

Module outline

Management Accounting & Applied Finance (MAAF)

Overview

Management accounting continues to evolve. The traditional function of collating, preparing and presenting financial and non-financial information for decision making has changed. The way information is collated (including the increased use of data analytics) and the volume of data now available has had a significant impact. To add value, management accountants need to analyse and interpret the vast amount of available information in a concise manner, providing insight to enable management (and other users) to make informed decisions that align with strategic goals. Management accounting is forward looking and predictive analysis is becoming increasingly important in proactively guiding organisations in an ever-changing business environment. Finance functions now partner closely with management accountants as the breadth of traditional management accounting concepts expand and integrate across all aspects of business.

MAAF includes two integrated case studies and other practical examples and activities that will give you the skills and knowledge to identify, analyse, interpret and communicate information to help an organisation manage its resources and achieve strategic goals.

Given the integration of the content covered in each unit of the MAAF module, the material has been constructed on the basis that candidates will complete each unit sequentially in order to maximise their learning benefit.

The MAAF module is one of the five (5) compulsory modules in the Chartered Accountants Program.

How is the MAAF module taught?

The MAAF module is 12 weeks in duration and offers flexible learning options with the delivery of materials online through myLearning. myLearning is accessible after you enrol in the module by logging into myAccount and selecting myLearning.

Assumed knowledge

It is assumed that candidates would have a good understanding of management accounting and applied finance from their tertiary studies. Detailed below is a summary of the assumed knowledge of the MAAF module:

Management accounting

- Understanding of the difference between financial and management accounting.
- Understanding of basic organisation structure and control.
- Understanding of gross margins and contribution margins.
- Understanding of cost of goods sold and its components.
- Understanding of basic financial ratios.
- Understanding of basic costing techniques including job costing, process costing, standard costing and full absorption costing.
- Understanding of the basics behind the application of activity-based costing (ABC).
- Understanding of the product life-cycle.
- Understanding of basic pricing models.
- Ability to undertake cost-volume-profit analysis within a single product environment.
- Ability to calculate basic variances.
- Ability to evaluate whether information is relevant or irrelevant for making decisions.
- Ability to prepare a relevant cost and revenue analysis to guide decision-making.
- Understanding of basic short-term decision-making models.

- Understanding of key financial ratios used to assess organisational performance.
- Understanding of purpose and objectives of benchmarking.
- Understanding of key drivers of organisational performance.
- Basic understanding of key performance indicators.
- Understanding of stakeholders and their objectives, information needs and how they can be satisfied.
- Basic understanding of risk.
- Understanding of basic performance reporting methods.
- Understanding of the different budgeting methodologies.
- Ability to prepare operating, balance sheet and cash budgets.
- Ability to prepare a financial forecast.
- Ability to perform algebraic calculations.
- Ability to apply tools such as Excel to analyse financial data.

Applied finance

- Understanding of basic treasury functions.
- Understanding of the key components of working capital.
- Understanding of basic inventory control models.
- Understanding of working capital ratios.
- Basic understanding of weighted average cost of capital (WACC).
- Understanding of basic capital expenditure evaluation methods (payback, NPV, IRR).
- Ability to calculate net present value (NPV).
- Understanding of the application and relevance of using discounted cash flow models.
- Understanding of the difference between short-, medium- and long-term finance.
- Basic understanding of capital structure (debt versus equity) decisions.
- Ability to use present value and annuity tables.

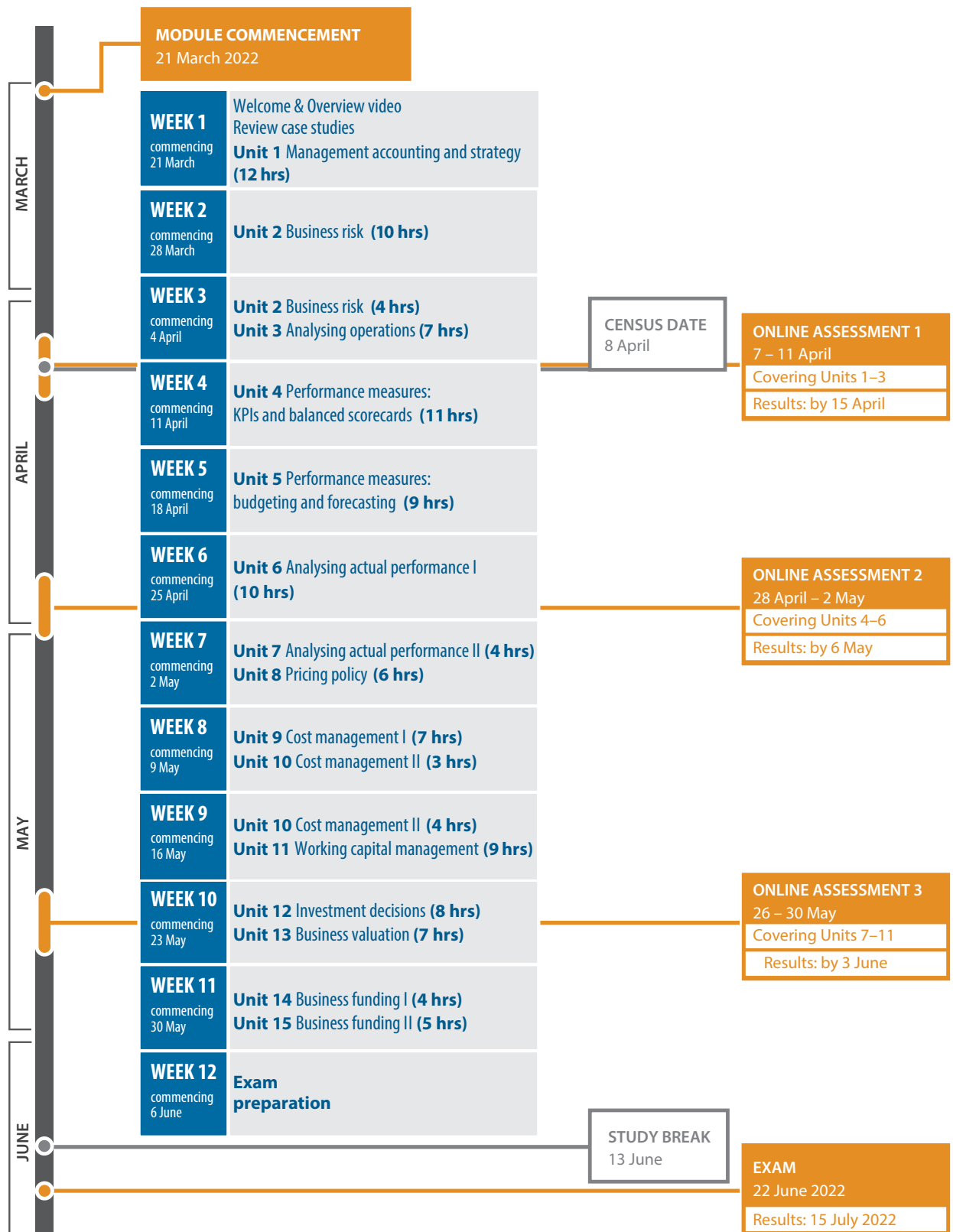
Candidates can check their assumed knowledge for each of the technical modules by taking the Quiz in myLearning.

Suggested module plan and time allocation

The expected workload for this module is a minimum of 10 hours per week over 12 weeks, or 120 hours in total, excluding module orientation, online assessments, final exam and study time for the final exam. Candidates are advised to plan their enrolment carefully around work and other commitments, to ensure they are able to devote the time required to their studies.

The suggested module plan with key dates for MAAF122 is provided on the next page. It is also available on myLearning.

Suggested module plan



Module learning outcomes and how they align with module (CSG) units

Module learning outcomes provide an outline of the expected knowledge and skill level achieved on completion of the module.

On successful completion of the module candidates will be able to:

Module Learning Outcomes	Unit														
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
MLO1 Critically evaluate an organisation's performance and advise on improvements to business strategy and operations	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓		
MLO2 Advise on investment and funding options to support business decision-making											✓	✓		✓	✓
MLO3 Communicate appropriately with stakeholders about an organisation's performance and provide advice to support decision-making	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓		
MLO4 Apply an ethical approach in assessing business performance and decision-making	✓														

Unit learning objectives

Unit learning objectives provide an outline of the expected knowledge and skill level achieved on completion of the unit. Unit learning objectives are shown on the unit learning page and on the first CSG page for each unit. Each unit learning objective commences with a verb, such as explain, calculate, demonstrate etc. These terms are defined in the 'Task words' section below.

MAAF module	Unit learning objectives
Unit 1: Management accounting and strategy	<ul style="list-style-type: none"> Describe the role that the management accounting and treasury functions play within an organisation Determine stakeholders, explain their different objectives, information needs, and how these can best be satisfied Outline generic strategies that organisations use Determine the appropriate responsibility centre type for organisations Identify professional (ethical) issues that may arise for Chartered Accountants in business Outline relevant ethical standards and appropriate safeguards for ethical issues that arise
Unit 2: Managing business risk	<ul style="list-style-type: none"> Identify common business risks to which an organisation may be exposed Apply the risk management process Assess business risks for an organisation and apply strategies to treat these risks

MAAF module	
Unit topic	Unit learning objectives
Unit 3: Analysing operations	<ul style="list-style-type: none"> Classify value chain activities in accordance with Porter's value chain classifications Identify an organisation's competitive advantage using value chain analysis and recommend strategies to improve it Apply appropriate decision models to short-term decisions such as outsourcing, product line development, product mix and supply chain analysis
Unit 4: Performance measures: KPIs and balanced scorecards	<ul style="list-style-type: none"> Outline a framework for an appropriate performance evaluation system Develop appropriate key performance indicators Develop and apply the balanced scorecard performance management model Explain the impact of remuneration packages and performance measurement on behaviour, motivation and decision-making
Unit 5: Performance measures, budgets and forecasting systems	<ul style="list-style-type: none"> Outline the business planning and budgeting processes Assess which planning tools are most appropriate to a situation Identify and apply the most appropriate budget methodology Analyse the key factors, constraints and assumptions in developing a budget or forecast Apply sensitivity analysis to business planning
Unit 6: Analysing actual performance I	<ul style="list-style-type: none"> Evaluate financial ratios and trends used to analyse the financial performance of an organisation Demonstrate the use of variance analysis to manage performance Apply the initial steps of the benchmarking process to determine what parts of a business are appropriate to be benchmarked Design appropriate benchmarking measures and assess the outputs of a benchmarking exercise Review and analyse draft management reports
Unit 7: Analysing actual performance II	<ul style="list-style-type: none"> Apply return on investment (ROI) as a management decision-making tool Apply EVA[®] as a management decision-making tool Compare the results of ROI and EVA[®] analyses
Unit 8: Pricing policy	<ul style="list-style-type: none"> Evaluate both the qualitative and quantitative factors impacting a pricing decision Apply models for determining an organisation's pricing structure Apply discounting models and assess their impact on an organisation's profits Demonstrate how target sales pricing can be used to maximise an organisation's profits Demonstrate how yield-based pricing can be used to maximise an organisation's profits
Unit 9: Cost management I	<ul style="list-style-type: none"> Determine the costs and benefits of a product or service using lifecycle costing Apply target costing Prepare a CVP analysis
Unit 10: Cost management II	<ul style="list-style-type: none"> Apply activity-based costing (ABC) to provide information for decision-making (activity-based management (ABM)) Assess the advantages and disadvantages of traditional and activity-based costing approaches and when each should be used Prepare a customer profitability analysis
Unit 11: Working capital management	<ul style="list-style-type: none"> Explain why cash, liquidity and the management of working capital are critical to an organisation Assess working capital components and apply appropriate working capital management techniques within an organisation

MAAF module	
Unit topic	Unit learning objectives
Unit 12: Investment decisions	<ul style="list-style-type: none"> • Calculate and apply weighted average cost of capital (WACC) • Apply capital budgeting techniques to assess investment decisions • Assess investment decisions by performing sensitivity analysis • Assess behavioural influences, as well as other qualitative issues that impact on investment decision-making
Unit 13: Business valuation	<ul style="list-style-type: none"> • Outline the different types of valuations undertaken and their purpose • Summarise the income, market and cost valuation methodologies, and explain their respective strengths and weaknesses • Prepare valuations using both the income and market approaches • Evaluate the impact of size, control, marketability and liquidity issues on a valuation
Unit 14: Business funding I	<ul style="list-style-type: none"> • Demonstrate understanding of the role of short-term and medium-term finance in the capital structure of a business • Outline the nature and features of short-term finance • Outline the nature and features of medium-term finance
Unit 15: Business funding II	<ul style="list-style-type: none"> • Compare the major types and sources of long-term finance • Apply the major theories and practical tools to the evaluation of capital structure decisions • Apply the major theories and practical tools to the evaluation of dividend decisions

Learning resources and support materials

The MAAF module has a range of resources and supports available for candidates, including:

Hard copy learning material

- Candidate Study Guide – after enrolment in the MAAF module, candidates will receive a hard copy of the core content for the module.

Online learning material

- Announcements – to alert you to important matters.
- Module orientation and unit introductions – to help get you started.
- Core content – to ‘tell’ you the relevant theory.
- Worked examples and embedded examples – to ‘show’ you how to do the task.
- Activities – for you to ‘do’ the task unassisted.
- Technical videos – to help you understand and integrate topics.
- Professional issue of the week (solution provided on a weekly basis).
- Unit quizzes – to help you check your understanding of certain key concepts.
- Practice online assessments – to help you prepare for each assessment.
- Past exam papers from the previous terms.
- Assessment results and feedback.

Additional online support tools

- Videos providing focus on key areas, with a variety of content in each video.
- Discussion forums
 - Unit forums – where candidates can ask specific technical questions related to unit content.
 - Peer-to-peer forum – where candidates can form study groups or discuss issues in groups with other candidates.

- Other forums – where module leaders can post additional guidance for candidates.
- Online exam forum: where candidates can post specific questions regarding the administration and IT requirements of the online exam.
- Past exams library in ‘Chartered Accountants’ area of myLearning – to help candidates prepare for the final exam, past exams will be available to download with suggested solutions. Supplementary exams and solutions from the MAAF119 module onwards will not be released.

Date convention

Generally, the date format is as follows:

Dates for the current decade are expressed as 20XX, the preceding decade are expressed as 20WX and future years outside of this decade dates are expressed as 20Y3. For example, if a date given in an example is 20X6, 20W6 would be 10 years earlier and 20Y6 would be 10 years in the future. All years are treated as having 365 days.

Dates in the exam will use actual years e.g. 2021.

Required reading

The examinable content for the MAAF module includes the Candidate Study Guide, worked examples, activities and other specified readings listed in the ‘Required reading’ sections for each unit.

Six-month rule

Legislation changes constantly. In the Program modules, candidates are expected to be up to date with relevant legislation, Standards, cases, rulings, determinations and other guidance as they stand six months before the exam date unless otherwise stated.

Candidates are always encouraged to be aware of current developments in all areas.

Assessment

The assessment components are outlined below:

Assessment component	Contribution to final marks	Details
Online assessment	20 marks	<p>Three (3) online assessments</p> <p>Before being eligible to attempt each online assessment, you must formally affirm the Candidate Code of Conduct (3 affirmations, each completed online)</p> <p>Each assessment will consist of 10 single response, multiple-choice questions</p> <p>Each assessment has a time limit of 90 minutes</p> <p>It is important you attempt all online assessments</p>
Exam	80 marks	<p>Format: Four (4) compulsory multi-part written questions based on the module learning objectives</p> <p>Time: Three (3) hours, and 30 minutes</p> <p>Resources: The exam is open book</p>
	100 marks	<p>You must achieve 50 marks or more overall, AND 40 marks out of 80 in the exam to pass the module</p>

To pass the module, you must:

1. pass the exam (achieving 40 out of 80 marks or more) and
2. pass the module overall (achieving 50 out of 100 marks or more).

It is therefore critical to practise your exam technique and make the most of the time that you have.

Task words

Below is a glossary of task words as they apply to the Chartered Accountants Program.

Word	Meaning
Account for	Demonstrate the accounting treatment by using a set of accounts
Advise	Communicate appropriately the recommended course of action based on an analysis of specific circumstances
Analyse	Examine closely; examine something in terms of its parts and show how they are related to each other
Apply	Use established methods/tools/procedures to resolve relatively straightforward scenario or problem
Appraise	Assess the value or quality of something; or assess its performance
Assess	Decide the value of something in a particular context
Calculate	Ascertain or determine by mathematical processes, usually by the ordinary rules of arithmetic
Classify	Place objects/concepts into appropriate categories using an established tool/methodology or framework
Compare	Critically consider two or more things, emphasising their similarities
Consider	Think carefully about something before making a decision, to look closely or attentively at something
Construct	Build or make something, to form an idea, a process or procedure by bringing together various theoretical and conceptual elements
Contrast	Critically consider two or more things, emphasising their differences
Critique	Give a judgement about the value of something and support that judgement with evidence
Define	Make clear what is meant by something; or use a definition or definitions to explore a concept
Demonstrate	A practical explanation of how something works or is performed
Describe	Present a detailed account of something focusing on depth of knowledge
Design	Develop a procedure/process or course of action based on a selection of the optimum combination from a range of available options
Determine	Establish the most appropriate or most correct answer or course of action from a range of available options
Develop	Bring something into existence that has not previously existed, or to reshape something from its initial position into something more refined
Discuss	Present a detailed account offering an interpretation of something or focusing on breadth of knowledge
Distinguish	Separate one from the other by distinct difference
Evaluate	Determine the value of something, normally with reference to specific criteria
Examine	Inspect something in detail and investigate the implications

Word	Meaning
Explain	Make clear the details of something; or show the reason for or underlying cause of something; or the means by which something occurs
Identify	Point to the essential part or parts. You might also have to explain clearly what is involved
Illustrate	Offer an example or examples, to show how something happens, or that something happens, or to make concrete a concept by giving examples
Integrate	Combine one aspect of their learning with another to form a holistic understanding of a process, procedure or course of action
Interpret	Make clear the meaning of something and its implications
Justify	Provide reasons why certain decisions should be made, conclusions reached and/or courses of action taken
List	Note or itemise in point form
Outline	Go through and identify briefly the main features of something
Plan	Prepare a detailed proposal for doing or achieving something
Prepare	Follow established procedures/methods to create a report of financial information or commentary (e.g. Using a pro forma spreadsheet)
Prioritise	Designate or treat something as being very or more important; or determine the order for dealing with (a series of items or tasks) according to their relative importance
Produce	Without using a pro forma spreadsheet, or without any guidance, create a report of financial information with commentary
Recommend	Advocate a particular outcome or course of action based on an analysis of a range of available options
Review	Report the main facts about something
Select	Carefully choose as being the best or most suitable
Solve	Resolve; or work out to a result or conclusion
State	Accurately articulate established principles, concepts, terms, etc
Summarise	Describe something concisely

CA Program Candidate Code of Conduct and other policies

As a CA Program candidate, you are bound by CA ANZ's Chartered Accountants Program Candidate Code of Conduct. This code outlines rights and responsibilities that candidates and staff have to each other and to the Chartered Accountants community and applies also to social media use. Candidates need to behave professionally and ethically when posting anything about the CA Program on social media.

You are bound also by all other CA Program regulations, policies and procedures. Cheating, plagiarism, falsifying data, breaching copyright, collusion and other forms of academic dishonesty are breaches of the CA Program's Candidate Academic Integrity Policy and Procedure and will be addressed in accordance with this policy and procedure.

CA Program policies and forms are located in the Program policies section of myLearning and on our website at <https://www.charteredaccountantsanz.com/become-a-member/ca-program-policies>.

Candidate support and Special consideration

The CA Program's policy and procedure for special consideration is available in our Candidate Assessment and Grading Policy and Procedure.

Should you find you require additional support during your studies, please get in touch with us via email to MAAFmodule@charteredaccountantsanz.com, or contact our Candidate Support team at CandidateSupportProgram@charteredaccountantsanz.com.