# Management Control Systems (Control systems)

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

The purpose of the course is twofold. On the one hand, students should develop an adequate awareness of the "organisational" dimension of management control systems, emphasising their ability to guide the behaviour and the decisions of corporate players; on the other hand, after introducing the contingent approach to the design of management control systems, the course aims to focus on the specific features these systems adopts in particular business contexts, analysing their contingency factors and the resulting characteristics.

At the end of the course, students will be able to:

1. know and understand the contingent approach to the design of management control systems and their organisational dimension, so as to be able to elaborate and apply original ideas in real-life contexts;

2. know and apply the criteria for designing and using management control systems in different business contexts, with reference to the technical-accounting tools (the cost accounting system, the budgeting system, and the reporting system), the responsibility accounting structure of control systems, the pricing policy transfer, and the incentive system, demonstrating advanced problem-setting and problem-solving skills;

3. critically interpret the information provided by the management control systems, formulating independent judgments in even complex situations and in the presence of limited or incomplete information;

4. clearly and unambiguously communicate their conclusions drawn from the interpretation of the information processed by the managements control systems, so as to support the recipients (specialists and non) of the management control systems with appropriate arguments;

5. study further in the field of management control systems in a self-directed and autonomous way.

***COURSE CONTENT***

Module 1

– The contingent approach to the design of planning and control systems.

– The behavioural dimension of management control systems (organizational control mechanisms, management by objectives and the link to incentive systems, transfer prices).

Modulo 2

Management control systems design and implementation in service companies, merchandise companies, public administrations, non-profit organizations, healthcare organizations, project-based organizations and small and medium-sized enterprises.

***READING LIST***

S. Baraldi, *I sistemi di controllo direzionale. Contingency theory e criteri di progettazione,* McGraw-Hill, Milano, 2012.

S. Baraldi-A. Cifalinò-P. Sacco, *Materiale didattico per il corso di Programmazione e Controllo (sistemi di controllo) – edition reserved for the Master's Degree in Management and Business Consulting,* EDUCatt, 2017.

The following material is published in the Blackboard area reserved to students enrolled in the course: (i) the chapters from the reference texts and other readings regarding content covered in each lecture; (ii) further study material to support class (slides and case studies).

***TEACHING METHOD***

The course will include a high number of interactive lessons on general frameworks, analyses of case studies, guided discussions, and plenary workshops with testimonials. The syllabus describing the course content will be indicated on Blackboard.

***ASSESSMENT METHOD AND CRITERIA***

Students will be assessed on the basis of a two-hour written examination (4 open-ended questions, 1 business case) covering one or more course topics.

Attending students will have the opportunity to take the exam in two written parts (an interim and a final test); each test will include two open-ended questions and one business case relating to the contents of each module. Students must pass both written tests in order to pass the exam, otherwise they would be required to take the exam as indicated above on the official exam dates.

Assessment is based on the following criteria: knowledge and understanding of the systems and models studied; original, appropriate and in-depth examples proposed in response to the request for practical applications of arguments; awareness of company and environment features that influence the issues studied in the course; rigour in contextualising the issues studied and in identifying and arguing original solutions in real-life contexts; appropriateness and correctness in the choice and application of the quantitative and qualitative analysis models studied for the assigned problems; autonomy and rigour in interpreting and selecting the relevant information from among those assigned in order to solve problems, as well as highlighting possible information gaps, consequently identifying further information hypotheses on which to base the proposal of appropriate solutions; critical approach to the subject, also through discussing the advantages/disadvantages of the models studied under the conceptual and practical profiles and the supervision of the links between the various aspects in which the planning and control system is divided; clarity, completeness, consistency and language mastery in communication.

***NOTES AND PREREQUISITES***

*Preliminary knowledge*

A basic knowledge of management control systems is required. Those students who lack such preliminary knowledge will be required to individually study up on the subject so as to be able to effectively follow the course content.

To this end, the following texts are suggested:

S. Baraldi-A. Cifalinò-P. Sacco (eds.), *I sistemi di programmazione e controllo,* Giappichelli, Turin, 2011.

S. Baraldi-A. Cifalinò-P. Sacco, *Esercizi svolti di programmazione e controllo,* Giappichelli, Turin.

Further information can be found on the lecturer's webpage at http://docenti.unicatt.it/web/searchByName.do?language=ENG, or on the Faculty notice board.