

## TEACHING PLAN FOR

- **MANAGEMENT  
CONTROL SYSTEMS**

### 1. Basic description

**Name of the course:** Management Control Systems

**Area:** International Business

**Academic year:** 2015-2016

**Term:** 1st

**Degree / Course:** Bachelor's Degree in International Business and Marketing

**Code:** 40206

**Number of credits:** 4

**Total number of hours committed:** 100

**Teaching language:** English

**Lecturer:** Eduard Mercader

**Timetable:** Monday 15:30-17:45 (Lecture)  
Wednesday 101 15:30-16:25 (Seminar)

**Office hour:** Wednesday 16:30

### 2. Presentation of the course

In this course, students will learn to understand the benefits and drawbacks of the control management. The need of information and its reliance will be a key starting point and the course will cope with it reaching a sound knowledge of the set of accounts and other available material. In fact, Management control involves extensive measurement and therefore it is related to and requires contributions from management accounting.

The budgeting techniques related with the cash management and the P&L account and the monitoring of its variances will allow the students to achieve its own criteria to assess the top management of the firm. The deviations from the cash budget will guide students to the field of finance and investment management.

At the end of the course students will be able to analyze and create a balanced scorecard and they will realize the interrelations between several departments of the company.

### 3. Competences to be achieved in the course

General competences	Specific competences
<p data-bbox="323 421 683 450">Instrumental competences</p> <p data-bbox="228 483 778 770">G.I.1. Ability to search, analyse, assess and summarise information. G.I.3. Ability to organise and plan. G.I.4. Ability to tackle and solve problems. G.I.5. Ability to take decisions in complex and changing environments. G.I.8. Oral and written competence in communicating in English.</p> <p data-bbox="272 804 691 833">Generic systemic competences</p> <p data-bbox="228 866 564 896">G.S.2. Ability to observe.</p> <p data-bbox="331 929 727 958">Competences for applicability</p> <p data-bbox="228 992 778 1155">G.A.1. Ability to apply acquired knowledge and skills. G.A.2. Ability to use quantitative criteria and qualitative insights when taking decisions.</p>	<p data-bbox="876 421 1219 450">Disciplinary competences</p> <p data-bbox="804 483 1361 607">E.D.9. Introduce and develop the terminology, concepts and practices involved in financial accounting and cost accounting.</p> <p data-bbox="876 640 1225 669">Professional competences</p> <p data-bbox="804 703 1361 1025">E.P.2. Ability to analyse economic and market indicators when taking decisions within the organisation. E.P.9. Assess and discuss the economic and financial position of an organisation. E.P.17. Ability to express and understand spoken and written communication in English at an advanced level in the international business environment.</p>

The above competences interrelate with the basic competences set out in Royal Decree 1393/2007, namely:

- a. competence to **comprehend knowledge, on the basis of general secondary education**
- b. competence to **apply knowledge** to day-to-day work in international management or marketing, in particular, ability to develop and defend arguments and to solve problems
- c. competence to **gather and interpret relevant data**, enabling the development of critical judgements on the economic and social reality
- d. competence to **communicate and transmit information** (ideas, problems, solutions) to a specialised and non-specialised public
- e. competence to **develop learning activities** in a relatively autonomous manner.

In order to establish a correspondence between the basic competences and those developed in the degree, these are grouped according to two criteria. Thus, the competences developed in the subject are structured into those that are seen as a development or specification of basic competences and those that define the professional profile of the graduate, with respect to general and specific competences.

Basic competence: **understanding of knowledge**

*1. General competences G.I.3, G.S.2, G.A.2*

Basic competence: **gather and interpret data**

- I. General competences G.I.1*
- II. Specific competences E.P.2*

Basic competence: **communicate and transmit information**

- I. General competences G.I.8*
- II. Specific competences E.P.17*

Basic competence: **develop learning activities**

- I. General competences G.I.3, G.I.4*

Competences that define the professional profile which are not included under basic competences

In general, these competences combine the following key elements for professionalising students in the area of international business and marketing:

- provide students with the capacity to adapt to dynamic teams and environments
- provide students with the capacity to create their own integral vision of the operation of a business or international marketing project
- provide students with the capacity to take complex decisions and carry out negotiation processes

- I. General competences G.I.4, G.I.5, G.A.1*
- II. Specific competences E.D.9, E.P.9*

Own competences of the subject

Understanding the link between what people do and the economic and financial results obtained.

## **4. Contents**

### **Management Control Systems Syllabus**

#### 1.- MCS Overview

- 1.1 – The goal and importance of MCS
- 1.2 – Elements of a control system
  - Detector
  - Assessor
  - Effector
  - Network
- 1.3 – The need of MCS
- 1.4 – Strategic planning and Management Control
- 1.5 – MCS pros and cons

## 2.- Sources of information

### 2.1 – Overview

### 2.2 – Set of accounts

- Balance Sheet
- P&L account

### 2.3 – Quarterly or intermediate reports

### 2.4 – Other types of statistics

- Macroeconomics data
- Benchmarking
- Costs

### 2.5 – Enterprise resource planning (ERP)

### 2.6 – KPI (Key performance indicators)

## 3.- Balance sheet and P&L diagnostic

### 3.1 – Balance Sheet analysis

- Ratios

### 3.2 – P&L account analysis

- Ratios
- Break even point
- CVP (Cost Volume Profit) Analysis

## 4.- Budgeting

### 4.1 – The P&L budget

### 4.2 – The budget process

### 4.3 – How to elaborate a budget

### 4.4 – Budget variances

## 5.- Cash budgeting and cash management

### 5.1 – The cash budget

### 5.2 – The budget process

### 5.3 – How to elaborate a budget

### 5.4 – Budget variances

### 5.5 – Finance and investment management

- Types of financing. Pros and cons
- Process of investing
- Risk and reward of the investment products

## 6.- The Balanced Scorecard

### 6.1 – Why companies need a Balanced Scorecard

### 6.2 – Components of the Balanced Scorecard

### 6.3 – How to build it

### 6.4 – Interrelation with other firm's departments

### 6.5 – The future of Management Control

## 5. Assessment

The course assessment will be based on continuous activities and the final exam.

## Continuous activities

The continuous activities will have a 40% weight in the final qualification. The student should achieve a minimum of 4.0 points out of 10.0 to be admitted in the final exam.

## Final exam

The final exam will weight a 60%. Students must achieve a minimum qualification of 5.0 points out of 10.0 to average the final exam and the score obtained in the continuous activities.

Assessment elements	Time period	Type of assessment		Assessment agent			Type of activity	Grouping		Weight (%)
		Comp	Opt	Lecturer	Self-assess	Co-assess		Indiv	Group	
Continuous activities	weekly	x		x			Continuous	x	x	40
Exam	end of term	x		x			synthesis-based	x		60

Failure to attend the final exam will result in the overall course grade of "Not attended". The minimum grade on the final exam to qualify for averaging with the activities carried out during the term is 5.0 points. Failure to achieve this minimum score on the final exam will result in the overall course grade to be the final exam grade.

## Terms of Extraordinary Evaluation

Only students who have failed the course will be admitted to the extraordinary evaluation.

To be admitted to the extraordinary evaluation, a student must have achieved a minimum average grade of 4.0 points in the activities carried out during the term (in-class exercises and cases and homework).

The extraordinary evaluation will be only for the final exam. The activities carried out during the term cannot be retaken and keep their weights and marks earned in the term. Therefore the final grade in the extraordinary evaluation will be:

Activities carried out during the term: 40%

Retaken final exam: 60 %

## 6. Bibliography and teaching resources

- Anthony RN, Govindarajan V. Management Control Systems. McGraw-Hill
- Bhimani A, Horngren CT, Datar SM, Rajan MV. Management and Cost Accounting. FT Prentice Hall
- Larry M. Walther, Christopher J. Skousen. Managerial and Cost Accounting. Ventus Publishing
- ICFAI University. Principles of Management Control Systems.
- Oriol Amat. Análisis de estados financieros. Fundamentos y aplicaciones. Gestión 2000
- Josep M<sup>a</sup> Rosanas *et al.* Contabilidad para dirección. EUNSA - IESE
- Robert S. Kaplan and David P. Norton. The Balanced Scorecard: Translating Strategy Into Action. Harvard Business Press

## 7. Methodology

The course methodology combines lectures with case discussions, exercises, and readings.

## 8. Scheduling activities

Week	Topics	Lectures Material	Seminar Material
Week 1	<b>MCS Overview</b> <ul style="list-style-type: none"> <li>The goal and importance of MCS</li> <li>Elements of a control system</li> <li>The need of MCS</li> <li>MCS pros and cons</li> </ul>	Slides + Bibliography	Cases and numerical examples
Week 2	<b>Sources of information</b> <ul style="list-style-type: none"> <li>Overview</li> <li>Set of accounts</li> <li>Quarterly or intermediate reports</li> <li>Other types of statistics</li> <li>Key performance indicators</li> </ul>	Slides + Bibliography	Cases and numerical examples
Week 3	<b>Balance sheet and P&amp;L diagnostic</b> <ul style="list-style-type: none"> <li>Balance Sheet analysis (ratios)</li> </ul>	Slides + Bibliography	Cases and numerical examples
Week 4	<b>Balance sheet and P&amp;L diagnostic</b> <ul style="list-style-type: none"> <li>P&amp;L account analysis (ratios, break even point, cost volume profit analysis)</li> </ul>	Slides + Bibliography	Cases and numerical examples
Week 5	<b>Budgeting</b> <ul style="list-style-type: none"> <li>The P&amp;L budget</li> <li>The budget process</li> </ul>	Slides + Bibliography	Cases and numerical examples
Week 6	<b>Budgeting</b> <ul style="list-style-type: none"> <li>How to elaborate a budget</li> <li>Budget variances</li> </ul>	Slides + Bibliography	Cases and numerical examples
Week 7	<b>Cash budgeting and cash management</b> <ul style="list-style-type: none"> <li>The cash budget</li> <li>The Budget process</li> <li>How to elaborate a budget</li> </ul>	Slides + Bibliography	Cases and numerical examples
Week 8	<b>Cash budgeting and cash management</b> <ul style="list-style-type: none"> <li>Budget variances</li> <li>Finance and investment management (types of financing-pros and cons, process of investing, risk and reward of the investments products)</li> </ul>	Slides + Bibliography	Cases and numerical examples
Week 9	<b>The Balanced Scorecard</b> <ul style="list-style-type: none"> <li>Why companies need a balanced scorecard</li> <li>Components of the balanced scorecard</li> <li>How to build it</li> <li>Interrelation with other firm's departments</li> <li>The future of management control</li> </ul>	Slides + Bibliography	Cases and numerical examples
Week 10	<b>The Balanced Scorecard</b>	Slides	
<b>TOTAL</b>		<b>20h</b>	<b>9h</b>