

Management Control Systems

Thank you for your interest in *Management Control Systems*! This course description is intended to provide you with information about the objectives and the content of the course. It also aims to answer frequently asked questions about the structure and organization of the course. Therefore, we kindly ask you to read this description carefully at the beginning of the semester.

1. Target audience and recommended prerequisites

This course is an elective for students in business administration (Master) and part of the specialization Accounting, Controlling & Taxation (PStO 2024) and Accounting & Taxation (PStO 2018). It is also open to students in business administration (Master) within the general elective module “Advanced Elective Topics in Business Administration”. Please see the LSF for details.

Given its placement, the course builds on the fundamentals learned during a bachelor's program and the subject-specific foundations in the master program in business administration. Thus, at a minimum, basic knowledge of management accounting is required. Additionally, insights from any specific specializations in accounting, especially management accounting, are helpful.

2. Learning objectives and content of the course

LEARNING OBJECTIVES

In this course, students will learn to identify control problems in organizations, describe them, and resolve them through targeted management controls using the object-of-control framework. A special focus is placed not only on conceptual considerations but also on practical applications, discussed through case studies. Hence, after completing the course, students will be able to identify and address control issues in organizations based on unstructured information. By actively participating in discussions and moderating them, students will not only gain substantive knowledge but also develop social skills, which are essential for taking on leadership roles in organizations.

CONTENT

- Management control and management control systems
- Management control alternatives
- Tightness, costs and design of control systems
- Financial responsibility centers
- Budgeting and target setting
- Incentive systems
- Financial performance measures
- The myopia problem and its remedies
- Performance measurement and controllability
- CSR and management control systems
- Management control related ethical issues
- Behavioral biases and management control systems



3. Teaching format and scope

By participating in the course, students can earn credits according to the respective examination regulations. Further information can be found in the documents (examination regulations, module handbooks and in particular the study guides for the degree programs) on the website of the *Information and Service Center (ISC) - Exam Office for Business Studies and Economics* (<https://www.lmu.de/isc/en/>).

The course consists of a lecture-style seminar (2 SWS) and a corresponding proseminar (2 SWS). The seminar covers the fundamental aspects of the course content. In addition to the necessary explanation of conceptual considerations, case examples and smaller case studies are discussed.

The proseminar involves discussing case studies that are aligned with the seminar content. Each case study discussion will be led by either one student or a team of two/three students (depending on the number of course participants). The role of the discussion leaders is to moderate the group discussion based on the guiding questions of the case study and to present an own solution to the case.

In addition, each participant develops an own case study with associated teaching notes and a solution presentation, covering a (self-selected) topic included in the course. Details about the development of the case study, the teaching notes and the solution presentation will be provided in the first seminar.

4. Teaching materials

The course is based on the following textbook:

Merchant, K. A. and van der Stede, W. A. (2023). Management Control Systems: Performance Measurement, Evaluation and Incentives (5th edition). Harlow: Pearson.

Seminar slides aligned with the learning objectives are available via moodle. The case studies discussed in the proseminar are taken from the textbook, which is accessible via the university library.

Additional materials, such as guidelines for developing a case study, are provided via moodle.

5. Communication in the course

The main communication platform for this course is the associated moodle course. The seminar slides and other materials provided by the professorship mentioned in the previous aspect are made available through this moodle course. Any announcements relevant to the course will also be made exclusively via moodle.

The link to the moodle course is: <https://moodle.lmu.de/course/view.php?id=47648>

The password for enrollment is: DecisionInfluencing



6. Examination Format

A graded assessment can be obtained based on

- Presentation: Presenting and leading the discussion of a case study in the proseminar (50%) and
- Term paper: Developing a case study with associated teaching notes and a solution presentation (50%).

No additional written exam is required. Due to the nature of this assessment, it is not possible to retake the examination in the summer term.

Although no written exam is required, students must register for the examination in LSF (<https://lsf.verwaltung.uni-muenchen.de>). This registration must be done by the students themselves. The registration period for this course is announced in the first session of the seminar.

7. Registration

Participation in the course requires a binding registration at the professorship. The number of participants is limited to 18 students due to the number of available case studies in the course.

To apply for the course, please send an email (from your LMU email address) with the following information to ma@som.lmu.de

- Full name
- Student ID number (not required for exchange students without a student ID number)
- A short (!) statement about your motivation to participate in the course (max. 500 characters)

To provide all applicants with timely clarity about their participation, course registration will take place in two phases: In the first phase, all applicants who apply by **October 1, 2026 at 11:59 a.m.** will receive feedback shortly after this deadline whether they have been registered for the course. Any remaining spots in the course after this deadline will then be allocated on a **first-come, first-served** basis. Hence, applicants who apply after the above-mentioned deadline will also receive a timely response.

8. Course times and schedules

The course is usually offered in the winter term as a weekly seminar in lecture-style (2 SWS) with a corresponding proseminar (2 SWS). The following table gives an overview of the course times for the winter term 2026/2027:

	Wednesday 08:15 – 09:45 AM Room: Ludwigstr. 28, RG – Room 026	Wednesday 12:15 – 13:45 PM Room: Ludwigstr. 28, RG – Room 026
14.10.2026	Introduction to the course & working with case studies (S)	Management control and management control systems (S)
21.10.2026	Management control alternatives (S)	Tightness, costs and design of control systems (S)
28.10.2026	Financial responsibility centers (S)	Case: Atlanta Home Loan (PS)
04.11.2026	Budgeting and target setting (S)	Case: EyeOn Pharmaceuticals, Inc. (PS)
11.11.2026	Incentives and rewards (S)	Case: Controls at the Bellagio Casino Resort (PS)
18.11.2026	Financial performance measures (S)	Case: Kranworth Chair Corporation (PS)
25.11.2026	The myopia problem and its remedies (S)	Case: Royal Wessanen NV (PS)
02.12.2026	Performance measurement and controllability (S)	Case: Office solutions (PS)
09.12.2026	CSR and management control systems (S)	Case: Giroux Glass Inc. – Bonus Plan (PS)
16.12.2026	Management control related ethical issues (S)	Case: Catalytic Solutions, Inc. (PS)
13.01.2027	Behavioral biases and management control systems (S)	Case: Hofmann Discount Drugs, Inc. (PS)
20.01.2027	Q&A: Seminar papers (S)	Case: Philip Anderson (PS)
27.01.2027	Submission deadline for seminar papers	

(S) = Seminar (Lecture Style); (PS) = Proseminar (Case Study)

9. Course rules for fairness towards all participants

Every student is expected to prepare each case and to participate actively in every case discussion, regardless of whether a student is presenting or not. This does not only help you to better understand the topics of the course, but is also a matter of fairness regarding the presenting students – most probably, you also prefer to moderate a case discussion with motivated participants when it is your turn.