

# Management Control Systems

Thank you for your interest in the course *Management Control Systems*! This course description is intended to provide you with upfront information about the objectives and content of the course. It also aims to address frequently asked questions about the course structure and organization. Therefore, I kindly ask you to thoroughly review this description 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*. It is also open to students from other degree programs with a minor in business administration, depending on their respective examination regulations.

Given its placement in the specialization *Accounting, Controlling & Taxation*, 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

- Identification and classification of management control problems
- Management control alternatives: The object-of-control framework
- Effective and efficient design of management control systems to address control problems
- Financial result controls: Organization, coordination, motivation
- Financial and non-financial performance measurement
- Performance measurement and controllability
- CSR and management control systems
- Ethics and management control systems
- Behavioral biases and management control systems

### 3. Teaching format and scope

By participating in the course *Management Control Systems*, students can earn credits according to their respective examination regulations. Further information on this can be found in the documents (examination regulations, module handbooks and, in particular, guides to the degree programs) available on the website of the *Informations- und Servicecenter Wirtschaftswissenschaftliche Prüfungen* (<https://www.isc.uni-muenchen.de/index.html>).

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 will be discussed.

The proseminar will involve 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 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* (5<sup>th</sup> edition). Harlow: Pearson.**

Seminar slides aligned with the learning objectives and content will be made available. The case studies discussed in the proseminar are taken from the aforementioned textbook, which is accessible via the university library.

Additional materials, such as guidelines for the development of the own case study, will also be provided.

### 5. Communication in the course

The main communication platform for this course is the associated moodle course. The seminar slides and other materials from the professorship mentioned in the previous aspect are made available via this moodle course. Also, all 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=36718>

The password for enrollment is: ObjectOfControl

## 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.

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 period in which you can register is announced on the website of the *Informations- und Servicecenter Wirtschaftswissenschaftliche Prüfungen* ([https://www.isc.uni-muenchen.de/pruef\\_org/pruefungsanmeldung/index.html](https://www.isc.uni-muenchen.de/pruef_org/pruefungsanmeldung/index.html)).

## 7. Registration

To participate in the course, a binding registration at the professorship is required. Participation is limited to 20 students due to the number of available case studies in the course. Admission to the course is granted based on the time of registration. To register for the course, please send an email (via your LMU email address) with the following information by October 14, 2024, at 11:00 AM to [i.schedlinsky@lmu.de](mailto:i.schedlinsky@lmu.de):

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

You will receive a timely response regarding if you are registered for the course.

## 8. Course times and schedules

The course is typically offered in the winter semester as a weekly seminar in lecture-style (2 SWS) with a corresponding proseminar (2 SWS). The following table provides an overview of the course times for the winter semester 2024/2025:

<b>Room: W401 (Prof.-Huber-Platz 2)</b>			
<b>Tuesday 12:15 – 13:45 PM</b>		<b>Tuesday 14:15 – 15:45 PM</b>	
15.10.24	Introduction to the course & working with case studies (S)	15.10.24	Management control and management control systems (S)
22.10.24	Management control alternatives (S)	22.10.24	Tightness, costs and design of control systems (S)
29.10.24	Case: Atlanta Home Loan (PS)	29.10.24	Financial responsibility centers (S)
05.11.24	Case: EyeOn Pharmaceuticals, Inc. (PS)	05.11.24	Budgeting and target setting (S)
12.11.24	Case: Controls at the Bellagio Casino Resort (PS)	12.11.24	Incentives and rewards (S)
19.11.24	Case: Kranworth Chair Corporation (PS)	19.11.24	Financial performance measures (S)
26.11.24	Case: Royal Wessanen NV (PS)	26.11.24	The myopia problem and it's remedies (S)
03.12.24	Case: Office solutions (PS)	03.12.24	Performance measurement and controllability (S)
10.12.24	Case: Giroux Glass Inc. – Bonus Plan (PS)	10.12.24	CSR and management control systems (S)
17.12.24	Case: Catalytic Solutions, Inc. (PS)	17.12.24	Management control related ethical issues (S)
14.01.25	Case: Hofmann Discount Drugs, Inc. (PS)	14.01.25	Behavioral biases and management control systems (S)
21.01.25	Case: Philip Anderson (PS)	21.01.25	Q&A: Seminar papers
28.01.25	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.