# Planning, Programming and Control Systems

## Prof. Marco Giovanni Rizzo

***Text under revision. Not yet approved by academic staff***

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

The course aims to provide students with advanced concepts for designing and using performance measurement and control systems to implement successful strategies through the correct processes of resource allocation and results measurement, as well as developing their knowledge of innovative and advanced *cost accounting* tools.

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

1. possess advanced knowledge in the field of designing performance measurement systems (*profit planning*, strategic assessment of performance, assessment of managerial and business performance, internal transfer prices, *balance scorecard,* use of diagnostic and interactive control systems) and advanced *cost accounting* tools (*activity-based management; target costing*);
2. with their new knowledge, develop a corporate strategy and create a *profit plan*, analyse and evaluate performance (preventive and final, of business units and managers, integrating economic-financial measures with non-economic-financial indicators), and use the information to control and implement main *cost management* tools in different classes of companies;
3. critically interpret the information produced by the planning and control system, arriving at the formulation of independent judgments in medium- and long-term contexts characterised by uncertainty and resource scarcity;
4. communicate clearly, to specialist and non-specialist interlocutors, the conclusions drawn from the use of strategic planning and control tools, supporting their assessments with appropriate arguments;
5. thanks to the theoretical lectures and practical applications, possess the learning skills necessary to undertake work at a professional level.

***COURSE CONTENT***

The course is divided into the following fundamental parts:

* review of the basic concepts of programming and control: master budget;
* strategy implementation and the use of information for measuring and controlling performance;
* the creation of performance measurement systems: preparing a *profit plan*;
* performance evaluation at a strategic level;
* linking performance to the markets (internal transfer prices);
* building a balanced scorecard;
* the achievement of profit objectives and the implementation of strategies: the use of diagnostic and interactive control systems;
* in-depth analysis of *cost accounting*: *activity-based management* and *target costing*.

***READING LIST***

Selection of articles taken from: R. Simon, *Sistemi di controllo e misure di performance,* Egea, Milan, (latest edition) (Chapters: 1, 2, 3, 4, 5, 6, 8, 9, 10); scientific articles available in the University Library (detailed information will be provided in Blackboard.).

***TEACHING METHOD***

The use of diversified methodologies is envisaged to promote the active participation of students. More specifically, in addition to theoretical lectures, the course includes intensive use of interactive practical lessons, case analyses and plenary reflective laboratories. The syllabus containing the course's analytical programme will be communicated on Blackboard.

***ASSESSMENT METHOD AND CRITERIA***

Students may take the assessment in one of two ways: a) a single summative assessment or b) a progressive assessment with two interim tests that contribute equally to the final mark. The first interim test is taken during the week's lecture break dedicated to the interim tests. All students may participate in the first interim test. The second interim test will be taken in exam sessions provided for in the academic calendar. A minimum mark of 18/30 is required to pass each of the partial tests. Students who pass the first interim assessment test must take the second interim test by the second summer exam session. The two tests consist of theoretical questions (open-ended) and exercises.

***NOTES AND PREREQUISITES***

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.