accounting A Practical Approach, Gill & Macmillan, 2011

**Online Resources**

Moodle

**Other Resources**

Library resources

**Programme Membership**

GA_OCULG_B07 201500 Bachelor of Business in Culinary Arts
GA_OFIEG_H08 201800 Bachelor of Business (Honours) in Food Innovation and Enterprise
GA_OFIEG_B07 201800 Bachelor of Business in Food Innovation and Enterprise
GA_OHCAG_B07 201800 Bachelor of Business in Hotel & Catering Management
GA_OEVEG_B07 201900 Bachelor of Business in Event Management with Public Relations
GA_OHOPG_C06 201900 Higher Certificate in Arts in Hotel and Hospitality Operations
GA_OIHMG_H08 202000 Bachelor of Arts (Honours) in International Hotel Management
GA_OCGSG_B07 202000 Bachelor of Arts in Culinary and Gastronomic Sciences
GA_OCGSG_H08 202000 Bachelor of Arts (Honours) in Culinary and Gastronomic Sciences
GA_OEVAG_H08 202000 Bachelor of Business (Honours) in Event Management with Public Relations
GA_OCGSG_C06 202000 Higher Certificate in Arts in Culinary Arts (Exit)