

Page	Description
1-2	LO1 - Describe the role that the management accounting and treasury functions play within an organisation
	The role of the management accounting function
	Differentiating management accounting from financial accounting
1-3	the process of management accounting - 5 steps
1-4	a high-level overview of this process
	1. Understanding the business information requirements
1-5	activities undertaken by management that require the support of a management accountant
	2. Gathering Information
1-6	3. Analysing and interpreting the information
	4. Drawing conclusions based on analysis
1-7	5. Presenting information and making recommendations
	Information requirements for an effective management accounting report
1-8	The Role of the treasury function
	The Objective of Treasury
1-9	Examples of treasury functions
	Structure of the treasury function
	1. Treasury as a cost centre
1-10	2. Treasury as a profit centre
	Advantages and disadvantages
	Example - Rio Tinto
1-11	Types of Treasury Structures
	Outsourced
	Centralised
1-12	Decentralised
	Combination of centralised and decentralised
	Stakeholders
	LO2 - Determine stateholders, explain their different objectives, information needs, and how these can best be satisfied
	Determining stakeholders
1-13	Examples of the differences between primary and secondary stakeholders
1-14	Overview of typical information required by different stakeholders
	Strategic information
	Operational information
	Monitoring and measuring performance

Routine reporting

Ad hoc reporting

1-16 Retail bank - management accounting stakeholder analysis

Key Stakeholders -> Role objectives in context of the retail division -> Information needs -> level required -> Time frame -> Presentation of information

1-19 Communicating effectively with stakeholders

Financial reports

Written reports/commentary

Traffic-light reports

1-20

Balanced scorecard reports

Review of management reports

LO3 - Outline generic strategies that organisations use

Competitive advantage

1-21

Core competencies

Porter's generic strategies

Broad low-cost provider

Broad differentiation provider

Best-cost provider

Focused strategy based on low costs

Focused strategy based on differentiation

1-22

Cost leadership strategy

Differentiation strategy

1-23

Focus Strategy

Best-cost provider strategies

1-24 **Organisational structure and control**

LO4 - Describe and analyse organisational structures

What is an organisation?

1-25

1. Social entities

2. Goal-directed

3. Deliberately structured and coordinated activity system

4. Linked to the external environment

Organisational Structures

Organisational Charts

1-26 Example of an organisational chart

1-27 Common approaches to structural design

- Functional structure
- 1-28 Divisional Structure
- 1-29 Geographical Structure
- Matrix structure
- 1-30 Mixed or hybrid structure
- 1-31 Horizontal Structure
- 1-32 Virtual network structure

Designing organisations

1-33 Control

Five Stages of Control

- Stage 1 - Planning
- Stage 2 - Executing
- 1-34 Stage 3 - Monitoring
- Stage 4 - Evaluating
- Stage 5 - Correcting

Responsibility centres

LO5 - Determine the appropriate responsibility centre type for organisations

1-35 Controllability principle

Types of responsibility centres

- Revenue centres
- Cost/expense centres
 1. Engineered cost centres
 2. Discretionary cost centres
- 1-36 Profit centres
- Investment centres
- Example of responsibility centres

1-38 Ethics

LO6 - Identify professional (ethical) issues that may arise for Chartered Accountants in business

LO7 - Outline relevant ethical standards and appropriate safeguards for ethical issues that arise

Ethical dilemmas faced by management accountants

1-39 Ethical Standards

Consequences of unethical behaviour

1-40 Examples

Page	Description
2-1	Introduction
2-2	The value chain and competitive advantage
	LO1 - Classify value chain activities in accordance with Porter's value chain classifications
	LO2 - Identify an organisation's competitive advantage using value chain analysis and recommend strategies to improve it
	Understanding Porter's value chain
	Example
	Value chain' versus 'value-added'
2-3	Classifying the value chain - primary and support activities
2-4	Primary activities
	Support activities
	Examples
2-5	Questions to ask when analysing a value chain
	1. How much value does the product or service add for customers today?
2-6	2. How can costs that do not add value for the end-customer be stripped from the value chain?
	3. How can a value chain perspective provide extra value for customers?
	Creating new value
2-7	Bypassing redundant links
	Example - a successful value chain
2-8	Short-term decision-making and supply chain management
	LO3 - Apply appropriate decision models to short-term decisions such as outsourcing, product line development, product mix and supply chain analysis
	Decision-making models
	7 Steps of the decision making process
2-9	Outsourcing activities in a value chain
	Four questions to ask when considering outsourcing
2-10	Assessing make-or-buy (outsourcing) activities
2-11	Relevant and differential cost model
	Opportunity cost model
	Combination
	Example-an outsourcing decision
2-13	Product line development and product mix adjustments
2-14	Example - a product line development and product mix decision
2-15	Supply chain analysis and adjustment
2-16	The different supply chains - how suppliers and customers are interlinked

- 2-17 Supply chain management
 - Total quality management (TQM)
 - 1. Prevention
 - 2. Appraisal
 - 2-18
 - 3. Internal failure
 - 4. External failure
 - Example - a cost of quality analysis
 - 2-19 Just-in-time (JIT) Production
 - attributes and benefits
 - 2-20 Example - JIT production
- Control and monitoring issues
- supplier selection and reliability
 - relationships
 - location
 - quality assurance

Page	Description
3-1	Introduction
3-2	Activity - based costing and decision-making
	LO1 - Apply activity - based costing (ABC) to provide information for decision-making (activity-based management (ABM))
	Resources - Activities - Cost Objects
	Example - Traditional costing versus ABC
3-4	Cost Hierarchy
	Preparing a cost hierarchy
	Cost hierarchy structure
	1 - Unit
	2- Batch
	3 - Product-sustaining
	4 - Facility-sustaining
3-5	Cost objects
	Example - Developing a cost hierarchy
3-6	Cost pools and cost drivers
3-7	Components of ABC
	Cost object
	Cost pool
	Cost driver
3-8	Applying ABC
	Example - Applying an ABC pilot study in a manufacturing firm (PART 1)
3-9	Starting an ABC Pilot Study
	5 - Steps to complete
3-10	Example - Applying an ABC pilot study in a manufacturing firm (PART 2)
3-11	Example - Applying an ABC pilot study in a manufacturing firm (PART 3)
	Activity-based management
3-12	1. Modifying product prices
	2. Modifying product or customer mix
	3. Cost - cutting
	a) Changing suppliers
	b) Altering product design
	c) Altering production process
	Example - Applying an ABC pilot study in a manufacturing firm (PART 4)

3-13 ABC in service environments

Output is often harder to define

Activity in response to service requests may be less predictable

Joint capacity costs represent a high proportion of total costs and are difficult to link to output-related activities

3-14 **Assessing when to use ABC**

LO2 - Assess the advantages and disadvantages of traditional and activity-based costing approaches and when each should be used

Advantages of ABC

Disadvantages of ABC

3-15 Example - Applying an ABC pilot study in a manufacturing firm (PART 5)

3-16 When should ABC or traditional costing systems be used?

Criteria for traditional costing system versus ABC

Costs of implementing an ABC system

Consolidating costs into a given cost pool

Obtaining cost driver data

Management education

3-17 Obtaining broad employee acceptance

Aligning an ABC system with budgeting, forecasting and other financial systems

Undertaking a pilot study

Page	Description
4-1	Introduction Organisational pricing decisions LO1 - Evaluate both the qualitative and quantitative
4-2	The three Cs of pricing Customers Competitors
4-3	Costs Impact of the three Cs on price Other factors that influence pricing Time Horizon Supply Constraints
4-4	Corporate strategy Differentiation Cost leadership Pricing regulations Customer psychology
4-5	Calculating the impact of price changes Example - impact of a price increase
	Pricing Models LO2 - Apply models for determining an organisation's pricing structure
4-6	Cost-based pricing Variable (or marginal) costs Full cost Manufacturing costs (absorption costing) Activity - based costing
4-7	Target return on investment (ROI) Impact of supply on cost Determining the mark-up Mark-up versus margin
4-8	Calculating mark-up and margin Example - calculation of mark-up and margin Example - incorrect application of mark-up and margin
4-9	Graph depicting mark-up versus margin