



Course Syllabus

BUS2x – Management Control Systems – Summer 2019

Number of ECTS credits: 6

Time and Place:

Classes will be held at the following times:

Twice a week for six weeks, with 4 hours per. session

At Karel-Van-Miert Building, Pleinlaan 5, class room Vecoxx

Contact Details for Professor

Name of Professor: Prof. Kim M. Adamsen

E-mail: kim.adamsen@vub.ac.be

Office hours: by appointment.

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Course Prerequisites (if any)

There is no pre-requisite for the course. However as the Management Control Systems contains elements and subjects from Financial Accounting and Financial Management knowledge of the elements from these areas might be beneficial.

As Management Control Systems involves the analysis and interpretation of data, financial accounting, financial management, strategic planning and performance management, a working knowledge of from these areas, together with arithmetic's may be helpful in successfully completing the course. In addition, Management Control Systems requires empathy combined with accurate and logical thinking, which can be learnt with practice in Management Control System classes.

Course Description

The purpose of this course is to give the participants skills to identify, analyze and construct proposals for solving a company's internal control problems. Thus, they are able to explain, apply and evaluate tools within management control systems, respectively Performance management in different areas of the company. In order to be able to manage individuals and entities by using financial as well as, non-financial performance indicators, design incentive systems and performance objectives in relation to this, and the interaction with other control tools and factors such as values, employee motivation, empowerment, procedures and policies.

The course examines the three major topics that form the core of Management Control Systems: Design of Management Controls, Strategy & the Balanced Score Card, Corporate Governance. Students will learn about the ways in which Management Control Systems can be used to ensure the implementation of a company strategy, secure direction and improve the quality of decision making. They will also learn the basic principles of Corporate Governance and the governance structure in a company. The course also looks at public and non-profit organizations. Throughout the summer school, the course will on a weekly basis devote sufficient time on practical examples and exercises.

Course Learning Objectives (CLO)

At the end of this course, students should be able to:

In terms of knowledge:

- Develop knowledge and understanding of:
 - the fundamental aspects of Management Control Systems;
 - Describe and explain the concepts, theories and models from the course
- Apply knowledge by:
 - practical situations (cases):
 - Identify and analyze the control problem
 - Evaluate the control (and financial management) system
 - Recommend changes in the control system
- Make judgments by:
 - learning to interpret the information contained in Management Control Systems and drawing the right conclusions in terms of decision making;
 - learning how to present and process data in a sound and ethical way.

In terms of skills

- Develop good communication skills by:
 - demonstrating skills in written reporting with a particular focus on presenting data in Management Control Systems.
- Use appropriate referencing and bibliographic methods
- Demonstrate effective oral presentation skills
- Demonstrate effective and integrative team-work

In terms of attitudes, students should develop in this course:

- learning to assess if business decisions and transactions are ethical
- an open attitude towards inter-cultural team-work
- demonstrating a basic understanding of career options available to graduates.

LINK BETWEEN MAJOR OBJECTIVES, COURSE OBJECTIVES, TEACHING METHODS, ASSIGNMENTS AND FEEDBACK

(BA in Business Studies)

Summary:

Number of assignments used in this course: 3 (1 test, 1 project, 1 final exam). Note: tests serve as assignments, be it in-class. This way, more incentive and pressure is created towards students, so they make more effort in staying on top of the subject.

Number of Feedback occasions in this course (either written or oral): one per test/examination.

Number and Types of Teaching Methods: 2 types (lectures on theory and extensive in-class tutorials through exercises and problem-solving)

Major Learning Objectives	Course Learning objectives addressing the Major Objectives (testable learning objectives)	Methods used to Teach Course Objectives	Methods (and numbers/types of assignments) used to test these learning objectives	Type, Timing and Instances of Feedback given to Student
The bachelor has a broad knowledge of the different functional fields of business management. S/he is able to apply this knowledge in the analysis of business-oriented problems and is able to propose solution to specific business problems.	Learning to interpret the information contained in a Management Control Systems and evaluated and designs a MCS in an organization, in relation to decision making and implementation.	Lectures and in-class tutorials	1 tests 1 project 1 final exam	For the test: one in-class feedback session, one week after the test. One feedback session after the project incl. personal feedback during office hours in case remedial actions. One feedback session per pop quiz
The bachelor has an understanding of the interrelatedness of the different functional fields of business and understands the impact of this on decision-making.	Learning to interpret the information contained in a Management Control Systems and evaluated and designs a MCS in an organization, in relation to decision making and implementation.	Lectures and in-class tutorials	1 tests 1 project 1 final exam	For the test: one in-class feedback session, one week after the test. One feedback session after the project incl. personal feedback during office hours in case remedial actions.
The bachelor has insight into the broad societal context of businesses and is able to take it into account in the analysis of business-oriented problems.				

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The bachelor knows and is able to apply common qualitative and quantitative research methods and is able to apply these in the field of business studies	Knowledge and understanding of the fundamental aspects of MCS	Development of quantitative skills through tutorials	One in-class-test, project and final examination	For the test: one in-class feedback session, one week after the test. One feedback session after the project incl. personal feedback during office hours in case remedial actions.
The bachelor has an open and academic attitude characterized by accuracy, critical reflection and academic curiosity.	Demonstrating problem-solving skills	In-class tutorials on exercises and problems (analyzing and setting up financial statements)	One in-class-test, project and final examination	For the test: one in-class feedback session, one week after the test. One feedback session after the project incl. personal feedback during office hours in case remedial actions.
The bachelor is able to identify the international dimension in business-related problems and knows how to handle these problems in an effective way.				
The bachelor is able to work in a multi-cultural team.				
The bachelor recognizes the importance of life-long learning.				
The bachelor is able to communicate clearly, fluently and accurately; as well in a written report as in an oral presentation.	Focus on written financial reporting and MCS	Lectures and tutorials	One in-class-test, project and final examination	For the test: one in-class feedback session, one week after the test. One feedback session after the project incl. personal feedback during office hours in case remedial actions.

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<p>The bachelor is able to combine ethical and business-oriented judgments in the analysis of business problems and takes these ethical considerations explicitly into account in the solutions proposed for business problems</p>	<p>Focus on the fundamental aspects of a MCS in relation to implementation, communication and evaluation.</p>	<p>Lectures in principles of accounting and business ethics</p>	<p>One in-class- test, project and final examination</p>	<p>For the test: one in-class feedback session, one week after the test.</p> <p>One feedback session after the project incl. personal feedback during office hours in case remedial actions.</p>
<p>The bachelor has a broad knowledge of the different functional fields of business management. S/he is able to apply this knowledge in the analysis of business-oriented problems and is able to propose solution to specific business problems.</p>	<p>Learning to prepare and report a Balanced Score Card from relevant MCS information</p>	<p>Lectures in principles of accounting and business ethics</p>	<p>One in-class-test, project and final examination</p>	<p>For the test: one in-class feedback session, one week after the test.</p> <p>One feedback session after the project incl. personal feedback during office hours in case remedial actions.</p>

Main Course Materials (please note that you can find the readings for each week and session in the Course Schedule section below):

The course material consists of powerpoint presentations, lecture notes and readings from the textbook and articles. Powerpoint presentations will be made available after the respective classes have taken place. An overview of the course readings can be found in the section below.

The syllabus, powerpoint presentations and important messages will be uploaded to the Vesalius portal 'Pointcarré'. Students are expected to visit this site regularly to keep abreast of course evolutions. The professor is expected to upload relevant material in a timely manner.

Course material marked as 'suggested readings' and 'additional sources' is helpful for research and to gain an increased understanding, but is not mandatory. This material can be found online or will be made available upon individual request.

Textbook:

Mandatory textbook

Merchant, Kenneth A. and Wim Van der Stede (2017); "Management Control Systems Performance Measurement, Evaluation and Incentives", (fourth edition), Prentice Hall.

Articles:

Robert S. Kaplan and David P. Norton (2000); "*Having trouble with your strategy then map it*", Harvard Business Review, sep.-okt. 2000

Donald C. Hambrick and James W. Fredrickson (2001); "Are you sure you have a strategy?", Academy of Management Executive, Vol. 15, No. 4, 2001

Robert S. Kaplan and David P. Norton (2008); "Mastering the Management System", Harvard Business Review, January 2008

Sull, Donald; Homkes, Rebecca; Sull, Charles (2015); "Why Strategy Execution Unravels—and What to Do About It", Harvard Business Review. Mar2015, Vol. 93 Issue 3, p57-66.

<http://esc-web.lib.cbs.dk/login?url=http://search.ebscohost.com/login.aspx?direct=true&db=bth&AN=101105370&site=ehost-live&scope=site>

Rangan, Kasturi; Chase, Lisa; Karim, Sohel (2015); "The truth about CSR", Harvard Business Review. Jan/Feb2015, Vol. 93

<http://esc-web.lib.cbs.dk/login?url=http://search.ebscohost.com/login.aspx?direct=true&db=bth&AN=100020761&site=ehost-live&scope=site>

Paine, Lynn S. (2014); "Sustainability in the Boardroom", Harvard Business Review. Jul/Aug2014, Vol. 92

<http://esc-web.lib.cbs.dk/login?url=http://search.ebscohost.com/login.aspx?direct=true&db=bth&AN=96698910&site=ehost-live&scope=site>

Cases

Robert Kaplan, case: "Domestic Autoparts",

<http://hbr.org/product/domestic-auto-parts/an/105078-PDF-ENG>

Paine, L., Hsieh, N., Adamsons, L.; "Governance and Sustainability at Nike (A)",

Reference no. 9-313-146

<http://www.thecasecentre.org/programmeAdmin/search/results?s=C161F91DA7AF32BC3875E12D5554AEBF>

Blondel, C.; "The Danssen Family: Initiating Family Governance", Reference no: 808-007-1

<http://www.thecasecentre.org/programmeAdmin/search/results?s=C156C0CFEAF40D7F9154673456B28771>

R. Fernando, B. Bellamkonda, D. Purkayastha; " The bribery scandals at Siemens AG",

Reference no: 707-032-1

<http://www.thecasecentre.org/programmeAdmin/search/results?s=C15C7960910ACDC6C489BAD0C0799DF4>

Recommended References books:

Non-mandatory readings to widen and deepen the knowledge of accounting

Atrill, Peter and McLaney, Eddie (2016). *Financial Accounting for Decision Makers*. (Eighth edition). Pearson.

Marshall, David H., McManus, Wayne W. and Viele, Daniel F. (2017). *Accounting: what the numbers mean*. (eleventh edition). Mc-Graw-Hill.

Active Learning and Intensive 'Reading around the Subject': Additional Sources, Recommended Journals and Websites:

Learning should be an active and self-motivated experience. Students who passively listen to lectures, copy someone else's notes, and limit their readings to required chapters are unlikely to develop their critical thinking and expand their personal knowledge system. At the exam, these students often fail to demonstrate a critical approach. Students are strongly recommended to have an updated understanding of developments related to this course and related to their wider Major. Active and engaged learning will turn out to be enriching to the overall course and class discussions. Students are invited to deepen their understanding of both theoretical and current issues from a variety of sources. Please find a list of suggestions compassing the entire course below. You are encouraged to read and browse in the leading journals of your discipline.

Leading Journals in Business Studies

Journal of International Business Studies; Journal of Management Studies; Journal of Marketing; Academy of Management Review; Accounting, Organizations and Society; Accounting Review; Administrative Science Quarterly; American Economic Review; Contemporary Accounting Research; Econometrica; Entrepreneurship Theory and Practice; Harvard Business Review; Human Relations; Human Resource Management; Information Systems Research; Journal of Accounting and Economics; Journal of Accounting Research; Journal of Applied Psychology; Journal of Business Ethics; Journal of Business Venturing; Journal of Consumer Psychology; Journal of Consumer Research; Journal of Finance; Journal of Financial and Quantitative Analysis; Journal of Financial Economics; Journal of Management; Journal of Management Information Systems; Journal of Marketing Research; Journal of Operations Management; Journal of Political Economy; Journal of the Academy of Marketing Science; Management Science; Manufacturing & Service Operations Management; Marketing Science; MIS Quarterly; MIT Sloan Management Review; Operations Research; Organization Science; Organization Studies; Organizational Behavior and Human Decision Processes; Production and Operations Management; Quarterly Journal of Economics; Research Policy; Review of Accounting Studies; Review of Economic Studies; Review of Finance; Review of Financial Studies; Strategic Entrepreneurship Journal; Strategic Management Journal

Websites of Interest:

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Work Load Calculation for this Course:

This course counts for 6 ECTS, which translates into roughly 150 hours for the course. This includes sessions twice a week for six weeks, with 4 hours per session of lectures, case studies or seminars. Please see below the estimated breakdown of your work-load for this course.

Time spent in class: 4 hours per session / 50 hours for the course

Time allocated for course readings: 5 hours per session / 60 hours for the course

Time allocated for preparing In-class-test: 10 hours

Time allocated for the project: 20 hours

Time allocated preparing/revising for written Final Exam: 10 hours

Total hours for this Course: 150

Course Assessment: Assignments Overview

The students will be evaluated on the basis of their performance in the following assignments:

- One In-class test 20%
- Written project 40%
- Final examination 40%
- TOTAL 100%

Grading Scale of Vesalius College

Vesalius College grading policy follows the American system of letter grades, which correspond to a point scale from 0 – 100. **All assignments (including exams) must be graded on the scale of 0-100.** To comply with the Flemish Educational norms, professors should on request also provide the conversion of the grade on the Flemish scale of 0-20. The conversion table below outlines the grade equivalents.

Letter grade	Scale of 100 (VeCo Grading Scale)	Scale of 20 (Flemish System)
A	85-100	17.0-20.0
A-	81-84	16.1-16.9
B+	77-80	15.3-16.0
B	73-76	14.5-15.2
B-	69-72	13.7-14.4
C+	66-68	13.1-13.6
C	62-65	12.3-13.0
C-	58-61	11.5-12.2

D+	54-57	10.7-11.4
D	50-53	10.0-10.6
F	0-49	0-9.9

Description of Activities, Grading Criteria and Deadlines:

During the summer school one in-class-test and a project are scheduled in addition to the final examination. Please check the schedule below for the exact dates.

The in-class-test

The in-class-test will ask you to:

- demonstrate theoretical knowledge on the fundamentals and conventions of Management Control Systems;
- to process, analyse, evaluate and design a MCS;
- to demonstrate and evaluate kind of control systems used in an organization.

The written project

On basis of a case you will be asked to explain and analyze with the use of MCS models when necessary, the following elements:

- The company's MCS problems and the reason for why the company need to design a MCS
- What are the MCS objectives? What information must be collected to solve the problem? And why? From whom will it be gathered? And how?
- What MCS Methodology or Methodologies will you use? And why?
- Statement of deliverables, and why?
- What will the costs be?
- Timetable for implementation phases

The final examination

The final examination will ask you to:

- demonstrate theoretical knowledge on the fundamentals and conventions of MCS;
- to process, analyse and interpret MCS in different kind of organizations;
- to prepare MCS and a Balanced Score Card in an organization from relevant information and interpret the information that it contains;
- demonstrate the use of both financial and non-financial performance measures in an organization;
- to relate MCS issues to decision making.
- demonstrate theoretical knowledge on the fundamentals CSR
- demonstrate theoretical knowledge on the fundamentals Corporate Governance

Rubrics: Transparent Grading Criteria For Each Assignment

The students will be evaluated on the basis of their performance in the following assignments:

- | | |
|---------------------|------|
| • In-class test | 20% |
| • Written project | 40% |
| • Final examination | 40% |
| • TOTAL | 100% |

Vesalius College Attendance Policy

As the College is committed to providing students with high-quality classes and ample opportunity for teacher-student interaction, it is imperative that students regularly attend class. As such, Vesalius College has a strict attendance policy. Participation in class meetings is mandatory, except in case of a medical emergency (e.g. sickness). Students will need to provide evidence for missing class (doctor's note). If evidence is provided, the missed class is considered as an excused class. If no evidence is provided immediately before or after the class, the missed class is counted as an absence. Two absences in a row would require the instructor to contact your advisor.

Additional Course Policies

Add policies on late papers, coming late to class, etc. (an example below)

Late papers will not be accepted unless there are serious legitimate reasons. Provision of a signed medical note is required, and notice must be given prior to the deadline.

Academic Honesty Statement

Academic dishonesty is NOT tolerated in this course.

Academic honesty is not only an ethical issue but also the foundation of scholarship. Cheating and plagiarism are therefore serious breaches of academic integrity.

Following the College policy, cheating and plagiarism cases will be communicated in writing to the Associate Dean and submitted to the Student Conduct Committee for disciplinary action.

If you refer to someone else's work, appropriate references and citations must be provided. Grammar, spelling and punctuation count, so use the tools necessary to correct before handing in assignments.

Please consult the Section "Avoiding Plagiarism" in the College Catalogue for further guidance.

Turnitin

All written assignments that graded and count for more than 10% towards the final course grade need to be submitted via the anti-plagiarism software Turnitin or Canvas. You will receive from your professor a unique password and access code for your Class.

Course Schedule (Overview)

	<p><u>Topics</u></p> <p>Textbook chapters are indicated below. Students will also receive a list of review questions and problems from the textbook. These questions and problems need to be solved weekly in preparation of the corresponding chapter subject.</p> <p>The content of the course: The core subject of the course is the management of individuals and entities by means of financial and non-financial objectives, design of incentive schemes in connection with these, as well as performance management objectives, interaction with other control systems such as values, procedures and policies. Moreover is the objective to come through the most important areas for companies, where special topics are elaborated: the application of framework for strategy implementation and control and corporate governance.</p> <p>In order to fully grasp the subject, students are required each session to prepare the entire chapters and the related cases.</p>	<p><u>Important dates and deadlines</u></p>
<p>Session 1</p>	<p>Intro. Design: Action, Results and People controls, System Design.</p> <p>Litterature: MCS chapters: 1,2 and 3</p> <p>Cases: Leo's Fourplex: MCS p. 22, Wong's: MCS p. 23, Private Fitness: MCS p. 23</p>	
<p>Session 2</p>	<p>System Design, continued</p> <p>Literature: MCS Chapter: 4, 5 and 6</p> <p>Cases: Controls at Bellagio Casino Resort, MCS p. 142 Sunshine Fashion MCS p. 190</p>	

Session 3	<p>System Design, continued</p> <p>Literature: MCS chapter 9 and 12</p> <p>Case: Olympic Carwash MCS p. 531</p>	
Session 4	<p>Design Incentives and uncertainties</p> <p>Literature: MCS chapter 7</p> <p>Cases: Global Investors, MCS s. 285 Diagnostic Products Corporation, MCS s. 233</p>	In-class-test
Session 5	<p>Financial and non-financial performance measures</p> <p>Literature: MCS chapter: 10 and 11</p> <p>Cases: Las Ferreterias de Mexico, MCS p. 417 Raven Capital, MCS p. 384</p>	Projects handed out
Session 6	<p>Financial and non-financial Performance measures, Strategy map and The Balanced Score Card</p> <p>Literature: MCS chapter: 10 and 11 Articles 1, 2, 3</p> <p>Case: Berkshire Industries, MCS p. 442</p>	
Session 7	<p>The Balanced Score Card, cont.</p> <p>Literature: Articles 1, 2, 3 and 5</p> <p>Cases: Domestic autoparts: se artikellisten nr. 4 HSC: Copyright American Accounting Association</p>	
Session 8	<p>The Balanced Score Card in Non-profit org./Public sector</p> <p>Literature: MCS Chapter. 16</p> <p>Case: SCI Ontario, MCS p. 735</p>	

Session 9	CSR and performance measures Literature: Articles 6 and 8 Case: Nike: Artikler 7	
Session 10	Corporate Governance Literature MCS Chapters: 13, 14 and 15 Cases: Don Russels... MCS p. 641 Golden Parachutes? MCS p. 594	
Session 11	Corporate Governance cont. Literature MCS Chapters: 13, 14 and 15 Cases: The Dannsen Meeting: Artikler 11 Siemens: Artikler 12	
Session 12	Presentation of projects Revision of class	
	FINAL EXAMS	Exam date to be announced.