# Principles of management

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***COURSE AIMS AND INTENDED LEARNING OUTCOMES***

The course has two modules. The *first module* will introduce students to the broad field of management, as applied to all classes of social institutions: families, firms, governments, and non-profit organisations. The *second module* will introduce students to the fundamentals of financial accounting.

At the end of the first module, students will:

* have basic knowledge of business strategy, governance, structure and processes of organisations;
* be able to understand and classify the main features of existing organizations;
* be familiar with basic management terminology and able to understand basic management communication;
* be equipped with the knowledge basis and the capacity to collect additional information that are needed to tackle more advanced management topics.

At the end of the second module, students will be:

* knowledgeable about the basics of financial accounting, with specific respect to transaction analysis, adjustments, and the preparation, use and interpretation of general-purpose financial statements;
* able to record basic transactions and to understand, classify, and use the most common accounts;
* familiar with basic financial accounting terminology and able to understand basic financial communication;
* equipped with the knowledge basis and the capacity to collect additional information that are needed to tackle more advanced accounting topics.

***COURSE CONTENT***

*I Module*

– Economic activity and economic actors: needs, goods, and economic activity; assumptions on the behaviour of individuals and groups, families, firms, governments, and non-profit organisations.

– Structure and governance of organisations: stakeholders and governance structures; resources; economic activities in organisations; organisational design.

– Managerial decisions: economies of scale; learning economies; standardization and modularity; economies of scope; transaction costs and make-or-buy decisions; break-even point analysis; groups, alliances and networks; market structure and competitive analysis; entrepreneurial formula; competitive advantage.

*II Module*

– Introduction to financial statements: financial statements and business decisions; the basic financial statements; the role of accounting standards.

– The recording process: transactions and transaction analysis; the basic and the expanded accounting equations; the account and the chart of accounts; journalising and posting; the trial balance.

– Adjusting the accounts and completing the accounting cycle: the accruals concept, revenue recognition, and matching; the main types of adjusting entries; the adjusted trial balance; the preparation of financial statements; the nature and purpose of closing entries.

***READING LIST[[1]](#footnote-1)***

For the first module

Airoldi-Ravasi (editors), *Introduction to management: Cases & Readings,* Part I, 2010.

For the second module

J.J. Weygandt-P.D. Kimmel-D.E. Kieso, *Financial Accounting,* with International Financial Reporting Standards, Wiley, 2019, 4th edition, ISBN: 978-1-119-50340-8 (chapters 1 to 4). [*Acquista da VP*](https://librerie.unicatt.it/scheda-libro/weygandt-kimmel-kieso/financial-accounting-4-ed-9781119504306-673692.html)

Additional reference materials (slides, additional exercises, and suggested readings) will be posted on Blackboard.

***TEACHING METHOD***

Teaching methods include formal lectures as well as the discussion of short cases and exercises within supplemental exercise sessions. Class participation is strongly recommended.

***ASSESSMENT METHOD AND CRITERIA***

The first and second modules will count for 50% each against the final overall grade for the course.

The grade for the first module will be determined by a field project (20%) and an oral exam (30%) in the case of attending students. The field project will be aimed at assessing the students’ ability to understand and classify the main features of existing organizations and their familiarity with basic management terminology. The oral exam will be based on open questions and will assess the students’ knowledge about the economic roles of institutions and basic management topics.

The grade for the second module will be entirely (50%) determined by a written test including multiple choice questions and accounting exercises. The test is intended to assess the students’ knowledge and skills in basic financial accounting. The test for the second module will be offered three times.

Students who (i) choose not to take these tests, (ii) fail either of these tests or (iii) choose to retake the exam despite having passed these tests, will be offered a comprehensive final exam covering both modules, according to the official exam schedule. The comprehensive final exam will be composed of an oral exam for the first module and a written exam for the second module. Once again, the oral exam will assess the whole range of knowledge and skills covered in the first module and will include open questions. The written exam for the second module will include multiple choice questions and accounting exercises.

Further details will be provided at the beginning of the course and made available on Blackboard.

***NOTES AND PREREQUISITES***

In case the current Covid-19 health emergency does not allow frontal teaching, remote teaching will be carried out following procedures that will be promptly notified to students.

1. I testi indicati nella bibliografia sono acquistabili presso le librerie di Ateneo; è possibile acquistarli anche presso altri rivenditori. [↑](#footnote-ref-1)