Title: Management Accounting Control: Contemporary Theories and Issues

Lecturer:

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Co-Editor, Journal of Accounting in Emerging Economies (http://info.emeraldinsight.com/products/journals/journals.htm?id=jae)
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Chair, Accounting in Less Developed and Emerging Economies, British Accounting Association (http://www.essex.ac.uk/ebs/research/BAAALDEE/default.aspx)

Aim of the course

The main aim of the course is to develop a critical understanding of the management accounting control. The course critically examines a range of contemporary management accounting control issues and theories to understand the current practices of management accounting locally and globally. In particular, the course evaluates management control theories in the context of different cultural, political, and socio-economic contexts. The course will also explore the current debate of privatisation and public sector reforms and their underlying assumptions implicating better accounting controls in privatised enterprises in both developed and emerging countries.

The Main Issues

Traditionally, management accounting is seen as a tool to provide information to internal parties in organisations for decision-making, planning and control. Contemporary management accounting studies have demonstrated that the role of management accounting within the organisation is much more wider and complex. Similarly, a variety of management accounting theories have been developed to understand the changing nature of management accounting control practices. Thus, this course begins with the evolution of management accounting in order to understand the socio-political and socio-economic context of management accounting practices and research. This will provide the opportunity to critically discuss the management control theories and their influences on management accounting practices. The discussions on theories will also focuses on the questions such as the applicability of management accounting control theories and
approaches in non-Western contexts. In addition to the analyses of various theories of management accounting controls, the course examines the topical issues such as the implications of culture in management accounting. This should provide a critical understanding of varied management control practices in different cultural settings. The course subsequently examines the privatisation and public sector reforms debate with regard to management accounting controls. The particular theme will scrutinize the claims made by the advocates of privatisation and public sector reforms that public sector reforms and ownership changes will bring about sophisticated management controls within public and privatised companies.

**Teaching methodology**

The course consists of lectures, group work, presentations of cases and papers. The lecture will indicate the main areas and themes that you will consider during the course. Lectures will be followed by cases, group work and presentations of selected topics.

**Prerequisites**

The course builds on previous knowledge on management accounting. Students without accounting background should be able to cope but require some basic readings on management accounting.

**Learning outcome**

At the end of the course students should be able to:

1. Understand the history and development of management accounting;
2. Understand the contemporary theoretical perspectives to management accounting control;
3. Understand comparative analyses of management control practices and various control theories;
4. Engage in critical debate in the examination of traditional management control theory in different cultural, political, and socio-economic contexts;
5. Understand management control practices operating in enterprises located in emerging and less developed countries;
6. Understand cultures and their implications on management accounting controls
7. Understand the current debate of privatisation and public sector reforms and accounting controls.

**Literature**

There is no single major textbook for the course. However, a significant number of book chapters will be used from the following textbooks:


Teaching Plan

Detail Teaching Plan on day-to-day basis is given below (this is subject to change depending on the pace of discussions during the lecture). Essential readings are indicated by [E] and Desirable Readings are indicated by [D]

Week 1: Evolution of Management Accounting and Theoretical Approaches

Monday (9-12, 13 – 13.45): Introduction to the course

Lecture topic: Development of Management Accounting: Practices and Research

Readings:


Burns et al., (2004), Management Accounting Education and Training: Putting Management In and Taking Accounting Out, QRAM, Vo. 1, No.1. [E]


Tuesday (9-13): Comparative Analyses of Management Control Practices

Readings:


Readings:

Chapter 11, 12 & 14 Management Accounting Change – Approaches and Perspectives, by Wickramasinghe, D and Alawattage, C, Routledge: London.[E]


Chapters 2 & 5 - Accounting for the Human Factor, L.Parker, K.Ferris & D.T. Otley, 1989. Prentice Hall. [D]


Chapter 2 - The social software of accounting and information systems, N. B. Macintosh, Published Chichester: Wiley, 1985. [D]

Thursday (9-13): Management Accounting Research: Positive Approaches - Contingency Approaches


Case Study: To be distributed during the lecture

Friday (9-13): Revision of Normative and Positive Approaches and Students’ Presentations

Presentation Titles 1 & 2:

Management Accounting practices have moved from traditional roles to modern information technology strategic roles in a global economic environment.

Task: Critically examine the roles of management accounting in sustaining modern business enterprises in an information technology-based era.

In an article in The European Accounting Review, Mitchell (2002) argues that “Management Accounting Research only exists because there is a real-world practice of Management Accounting”.

Task: Critically evaluate the contribution of Positive Theories to Management Accounting Practices.

Week 2: Management Accounting Research: Alternative Approaches

Monday (9-13): Management Accounting Research: Problems in Positive Approaches and Introduction to Alternative Research

Case Study: CAA – Case A (attached)

Readings

Chapter 11, 12 & 14 Management Accounting Change – Approaches and Perspectives, by Wickramasinghe, D and Alawattage, C, Routledge: London (E)

**Tuesday and Wednesday (9-13): Management Accounting Research: Alternative Approaches: Interpretive and Critical**


**Case Study: CAA – Case B (attached)**

**Thursday (9-13): Critical Realism and Structuration: Structure, Agency and Management Control**

**Readings:**


**Case Study: FA (attached)**

**Friday (9-13): Revision of Alternative Research in Management Accounting and Students’ Presentations**

**Presentations 3 & 4:**

In an article in *The European Accounting Review*, Mitchell (2002) argues that “Management Accounting Research only exists because there is a real-world practice of Management Accounting”.

Task: Critically assess the contribution of Interpretive Theories to management accounting practices.

In an article in *The European Accounting Review*, Mitchell (2002) argues that “Management Accounting Research only exists because there is a real-world practice of Management Accounting”.

Task: Critically assess the contribution of Critical Theories to management accounting practices.

**Week 3: Management Accounting Research and Practices: International Context**

**Monday (9-13): Culture and Management Control**


Case Study: Factory in Sri Lankan Village (attached)

Tuesday (9-13): Students’ presentation and Lecture on Management Controls and Reforms in Public Sector Enterprises

Presentation Titles 5 & 6:

Are management accounting control systems used differently in different cultures? Are Hofstede’s research tools sufficient to examine this?

For

Against

Readings:


Case study: PC Chemical Company (attached)
Wednesday (9-13): Students’ presentations and Management Control and Reforms in Local Governments

Presentations Titles 7 & 8:

State enterprises in LDC’s are beset with uncertainty, therefore controls should be designed and operated according to best practices in high uncertainty business organisations in the West.

For
Against

Readings


Case Study: Ugandan Case (attached)

Thursday (9-13): Privatisation and Management Controls


Arnold, P. & Cooper C., ‘’A Tale of Two Classes: The Privatisation of Medway Ports’’ *Critical Perspectives on Accounting*, 1999, pp. 127-152. [E]


**Case Study: Factory in Sri Lankan Village – Continued (attached)**

**Friday (9-13): Presentations, Coursework Feedback, Revision and Discussions on Exam Preparation**

**Presentation Titles 9 & 10**

Does privatisation improve management controls and enhance enterprise performance and facilitate development goals?

For

Against

**Week 4: Exam Preparation**

**Coursework Details: Home Assignment:**

(a) “Management accounting has moved away from traditional transaction-based financial information to non-financial and futuristic information”.

Discuss the above statement, highlighting the new roles of management accountants and accounting in modern business enterprises.
Important Information about the individual home assignment

The coursework contributes 30% of the overall assessment

(i) Essays must be submitted by Monday 15\textsuperscript{th} August, 2011 at 1pm.
(ii) The essay is an individual piece of work.
(iii) Essays should not exceed 2,500 words in length, and should be double-spaced and word-processed.
(iv) Essays should include a title page, and a bibliography incorporating a full list of references for all books, articles and other sources used in the essay. The bibliography need not be included in the word count.