Management Control Systems (Control Systems)

Prof. Antonella Cifalinò; Prof. Paola Sacco

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

The purpose of the course is twofold. On the one hand - once the contingencyapproach to management control systems has been introduced - the course aims to focus on the distinguishing features of these systems in specific business environments, analysing their contingency factors and resulting features. On the other hand, the course aims to help students develop awareness of the “organisational” dimension of management control systems by enhancing their ability to influence managerial behaviours and decisions.

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 according to the advanced teaching programme, 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 technical-accounting tools (cost accounting, budgeting, reporting), responsibility centres, transfer pricing, and compensation systems, demonstrating advanced problem-setting and problem-solving skills;
3. critically interpret the information produced by 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 management control system, so as to support the recipients (specialists and non) of management control systems with appropriate arguments;
5. study further in the field of management control systems in a largely self-directed and autonomous way.

***COURSE CONTENT***

The contingencyapproach to planning and control systems design.

Management control systems in specific types of companies: service companies, commercial companies, public administration, non-profit organisations, project-based organisations, healthcare organisations, and small and medium-sized enterprises.

The “organizational” dimension of management control systems (organisational control mechanisms, management-by-objectives, responsibility centres, compensation systems, transfer pricing).

***READING LIST***

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

S. Baraldi-A. Cifalinò-P. Sacco, *Materiale didattico per il corso di Programmazione e Controllo (sistemi di controllo),* EDUCatt, 2019.

*Case studies* posted on the Blackboard area reserved for students enrolled in the course.

***TEACHING METHOD***

The course incorporates blended learning, in class (50%) and remotely (50%). Remote work includes video lessons (asynchronous), practical webinars, and live feedback (in web conference). The course will include a high number of interactive lessons on general frameworks, analyses of case studies, guided discussions, and plenary workshops. The syllabus describing the course content will be indicated on Blackboard.

***ASSESSMENT METHOD AND CRITERIA***

Two assessment methods of students’ choice:

A) *Ongoing assessment*

For students who opt for an ongoing assessment: 50% of the assessment is based on two tests (an individual test in class – account for 20% - and a group assignment – account for 30%) and take place during the course, according to the content and schedule published in the Blackboard area reserved for registered students; 50% of the assessment is based on a final written exam. Students may access the final exam if they pass the interim tests during the course. In order to pass the course, the final exam (to be taken in one of the following 3 exam dates after the end of the course) must be passed.

1. *Single summative assessment*

For students who opt for a single summative assessment on official exam dates, the exam includes a written test (2 open-ended questions and 1 business case study), lasts about 2 hours and is based on one or more topics covered in the course (including case studies published on Blackboard).

Assessment is based on the following criteria: deep 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***

*Background knowledge*

Students are expected to have a basic knowledge of management accounting. Should they lack such required background knowledge, they will have to acquire it through individual study of the subject in order to make course attendance more effective.

For this purpose, the following textbooks are recommended:

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

S. Baraldi-A. Cifalinò-P. Sacco, *Esercizi svolti di programmazione e controllo,* Giappichelli, Turin, 2021.

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.