

Table of contents

Foreword	V
Acknowledgments	VII
Table of contents	IX
Abbreviations.....	XIII
Symbols.....	XV
Tables.....	XXIII
Figures	XXV
1 Introduction	1
1.1 On the adequacy of full-costing for decision making.....	1
1.2 From cost system design to pricing and portfolio decisions	2
2 Simulation research framework.....	7
2.1 A basic introduction to simulations.....	7
2.2 On the adequacy of simulations in management accounting research.....	10
2.3 The underlying research framework	12
2.4 Relevant simulation models in management accounting – A theory review	17
2.4.1 The Grand Model.....	17
2.4.2 Cost Model	22
2.4.3 Margin Model	33
3 Price and Product-Mix Decisions Under Different Cost Systems.....	41
3.1 Model Details.....	44
3.1.1 Model design choices	45

3.1.2	The Benchmark Model	46
3.1.3	The Noisy Model	49
3.1.4	Alternatives of modeling capacity in the NM	51
3.2	The Simulation Approach.....	52
3.2.1	Market & production parameters.....	52
3.2.2	Cost system design & parameters	54
3.2.3	Information & simulation flow and data.....	56
3.2.4	Simulation Example	58
3.3	Hypotheses Development.....	61
3.4	Key metrics and analysis method.....	63
3.4.1	Derivation of Profit Error Types.....	63
3.4.2	Regression Specification	67
3.5	Results	69
3.5.1	Descriptive Results.....	69
3.5.2	Cost-System Complexity (H1).....	70
3.5.3	Market Growth (H2, H2a & H2b).....	79
3.5.4	Profit Error Types.....	81
3.6	Robustness.....	83
3.6.1	Parameter fit and sensitivity against alteration of parameter choice	83
3.6.2	Mean Cost Errors across Different Cost Systems.....	85
3.6.3	Distributions of Cost and Profit Errors: Graphical Analysis (Box Plots) and Formal Tests (Pearson Correlation, Rank Test and Regression)	86
3.6.4	Introducing Batch Resources.....	88

3.7 Preliminary conclusion of cost system influences on decision making	89
4 Extended Decision Model Incorporating Cost-Stickiness.....	91
4.1 A Side Note on Cost-Stickiness and its model implications	93
4.2 The Extended Model Approach.....	95
4.2.1 The BM adjustment	96
4.2.2 The NM adjustment	99
4.2.3 Information & simulation flow and data	103
4.3 Hypothesis Development	106
4.4 Research framework: Key metrics and analysis method.....	107
4.4.1 Variance of Profits.....	107
4.4.2 Regression Specifications	108
4.5 Results	109
4.5.1 Descriptive Results (H3)	109
4.5.2 Regression Results (H1 & H2).....	110
4.5.3 The influence of cost structure.....	113
4.6 Discussion of the limitations of the new approach	114
5 Conclusion	117
6 References	119
7 Appendix	127
A. Error Derivation	127
B. Variable and Parameter declaration.....	128
C. Robustness Tables	130