



UK

SYLLABUS 2025-2026

Performance Management

MODULE SPECIFICATION

Module Code	2526_DFC_2_EN_041
Campus	Oxford
Department(s)	Law, Finance and Control
Level / Semester	Masters Year 1 (M1); Equivalent to FHEQ level 7 Semester 07
Language of Instruction	English
Teaching Method	<input checked="" type="checkbox"/> In-person (face-to-face) <input type="checkbox"/> Distance learning (live online) <input type="checkbox"/> e-Learning (asynchronous) <input type="checkbox"/> Hybrid: _____
Pre-requisite(s)?	Students must have completed a foundational module in management control or managerial accounting and possess a solid grasp of key cost accounting principles.
ECTS <i>Reminder: 1 ECTS = between 20 and 30hr- student workload</i>	4
Equivalent FHEQ credits	8
Study Hours	100 hours which comprise of 28 directed learning and 72 independent learning/assessment hours

MODULE DESCRIPTION

Module Aims	This module provides an intensive exploration of performance management, equipping students with the advanced analytical and decision-making skills required to drive departmental and enterprise-wide value creation. Grounded in strategic financial management and managerial accounting principles, the module enables students to
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	design and execute bespoke cost and performance management systems for complex organisational environments. It focuses on the applied use of budgeting, variance analysis, and performance evaluation frameworks to construct and monitor operational budgets and assess both financial and non-financial metrics.
Teaching Arrangement	This module is delivered through face-to-face instruction, structured around the principles of constructive alignment to ensure coherence between intended learning outcomes, teaching activities, and assessment methods. It combines conceptual lectures with guided problem-solving, real-world case analysis, and interactive exercises that progressively engage students across multiple levels, from applying and analysing to evaluating and creating. Learners will engage in experiential learning activities and case-based discussions designed to replicate real business decision-making scenarios, fostering critical thinking, data-driven reasoning, and managerial insight. The approach is designed to build both technical mastery and applied competence in performance management, aligned with the standards of leading international business education programmes.
Learning Outcomes	By the end of this module, students should be able to: <ol style="list-style-type: none"> 1. Formulate a sophisticated annual budget for costs and turnover that is strategically aligned with an organisation's long-term plan. 2. Conduct a variance analysis to critically evaluate discrepancies between budgeted and actual financial results and inform corrective actions. 3. Systematically compute and compare costs by function, product, or service to guide and justify internal managerial decisions. 4. Construct and justify a comprehensive framework of financial and non-financial performance indicators, tailored for assessing organisational efficiency in high-pressure, competitive environments.
Competency Goals* <i>(Knowledge, expertise and interpersonal skills)</i>	PGE_M_CG01 - To be equipped with efficient business skills
Alignment with Programme Learning Goals*	PGE_M_CG01_LO01 - To apply appropriate financial skills
	PGE_M_CG04_LO02 - To make relevant strategic recommendations
	PGE_M_CG01_LO01_I01 - To realise a financial analysis

SESSION TOPICS / MODULE SCHEDULE

(Please note, a session/sequence may be more than one scheduled class)

Session 1: Strategic Purpose of Management Accounting and Performance Management

Content:

- Components of the strategic management cycle: mission, objectives, performance control
- Evolving the role of management accountants in decision-making
- Ethical considerations and the integration of non-financial information
- Stakeholder expectations and corporate responsibility in performance design

References:

- Atrill, P. and McLaney, E. (2024) *Management accounting for decision makers*. 11th edn. Pearson. (Chapter 1)

Assignments:

- Read: Atrill, P. and McLaney, E. (2024) *Management accounting for decision makers*. 11th edn. Pearson. (Chapter 1)
 - End-of-chapter exercises to solve in class

Session 2: The Role of Relevant Costs and Benefits in Short-Term Decision Making

Content:

- Distinguishing relevant from irrelevant costs (sunk, committed, opportunity, and outlay costs)
- Application of cost relevance to pricing, make-or-buy, continuation, and resource use decisions
- Behavioural pitfalls in decision-making (e.g. sunk cost fallacy)

References:

- Atrill, P. and McLaney, E. (2024) *Management accounting for decision makers*. 11th edn. Pearson. (Chapter 2)

Assignments:

- Read: Atrill, P. and McLaney, E. (2024) *Management accounting for decision makers*. 11th edn. Pearson. (Chapter 2)
 - End-of-chapter exercises to solve in class

Session 3: Cost Behaviour – Fixed, Variable, and Semi-Variable Costs

Content:

- Break-even analysis and contribution margin
- Margin of safety and operating gearing
- Target profit analysis and pricing decisions using cost-volume-profit (CVP) models
- Use of break-even and CVP tools by managers in decision-making has its limitations

References:

- Atrill, P. and McLaney, E. (2024) *Management accounting for decision makers*. 11th edn. Pearson. (Chapter 3)

Assignments:

- Read: Atrill, P. and McLaney, E. (2024) *Management accounting for decision makers*. 11th edn. Pearson. (Chapter 3)
 - End-of-chapter exercises to solve in class

Session 4: Full Absorption Costing – Principles, Structure, and Usage

Content:

Last reviewed: 11/09/2025

- Overhead allocation methods (blanket vs. departmental rates)
- Allocation bases and their effect on product cost and pricing
- Limitations of full costing in decision-making
- Comparison with marginal costing for internal decisions

References:

- Atrill, P. and McLaney, E. (2024) *Management accounting for decision makers*. 11th edn. Pearson. (Chapter 4)

Assignments:

- Read: Atrill, P. and McLaney, E. (2024) *Management accounting for decision makers*. 11th edn. Pearson. (Chapter 4)
 - End-of-chapter exercises to solve in class

Session 5: Activity-Based Costing (ABC) – Rationale, Structure, and Benefits

Content:

- Value chain analysis and cost drivers
- Target costing, lifecycle costing, and Kaizen costing
- Costing strategies in competitive environments
- Evaluation of strategic costing methods for performance control and pricing decisions

References:

- Atrill, P. and McLaney, E. (2024) *Management accounting for decision makers*. 11th edn. Pearson. (Chapter 5)

Assignments:

- Read: Atrill, P. and McLaney, E. (2024) *Management accounting for decision makers*. 11th edn. Pearson. (Chapter 5)
 - End-of-chapter exercises to solve in class

Session 6: The Role and Objectives of Budgeting in Performance Management

Content:

- Types of budgets: fixed, rolling, incremental, and zero-based
- Behavioural implications of budgeting and goal-setting
- Participation and negotiation in the budgeting process
- Criticisms of traditional budgeting and alternatives for dynamic environments

References:

- Atrill, P. and McLaney, E. (2024) *Management accounting for decision makers*. 11th edn. Pearson. (Chapter 6)

Assignments:

- Read: Atrill, P. and McLaney, E. (2024) *Management accounting for decision makers*. 11th edn. Pearson. (Chapter 6)
 - End-of-chapter exercises to solve in class

Session 7: Accounting for Control – Setting Performance Standards and Measuring Variances

Content:

- Variance analysis: fixed vs. flexible budgets
- Calculating and interpreting material, labour, and overhead variances
- Investigating causes of variances and managerial responsibility
- Limitations of variance analysis in dynamic environments

References:

- Atrill, P. and McLaney, E. (2024) *Management accounting for decision makers*. 11th edn. Pearson. (Chapter 7)

Assignments:

- Read: Atrill, P. and McLaney, E. (2024) *Management accounting for decision makers*. 11th edn. Pearson. (Chapter 7)
 - End-of-chapter exercises to solve in class

Session 8: Strategic Performance Measurement and the Role of Non-Financial Indicators

Content:

- Designing performance indicators aligned with organisational strategy
- Divisional performance measurement (ROI, RI, EVA – economic value added)
- Behavioural and transfer pricing issues in responsibility centres
- Limitations of financial KPIs and use of balanced scorecard (BSC)

References:

- Atrill, P. and McLaney, E. (2024) *Management accounting for decision makers*. 11th edn. Pearson. (Chapters 10 and 11)

Assignments:

- Read: Atrill, P. and McLaney, E. (2024) *Management accounting for decision makers*. 11th edn. Pearson. (Chapters 10 and 11)
 - End-of-chapter exercises to solve in class

KEY TEXTS

1. Atrill, P. and McLaney, E. (2024) *Management accounting for decision makers*. 11th edn. Pearson.

SUPPLEMENTARY TEXTS

1. N/A

MODES OF ASSESSMENT

Continuous Assessment (40%)	Written assessment
Final Exam (60%)	Closed book written exam

MODULE DESIGN TEAM

- Author: *Adel Al alam*
- Reviewer: *Epameinondas Katsikas*
- External Reviewer: *Timothy O'Connor*

Last reviewed: 11/09/2025