

UNIVERSITY OF COLOMBO, SRI LANKA
FACULTY OF MANAGEMENT AND FINANCE
POSTGRADUATE AND MID-CAREER DEVELOPMENT UNIT
Master of Business Administration – 2022-2024 (Weekday) Programme
Trimester VI Examination – February 2025
MBA 5229- Strategic Management Accounting
Three (03) Hours
Answer any Five (05) Questions
This paper comprises of **Six (06)** questions printed on **Three (03)** pages.

1. i. Strategic management accounting (SMA) is an interdisciplinary development which forms its interface with marketing and operations management. Briefly explain the above statement focusing on the underlined phrase and using suitable SMA tools as examples.
- (08 Marks)
- ii. Assume that you have been recently recruited as the Manager of the newly formed strategic planning division of “Silk & Cotton”, a leading apparel firm in Sri Lanka. However, its Senior Management team does not have a clear understanding on how a strategic planning division could play a facilitative role in the current rapidly changing dynamic business environment. The Chief Executive Officer of the firm has requested you to make an awareness presentation to the Senior Management team on “The facilitative role of the strategic planning division in the current business environment”. Outline of the main points that you intend to cover in your presentation, focusing on (a) – (c) below and describe how the strategic planning division could play a facilitative role to the firm by looking beyond numbers, initiating strategic management accounting tools and shifting from,
- (a) cost minimisation focus to value maximisation focus
- (b) scorekeeper role to business partnering role
- (c) commanding and controlling to influencing and connecting people.

(04 Marks X 03 = 12 Marks)

(Total 20 marks)

2. i. Enterprise resource planning (ERP) systems as well as big data and analytics helps to expand the role of a management accountant as a strategic business partner facilitating data driven decision-making in organisations. Elaborate on this statement focusing on the underlined phrases.

(12 Marks)

- ii. Aligning with the role of strategic business partners, management accountants need to up-skill themselves on a range of soft skills and keep pace with technology. Do you agree? Provide reasons for your answer.

(08 Marks)

(Total 20 marks)

3. i. Briefly explain the information required for the below Strategic Management Accounting tools, illustrating with appropriate examples.

- a) Beyond Budgeting
- b) Activity-Based Costing
- c) Balanced Scorecard
- d) Sales Dashboard
- e) Customer Profitability Analysis
- f) Lifecycle costing

(02 Marks X 06 = 12 Marks)

- ii. Explain how SMA tools can facilitate flexibility and to respond quickly when operating in a dynamic environment? Illustrate your answer with examples.

(08 Marks)

(Total 20 marks)

4. Sustainable performance indicators are classified into three dimensions: economic dimension, social dimension and environmental dimension. In light of this statement, explain various sustainable performance measures and tools quoting suitable examples.

(20 marks)

5. i. In today's dynamic business environment, where customer acquisition costs are rising and customer loyalty is challenged, how can organizations use Customer Profitability Analysis (CPA) to identify their most valuable customer segments, optimizing resource allocation, and driving revenue growth?

(10 Marks)

ii. In a rapidly evolving global market, how can business firms effectively utilize benchmarking to proactively anticipate industry trends, adapt to their strategies, and achieve sustainable competitive advantage?

(10 Marks)

(Total 20 marks)

6. i. 'Activity-Based Management (ABM) could be implemented to improve cost accuracy, efficiency, drive value creation and enhance decision-making across an entire organization'. Elaborate on this statement.

(10 Marks)

ii. How can organizations effectively utilize a risk register not just as a compliance document, but as a dynamic tool to proactively identify, assess, monitor, and mitigate potential risks?

(10 Marks)

(Total 20 marks)