

# CPA PREPARATORY COURSES SYLLABUS

## Intermediate Management Accounting

## Purpose

The purpose of this syllabus is to provide information about the Intermediate Management Accounting CPA preparatory course. This document has been produced for education administrators, course authors, course examiners, committee members, and resource people in the CPA education system; current and potential students and those who advise them; and others in the professional, academic, and general community.

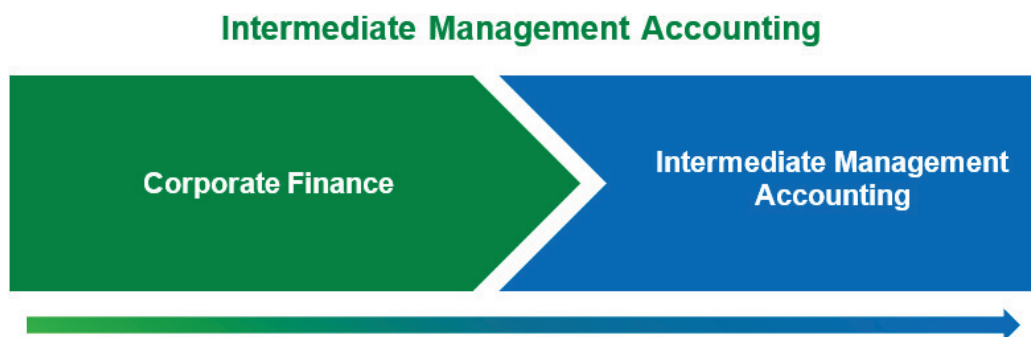
## Course Overview

### Course description

This six-week core course builds on the introductory skills that are acquired in the Introductory Management Accounting course. The objective of Intermediate Management Accounting is to assist you to develop the professional competence and skills that will enable you to understand the requirements of management reporting. This course will also help to develop your ability to assess a situation, identify issues and alternatives, and formulate recommendations using professional judgment.

### Course prerequisites

The prerequisites for this course are the following courses or equivalent post-secondary courses:



### Resources

See the Student Guide for a comprehensive list of course resources.

### Grading

See the Student Guide for the course grading structure.

## Course Outline

The following topics are covered in Intermediate Management Accounting:

### Unit 1

- Costing methods used by management accountants, including process costing, activity-based costing, joint product costing, and service department cost allocations

### Unit 2

- Cost function, regression analysis method of estimating costs, and linear programming to determine the optimal decision
- Relevant information for short-term decisions, including the following types of decisions:
  - special orders
  - adding or dropping a product, service, or department
  - make or buy
  - utilization of a constrained resource
- Supply chain, supply chain management, and how technology can be used to support these processes

### Unit 3

- Major influences on pricing, market structure, and common cost-based and demand-based pricing methods
- Domestic and international transfer pricing, and methods used for transfer pricing

### Unit 4

- Decision framework for budgeting, budgeting methods, an introduction to variance analysis, and budgeting for not-for-profit and public sector organizations
- Costing systems used by organizations, including actual costing, normal costing, and standard costing
- Variance analysis: Level 1 to Level 4 cost, revenue, and contribution margin variances, and how variance analysis can be turned into action

## Unit 5

- Cost management strategies, quality measurement tools, process improvement tools, quality control, and costs of quality
- Strategy mapping and the balanced scorecard

## Unit 6

- Uncertainty in decision-making and the management accountant's role, as well as the importance of information quality in uncertainty and communicating uncertainty
- Information technology infrastructure and design, acquisition, and development of systems using the systems development life cycle
- Methods and tools that can transform data and information into knowledge, and information systems that are commonly used by the management accountant

## Reading List

The following chapters from the Management Accounting volume of the eBook are the required readings for the course:

### Unit 1

- Chapter 6 – Costing – Methods

### Unit 2

- Chapter 7 – Overview of Quantitative Modelling – Linear Programming and Regression Analysis
- Chapter 10 – Relevant Information for Short-Term Decisions
- Chapter 11 – Strategic Supply Chain Management – Overview

### Unit 3

- Chapter 15 – Pricing – Overview
- Chapter 17 – Transfer Pricing – Overview

### Unit 4

- Chapter 20 – Budgeting
- Chapter 21 – Variance Analysis

### Unit 5

- Chapter 13 – Quality Control and Process Improvement – Overview
- Chapter 23 – Balanced Scorecard – Overview

### Unit 6

- Chapter 25 – Uncertainty – Overview
- Chapter 27 – Design, Acquisition, and Development of Information Technology and Systems – Overview
- Chapter 29 – Data Integrity of Information Systems – Overview