

Programme of “Cost Management”		
LM-77 (2nd Cycle degree in Administration, Economics and Finance) year, 2nd semester		
Number of ECTS credits: 9 (workload is 63 hours; 1 credit = 7 hours)		
Teacher: Prof.ssa Francesca Mandanici and Prof. Lorenzo Neri		
1	Course objectives	The course discusses the limitations of a traditional cost accounting system, based on the distinction between variable and fixed costs, or between direct and indirect costs, and maps out contemporary key developments on cost behavior that have reshape the discipline. The course highlights the role of cost management as an integral part of the organization's strategy. The main objective is to develop the ability to make effective organizational decisions, in the short and long term, using cost information for planning and control system.
2	Course content and Learning outcomes	The focus is on explaining the major new philosophies, techniques and practices for strategic decision-making. Topics include: <ul style="list-style-type: none"> • The limits of traditional cost measurement tools (Direct Costing, Full Costing, BEA), • Activity-Based information systems (ABC, ABM and ABB); • Make or Buy and Outsourcing decisions; • Life Cycle Costing (Target and Kaizen Costing); • Just in Time approach; • Variance Analysis; • Performance management and feedback reporting (Balanced Scorecard). When students have finished studying this course, they should be able to: <ul style="list-style-type: none"> - Compare traditional and activity-based cost systems; - Describe the steps in designing and implementing activity-based information systems; - Decide whether make or buy certain parts or products, and accept or reject a special order, discriminating between relevant and irrelevant information; - Use the traditional cost-plus pricing method, and use the new target costing method to decide whether add a new product; - Compute and interpret price and quantity variances for materials and labour, and fixed-overhead spending variance; - Construct a reporting system, such as the Balanced Scorecard, developing and integrating financial and non-financial performance measures (quality, cycle time, productivity, etc...).
3	Prerequisites and learning activities	The student must know the basic notions of the course “Cost Accounting”
4	Teaching methods and language	Teaching methods: Lectures and exercises in classroom. Powerpoint slides are available on the course website. Language: Italian
5	Assessment methods and criteria	Written exam (multiple choices and practical exercises).