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, Week 7 will be finals week
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 understanding of the management situation 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 provide the participants with the skills to identify, analyze and construct proposals for solving a company's internal control problems. Thus, by the end of the course, students are expected to be able to explain, apply and evaluate tools within management control systems, related to 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 need to be drafted, and the interaction with other control tools and factors such as values, employee motivation, empowerment, procedures and policies is analyzed.

The course examines the three major topics that form the core of Management Control Systems: Design of Management Controls, Strategy & the Balanced Score Card, and Corporate Governance. Students 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 also learn the basic principles of Corporate Governance and the governance structure of a company. The course looks at public and non-profit organizations. Throughout the summer school, the course devotes 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)

<table>
<thead>
<tr>
<th>Major Learning Objectives</th>
<th>Course Learning objectives addressing the Major Objectives (testable learning objectives)</th>
<th>Methods used to Teach Course Objectives</th>
<th>Methods (and numbers/types of assignments) used to test these learning objectives</th>
<th>Type, Timing and Instances of Feedback given to Student</th>
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<tr>
<td>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.</td>
<td>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. And learning how to present and process data in a sound and ethical way. 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.</td>
<td>Lectures and in-class tutorials</td>
<td>1 test 1 project 1 final exam</td>
<td>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</td>
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<tr>
<td>The bachelor has an understanding of the interrelatedness of the different functional fields of business and understands the impact of this on decision-making.</td>
<td>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.</td>
<td>Lectures and in-class tutorials</td>
<td>1 test 1 project 1 final exam</td>
<td>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.</td>
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<td>The bachelor has insight into the broad societal context of businesses and is able to take it into</td>
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<td>account in the analysis of business-oriented problems.</td>
<td>Knowledge and understanding of the fundamental aspects of MCS and to describe and explain the concepts, theories and models from the course.</td>
<td>Development of quantitative skills through tutorials</td>
<td>One in-class-test, project and final examination</td>
<td>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.</td>
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<td>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</td>
<td>Demonstrating problem-solving skills</td>
<td>In-class tutorials on exercises and problems (analyzing and setting up financial statements)</td>
<td>One in-class-test, project and final examination</td>
<td>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.</td>
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<td>The bachelor has an open and academic attitude characterized by accuracy, critical reflection and academic curiosity.</td>
<td>Demonstrate an open attitude towards inter-cultural team-work, with a basic understanding of career options available to graduates.</td>
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<td>The bachelor is able to identify the international dimension in business-related problems and knows how to handle these problems in an effective way.</td>
<td>Focus on written financial reporting and MCS</td>
<td>Lectures and tutorials</td>
<td>One in-class-test, project and final examination</td>
<td>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.</td>
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<td>The bachelor is able to communicate clearly, fluently and accurately; as well in a written report as in an oral presentation.</td>
<td>Demonstrating good communication skills in written reporting with a particular focus on presenting data in Management Control Systems. Use appropriate referencing and bibliographic methods</td>
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<td>The bachelor recognizes the importance of lifelong learning.</td>
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<td>The bachelor is able to work in a multi-cultural team.</td>
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<td>Demonstrate effective oral presentation skills</td>
<td>Focus on the fundamental aspects of a MCS in relation to implementation, communication and evaluation. Able to assess if business decisions and transactions are ethical.</td>
<td>Lectures in principles of accounting and business ethics</td>
<td>One in-class- test, project and final examination</td>
<td>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.</td>
</tr>
<tr>
<td>Demonstrate effective and integrative team-work</td>
<td>Learning to prepare and report a Balanced Score Card from relevant MCS information</td>
<td>Lectures in principles of accounting and business ethics</td>
<td>One in-class-test, project and final examination</td>
<td>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.</td>
</tr>
<tr>
<td>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</td>
<td>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.</td>
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</table>

**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**


**Articles:**


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


**Cases**

Robert Kaplan, case: “Domestic Autoparts”

Paine, L., Hsieh, N., Adamsons, L., “Governance and Sustainability at Nike (A)”, Reference no. 9-313-146


**Recommended References books:**

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


**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**


**Websites of Interest:**
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 material based on 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.

<table>
<thead>
<tr>
<th>Letter grade</th>
<th>Scale of 100 (VeCo Grading Scale)</th>
<th>Scale of 20 (Flemish System)</th>
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<tr>
<td>A</td>
<td>85-100</td>
<td>17.0-20.0</td>
</tr>
<tr>
<td>A-</td>
<td>81-84</td>
<td>16.1-16.9</td>
</tr>
<tr>
<td>B+</td>
<td>77-80</td>
<td>15.3-16.0</td>
</tr>
<tr>
<td>B</td>
<td>73-76</td>
<td>14.5-15.2</td>
</tr>
<tr>
<td>B-</td>
<td>69-72</td>
<td>13.7-14.4</td>
</tr>
<tr>
<td>C+</td>
<td>66-68</td>
<td>13.1-13.6</td>
</tr>
<tr>
<td>C</td>
<td>62-65</td>
<td>12.3-13.0</td>
</tr>
<tr>
<td>C-</td>
<td>58-61</td>
<td>11.5-12.2</td>
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</table>
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 that will be provided to you, you will be asked to do a three week written project with a length of 1,500-2,000 words, where you have to explain and analyze the case given to you, with the use of MCS models when necessary, including 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 assessed summative components in this MCS course are divided into the following three:

i. 20% In-Class-test – Covering definition and use of Management Control Systems, the MCS controls, system design, problem definition, people and organizational behaviors.

ii. 40% Written Report & Presentation – This will assess the understanding of relevant MCS topics as well as the ability to apply them to a case. You will be asked to make a presentation in class, where you will be evaluated on both the report and the presentation of it, on the following parameters:
   • Preparation
   • Referencing & Research
   • Design & Structure
   • MCS Objectives
   • MCS metodology

The grade will be composed of the above mentioned parameters, with the following weighting:

   • Oral Presentation 10%
   • Content and body of report 85%
   • Other 5%

iii. 40% Final Exam - Will assesses the understanding and knowledge of the entire syllabus.

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.

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**Course Schedule (Overview)**

<table>
<thead>
<tr>
<th>Topics</th>
<th>Important dates and deadlines</th>
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<tbody>
<tr>
<td>Textbook chapters and articles are indicated below. Students will also receive a list of cases and problems from the textbook. These questions and problems need to be solved weekly in preparation of the corresponding subjects.</td>
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<tr>
<td>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.</td>
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</table>
In order to fully grasp the subject, students are required each session to prepare the entire chapters and the related cases.

| Session 1 | **Intro.** Design: Action, Results and People controls, System Design.  
Litterature:  
MCS chapters: 1, 2 and 3  
Cases:  
Leo's Fourplex: MCS p. 22,  
Wong's: MCS p. 23,  
Private Fitness: MCS p. 23 |
|---|---|
| Session 2 | **System Design**, continued  
Litterature:  
MCS Chapter: 4, 5 and 6  
Cases:  
Controls at Bellagio Casino Resort, MCS p. 142  
Sunshine Fashion MCS p. 190 |
| Session 3 | **System Design**, continued  
Litterature:  
MCS chapter 9 and 12  
Case:  
Olympic Carwash MCS p. 531 |
| Session 4 | **Design** Incentives and uncertainties  
Litterature:  
MCS chapter 7  
Cases:  
Global Investors, MCS s. 285  
Diagnostic Products Corporation, MCS s. 233 |
| Session 5 | **Financial and non-financial performance measures**  
Litterature:  
MCS chapter: 10 and 11  
Cases:  
Las Ferreterias de Mexico, MCS p. 417  
Raven Capital, MCS p. 384 |

In-class-test

Projects handed out for 3 weeks project
<table>
<thead>
<tr>
<th>Session 6</th>
<th>Financial and non-financial Performance measures, Strategy map and The Balanced Score Card</th>
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</table>
|           | Literature:  
|           | MCS chapter: 10 and 11  
|           | Articles 1, 2, 3  
|           | Case:  
|           | Berkshire Industries, MCS p. 442 |
| Session 7 | The Balanced Score Card, cont.  
|           | Literature:  
|           | Articles 1, 2, 3 and 5  
|           | Cases:  
|           | Domestic autoparts: see list of articles artikellisten nr. 4  
|           | HSC: Copyright American Accounting Association |
| Session 8 | The Balanced Score Card in Non-profit org./Publich sector  
|           | Literature:  
|           | MCS Chapter. 16  
|           | Case:  
|           | SCI Ontario, MCS p. 735 |
| 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. |