Aim of the Course

The purpose of management control processes is to carry out the strategies arrived at in the strategic planning process and thereby to attain the organization's goals. In that sense, management control is a mechanism that enables managers to make informed decisions. The aim of the course is to build an understanding of this central role of management accounting and control systems within the organizational context. The course seeks to provide the student with the necessary concepts to get a grasp of the accounting and control mechanisms as well as the practical skills to deal with the management control systems issues.

Course Content
Various parts of management control and accounting systems, such as performance measurement, evaluation and incentives is to be analyzed throughout the course. The emphasis of the course is on the application of accounting data, rather than on its preparation. Particular attention is given to the behavioral and motivational impact of various management accounting systems.

The course material is accompanied by the teaching cases, which will be used to understand how the topics that we are reviewing affect real-world problems. The discussions around cases will help to illustrate concepts such as variance analysis, transfer prices and responsibility accounting.

Course Delivery

Every week, one session will be devoted to intensive teaching and two sessions will be devoted to case analysis. In this respect, students are expected to be prepared to discuss the cases and to participate actively in case analysis. In addition, students will be asked to hand in exercises related to the thought material and brief case analyses before or after the case discussion takes place in class.

Course Outline

1. Introduction to Management Accounting and Control: *Purpose of Management Accounting, Elements of Management Control Systems, Control and Information Systems*

3. Budgets: *Budget Preparation, Static Budgets and Flexible Budgets, Price Variances and Efficiency Variances, Performance Measurement using Variances, Effectiveness, Efficiency*


5. Decentralization and Profit Centers: *Organization structure, Benefits of Decentralization, Costs of Decentralization, Informal Controls*

6. Transfer Prices: *Market-Based Transfer Prices, Cost-Based Transfer Prices, Negotiated Transfer Prices, Transfer Prices and Tax Considerations*

7. Responsibility Accounting: *Responsibility, Controllability, Cost Center, Revenue Center, Profit Center, Investment Center, Capital Investment Decisions*


**Examination**

The final exam will be based on the lecture notes, exercises and case material.

**Course Literature**

MANAGEMENT ACCOUNTING AND CONTROL

GRADING POLICY
The course is graded from 0 to 10 points. There are no minimum requirements for the specific components of the evaluation. Passing the course necessitates a minimum average grade of 5 points.

**Evaluation at the ordinary term**

At the ordinary term, the final grade for the course will be determined on the following basis:

- Class Participation: 20%
- Quizzes, assignments: 15%
- Final exam: 65%

**Evaluation in September**

For students retaking the exam in September, the grading basis will be as follows:

- Class participation, quizzes and assignments: 10%
- September exam: 90%

**Specifications on the Assignments**

1. If two (or more) students turn in same / very similar assignments or quizzes, both assignments will be graded as zero points.

2. If a student does not hand in any of the assignments throughout the course, he / she will receive zero points from the whole category of quizzes and assignments in the ordinary period (15%), and zero points from the whole category of participation, quizzes and assignments in the September exam (10%).