



## Syllabus Course Program



# Strategic Management Accounting

### Specialty

071 Accounting and taxation

### Educational program

Accounting, auditing and taxation

### Level of education

Master's level

### Semester

2

### Institute

Educational and Scientific Institute of Economics,  
Management and International Business

### Department

Accounting and finance (205)

### Course type

Special (professional) training, Mandatory

### Language of instruction

English

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## Lecturers and course developers



### Alina Oleksandrivna Shum

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Doctor of Economic Sciences, specialty Accounting, Analysis and Audit (According to the Types of Economic Activities), professor of Accounting and Finance Department of NTU "KhPI". Teaching experience - 25 years. Author and co-author of more than 140 scientific and educational works. Leading teacher in the disciplines: "Strategic Management Accounting". CEFR level B2 certificate.

[More details about the lecturer are available on the department's website](#)

## General information

### Summary

The "Strategic Management Accounting" academic subject aims to familiarize students with the place of strategic management accounting in the enterprise management system. It gives theoretical knowledge about the principles, methods, and techniques of strategic management accounting in the enterprise management system and their practical application skills.

### Course objectives and goals

The academic subject is developed to teach the students the concept, definitions, meaning, and tasks of strategic management accounting, the methodology of its implementation in the enterprises, the usage of its main techniques like the Balanced Scorecard, Activity-Based Costing, Value Chain Analysis, Benchmarking, Strategic Budgeting and Forecasting, Customer Profitability Analysis, Competitive Analysis, Strategic Cost Management, and Risk Management. After finishing the course, students should be able to make management decisions based on management accounting data in the long-term perspective of enterprises.

### Format of classes

Lectures, practical classes, consultations. Individual task in the form of a course project. The final control measure is an exam.

## Competencies

- GC01. Ability to identify, pose, and solve problems.
- GC02. Ability to communicate in a foreign language.
- GC03. Skills in using information and communication technologies.
- GC04. Ability to conduct research at an appropriate level.
- GC05. Ability to generate new ideas (creativity).
- GC06. Ability to search for, process, and analyze information from various sources.
- GC07. Ability to work in an international context.
- GC08. Ability to communicate with representatives of other professional groups at various levels (with experts from other fields of knowledge/types of economic activity).
- GC10. Ability to act on the basis of ethical considerations (motives).

SC01. Ability to generate and use accounting information for making effective managerial decisions at all levels of enterprise management to improve the efficiency, effectiveness, and social responsibility of the business.

SC02. Ability to organize the accounting process and regulate the activities of its performers in accordance with the requirements of legislation and enterprise management.

SC03. Ability to apply theoretical, methodological, and practical approaches to organizing accounting, control, planning, and optimization of tax calculations.

SC04. Ability to prepare financial statements according to international standards, correctly interpret, disclose, and use relevant information to make effective managerial decisions.

SC05. Ability to apply methods and techniques of analytical support for modern management systems, taking into account the enterprise development strategy under conditions of uncertainty, risk, and/or information asymmetry.

SC06. Use international standards for quality control, auditing, review, assurance engagements, and related services while adhering to professional ethics in the process of practical activities.

SC07. Ability to formulate tasks, improve methodologies, and implement modern methods of financial and management accounting, analysis, auditing, and taxation in accordance with the strategic goals of the enterprise.

SC08. Ability to perform administrative and managerial functions in the activities of business entities and public sector bodies.

SC09. Ability to provide consulting services to owners, enterprise management, and other users of information in the areas of accounting, analysis, control, auditing, and taxation.

SC10. Ability to conduct scientific research to solve current issues in the theory, methodology, organization, and practice of accounting, auditing, analysis, control, and taxation.

## Learning outcomes

LO02. Know the theory, methodology, and practice of generating accounting information at the stages of the accounting process and control, to meet the current and potential needs of managing business entities with the use of professional judgment.

LO04. Organize, develop, and model accounting systems and coordinate the activities of accounting personnel, taking into account the management needs of business entities.

LO06. Determine the information needs of users of accounting information in enterprise management and provide consultations to management personnel regarding accounting information.

LO07. Develop internal company standards and forms of managerial and other reporting for business entities.

LO10. Collect, evaluate, and analyze financial and non-financial data to form relevant information for managerial decision-making.

LO17. Prepare and justify conclusions for consulting owners, business entity management, and other users of information in the fields of accounting, analysis, control, auditing, and taxation.

## Student workload

The total volume of the course is 180 hours (6 ECTS credits): lectures - 32 hours, practice classes - 32 hours, self-study - 116 hours.

## Course prerequisites

To successfully pass the educational discipline, it is necessary to have the knowledge and practical skills in the following disciplines: "Organization of accounting", and "Management Information Systems in Finance and Accounting".

## Features of the course, teaching and learning methods, and technologies

Lectures are held interactively in the form of informational and problem lectures, using Microsoft Teams software. In practical classes, case methods and presentations are used, and attention is focused on the application of various specialized methods of the strategic management accounting. Study materials are available to students through the Office 365 system.

In informational lecture, students receive information interpreted by the lecturer. In a problem lecture, a new task is introduced as an unknown that needs to be "discovered". The task of the lecturer, having created a problem situation, is to motivate students to find a solution to the problem, bringing them step by step to the goal of the search. For this, the new theoretical material is presented in the form of a problem. There are contradictions in its conditions that must be identified and resolved. In the course of the solution, the students receive, in cooperation with the lecturer, new necessary knowledge. Thus, the process of students' learning according to this form of presentation is approaching a search and research activity.

Multimedia presentation gives the lecturer an opportunity to show creativity, individuality, avoid a formal approach to conducting classes. It provides the lecturer with the opportunity for informational support, illustrating, use of various exercises, saving time and material resources, expansion of the educational space of the lecture. A case study is an in-depth, detailed examination of a particular case (or cases) within a real-world context.

## Program of the course

### Topics of the lectures

**Topic 1. Strategic management accounting in the system of integrated management of business entities.**

Aligning accounting practices with strategic business objectives. Usage of financial and non-financial data to support long-term decision-making, competitor analysis, market positioning, and value creation.

**Topic 2. Cost estimation in strategic management accounting. Cost management of business entities.**

Expenses forecasts, aligning them with long-term strategies. Role of cost management in providing information for decisions about pricing, product development, and resource allocation.

**Topic 3. Planning of economic activity and preparation of strategic budgets. Deviation analysis. Flexible budget.**

Aligning resources with long-term goals, providing a financial roadmap. Comparison of actual results with planned outcomes to identify performance gaps. Adjustment of budgets for activity levels, offering a dynamic approach to cost control.

**Topic 4. Transfer pricing. Financial performance indicators of subdivisions of business entities.**

Arm's Length Principle. Tax Compliance and Documentation, Profit Allocation, Functional Analysis, Regulatory Oversight, Risk and Asset Allocation in transfer pricing.

**Topic 5. The Balanced Scorecard.**

Objectives, measures, targets, and initiatives of the Balanced Scorecard. Strategic Alignment of the Balanced Scorecard.

**Topic 6. Conditions of uncertainty. Measuring of relevant revenues and costs for decision-making.**

The main factors of uncertainty in Strategic Management Accounting. Market Volatility, fluctuations in market demand, pricing, and competition. Technological Changes. Regulatory Changes. Economic Conditions. Globalization. Internal Factors. Data Reliability.

**Topic 7. Analysis of investment decisions. Linear programming for strategic management accounting.**

Key components of analysis of investment decisions. Evaluation of potential costs and expected benefits. Identification and evaluation of the risks. Calculation of ROI, NPV, IRR. Analyzing the time needed to recover the initial investment.

**Topic 8. Using the results of strategic management accounting to make effective management decisions.**

Informed Decision-Making. Usage of Key Performance Indicators (KPIs). Resource Allocation, Budgeting, and Forecasting. Risk Management. Strategic Planning.

**Topic 9. Control and management of the efficiency of activity of responsibility centers.**

Setting Performance Metrics. Variance Analysis. Responsibility Accounting. Incentive Systems. Regular Reviews.

**Topic 10. Reporting for strategic management accounting.**

Reports beyond traditional financial data insights into operational, market, and competitive factors. Integrating financial data with non-financial metrics. Benchmarking against competitors and analysis of industry trends in reporting. Detailed reports on cost structures, including activity-based costing (ABC) and life-cycle costing. Future-oriented information and using KPIs.

## **Topics of the workshops**

**Topic 1. Strategic management accounting in the system of integrated management of business entities.**

Role of SMA in the integrated management of business entities (cross-departmental coordination, improved resource allocation, improved cost efficiencies). Main SMA techniques (strategic planning, performance measurement, competitive analysis, etc.).

**Topic 2. Cost estimation in strategic management accounting. Cost management of business entities.**

Management and control of costs by identifying cost drivers and optimizing operations. Main cost management techniques. Activity-based costing. Life-cycle costing.

**Topic 3. Planning of economic activity and preparation of strategic budgets. Deviation analysis. Flexible budget.**

Efficient allocation of resources, and monitoring of performance. Support of informed decision-making, improved accountability, and enhanced agility in responding to market fluctuations and operational challenges.

**Topic 4. Transfer pricing. Financial performance indicators of subdivisions of business entities.**

Methods of Transfer Pricing: Comparable Uncontrolled Price (CUP), Cost Plus, Resale Price, Profit Split, and Transactional Net Margin Method (TNMM).

**Topic 5. The Balanced Scorecard.**

Four Perspectives of the Balanced Scorecard: Financial, Customer, Internal Business Processes, and Learning & Growth. Practical aspects of the Balanced Scorecard application.

**Topic 6. Conditions of uncertainty. Measuring of relevant revenues and costs for decision-making.**

Strategies of fighting the factors of uncertainty in the Strategic Management Accounting. Scenario Planning. Data Analytics. Effective Budgeting. Regular Performance Reviews. Diversification Strategies. Investment in Technology. Continuous Learning and Development. Collaboration Across Departments.

**Topic 7. Analysis of investment decisions. Linear programming for strategic management accounting.**

Main Techniques of the analysis of investment decisions. Cost-Benefit Analysis. Risk Assessment. Return on Investment, Net Present Value, Internal Rate of Return. Payback Period. Strategic Alignment. Market Analysis. Scenario Analysis. Post-Investment Review.

**Topic 8. Using the results of strategic management accounting to make effective management decisions.**

Performance Measurement in the Strategic Management Accounting: main Key Performance Indicators (KPIs). Cost Control, Customer Insights, Investment Decisions, Continuous Improvement as the practical techniques of the Strategic Management Accounting.

**Topic 9. Control and management of the efficiency of activity of responsibility centers.**

Assigning responsibility centers specific performance measures aligned with their functions. Budgets with financial expectations for responsibility centers. Responsibility of managers for the results. Adoption of the continuous improvement practices (lean management, Six Sigma).

**Topic 10. Reporting for strategic management accounting.**

Using Financial and Non-Financial Metrics, Balanced Scorecard Reporting, Competitor and Market Analysis reports, Cost and Variance Analysis reports, Sustainability and CSR Reporting.

## **Topics of the laboratory classes**

There are no laboratory classes within the scope of the discipline.

## Self-study

There is an individual task in the form of a course project in the scope of the course. When writing a course project, students must show theoretical knowledge and practical skills, like the ability to work with paper and digital information sources, analyze and summarize theoretical and practical data, draw conclusions and proposals.

## Course materials and recommended reading

### Basic literature

1. Ward, K. (1992). *Strategic management accounting: Theory and practice*. Butterworth-Heinemann.
2. Smith, M. (1997). *Strategic management accounting*. Butterworth-Heinemann.
3. Pitcher, G. S. (2010). *Strategic management accounting*. Pearson Education.
4. Atkinson, A. A., Kaplan, R. S., Matsumura, E. M., & Young, S. M. (2011). *Management accounting: Information for decision-making and strategy execution* (6th ed.). Pearson.
5. Choo, C. W., & Bontis, N. (2002). *The strategic management of intellectual capital and organizational knowledge*. Oxford University Press.
6. Shank, J. K., & Govindarajan, V. (1993). *Strategic cost management: The new tool for competitive advantage*. The Free Press.
7. Blocher, E., Stout, D., Juras, P., & Cokins, G. (2015). *Cost management: A strategic emphasis* (7th ed.). McGraw-Hill Education.
8. Anthony, R. N., & Govindarajan, V. (2006). *Management control systems* (12th ed.). McGraw-Hill Education.
9. Hope, J., & Fraser, R. (2003). *Beyond budgeting: How managers can break free from the annual performance trap*. Harvard Business Review Press.
10. McTaggart, J. M., Kontes, P. W., & Mankins, M. C. (1994). *Value-based management: Developing a systematic approach to creating shareholder value*. Harvard Business School Press.

### Additional literature

1. Nørreklit, H. (2003). Strategic management accounting: What is the current state of the concept? *Journal of Management Accounting Research*, 15(1), 107–128. <https://doi.org/10.2308/jmar.2003.15.1.107>
2. Smith, M. (2008). Strategic management accounting: How far have we come in 25 years? *Cost Management*, 22(4), 5-9.
3. Simmonds, K. (1981). Strategic management accounting: How relevant is it to management today? *Management Accounting (UK)*, 59(1), 26–29.
4. Roslender, R., & Hart, S. J. (2003). In search of strategic management accounting: Theoretical and field study perspectives. *Management Accounting Research*, 14(3), 255–279. [https://doi.org/10.1016/S1044-5005\(03\)00048-9](https://doi.org/10.1016/S1044-5005(03)00048-9)
5. Bots, P. J. H., & De Koning, A. (1993). Strategic management accounting and control. *Management Accounting (UK)*, 71(3), 25–29.
6. Kaplan, R. S., & Norton, D. P. (1996). Using the balanced scorecard as a strategic management system. *Harvard Business Review*, 74(1), 75–85.
7. Kennedy, T., & Affleck-Graves, D. (2001). The impact of management accounting systems on strategic decisions: An empirical analysis. *Accounting, Organizations and Society*, 26(3), 123–148. [https://doi.org/10.1016/S0361-3682\(01\)00018-4](https://doi.org/10.1016/S0361-3682(01)00018-4)
8. Ahrens, T., & Chapman, C. S. (2007). Management accounting as practice. *Accounting, Organizations and Society*, 32(1-2), 1–27. <https://doi.org/10.1016/j.aos.2006.09.013>
9. Dey, C. (2007). Developing silent and shadow accounts. *Social and Environmental Accounting Journal*, 27(1), 47–55. <https://doi.org/10.1080/0969160X.2007.9651807>
10. Bromwich, M. (1990). The case for strategic management accounting: The role of accounting information for strategy in competitive markets. *Accounting, Organizations and Society*, 15(1-2), 27–46. [https://doi.org/10.1016/0361-3682\(90\)90011-1](https://doi.org/10.1016/0361-3682(90)90011-1)
11. Semenets (Shum) A., Datsenko G., Panfilov O., Kuzkin Y., Pankratova O. (2022). Management improvement at an enterprise through internal control augmentation in the case of international business. *Financial and Credit Activity: Problems of Theory and Practice*, 1(42), 173–184. <https://doi.org/10.55643/fcftp.1.42.2022.3459>

## Assessment and grading

### Criteria for assessment of student performance, and the final score structure

The final grade for the academic subject is defined as the sum of grades/points for all types of activities during the semester: home works during the semester (15% each), activity and answers to the teacher's questions during lectures and practical classes (20%), presentation of the course project (25%), final survey before the end of the semester (40%).

In case of disagreement with the grade received during the semester, the student has the right to take the exam. Examination tickets contain 3 theoretical questions and 1 practical task. Answers to theoretical questions are given orally by the student after a short preparation, the task is completed in writing and sent to the teacher through the Office 365 or MS Teams system (up to 100%).

### Grading scale

Total points	National	ECTS
90-100	Excellent	A
82-89	Good	B
75-81	Good	C
64-74	Satisfactory	D
60-63	Satisfactory	E
35-59	Unsatisfactory (requires additional learning)	FX
1-34	Unsatisfactory (requires repetition of the course)	F

## Norms of academic integrity and course policy

The student must adhere to the Code of Ethics of Academic Relations and Integrity of NTU "KhPI": to demonstrate discipline, good manners, kindness, honesty, and responsibility. Conflict situations should be openly discussed in academic groups with a lecturer, and if it is impossible to resolve the conflict, they should be brought to the attention of the Institute's management.

Regulatory and legal documents related to the implementation of the principles of academic integrity at NTU "KhPI" are available on the website: <http://blogs.kpi.kharkov.ua/v2/nv/akademichna-dobrochesnist/>

## Approval

Approved by

Date, signature

Head of the department  
Oleksandr MANOILENKO

Date, signature

Guarantor of the educational program  
Tetiana DAVYDIUK