

MANAGEMENT CONTROL

**Grado en Administración de Empresas / Bachelor in
Business Administration BBA SEP-2023 MC-NBA.3.M.A**

Area Accounting and Management Control

Number of sessions: 25

Academic year: 23-24

Degree course: THIRD

Number of credits: 5.0

Semester: 1º

Category: COMPULSORY

Language: English

Professor: **KYUNG WON KIM**

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Natalie Kyung Won Kim received a BBA and MS from Seoul National University (Seoul, South Korea). In 2021 she received a PhD in Business Administration from Seoul National University. Her area of research is executive compensation and compensation disclosure. Prior to her academic career, she spent 4 years in the Product Planning department and the Overseas Tax department at LG Electronics.

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SUBJECT DESCRIPTION

This course is designed to allow students to gain knowledge, insights and analytical skills related to how a firm's managers go about designing, implementing, and using planning and control systems to implement a firm's strategies. Among these management control processes, we find budget planning, evaluation of the performance of business units, transfer pricing and management of profit centers.

LEARNING OBJECTIVES

- Understand the different types of responsibility centers which can be found in organizations.
- Understand transfer pricing within organizations.
- Elaborate income and cash budgets and evaluate how results depart from those budgets.
- Learn about key unit performance indicators.
- Allocate environmental costs to products/services.
- Learn about environmental performance indicators.

TEACHING METHODOLOGY

IE University teaching method is defined by its collaborative, active, and applied nature. Students actively participate in the whole process to build their knowledge and sharpen their skills. Professor's main role is to lead and guide students to achieve the learning objectives of the course. This is done by engaging in a diverse range of teaching techniques and different types of learning activities such as the following:

Learning Activity	Weighting	Estimated time a student should dedicate to prepare for and participate in
Lectures	24.0 %	30.0 hours
Discussions	16.0 %	20.0 hours
Exercises in class, Asynchronous sessions, Field Work	24.0 %	30.0 hours
Group work	16.0 %	20.0 hours
Individual studying	20.0 %	25.0 hours
TOTAL	100.0 %	125.0 hours

PROGRAM

SESSION 1 (LIVE IN-PERSON)

Sustainability Topics:

- Environment

Topic 1: ?Recapitulation from cost accounting?.

Allocation of overhead costs using ABC.?

Book Chapters: Horngren's cost accounting: A managerial emphasis; Chapter 5 (See Bibliography)

SESSION 2 (LIVE IN-PERSON)

Topic 1: ?Recapitulation from cost accounting??.

Allocation of overhead costs using ABC.??

Book Chapters: Horngren's cost accounting: A managerial emphasis; Chapter 5 (See Bibliography)

SESSION 3 (LIVE IN-PERSON)

Topic 2: Introduction to Management Control?.

??Management Control Concepts. Behavior in Organizations??.

Book Chapters: Horngren's cost accounting: A managerial emphasis; Chapter 1 (See Bibliography)

SESSION 4 (LIVE IN-PERSON)

Topic 3: Responsibility centers?.

Centralization vs. Decentralization. Responsibility Centers??.

Book Chapters: Horngren's cost accounting: A managerial emphasis; Chapter 22 (See Bibliography)

SESSION 5 (LIVE IN-PERSON)

Topic 3: Responsibility centers??.

Centralization vs. Decentralization. Responsibility Centers. Assignment 7.5%.

Article: Dr. Livingroom, I Presume (Issues in Accounting Education)

Book Chapters: Horngren's cost accounting: A managerial emphasis; Chapter 22 (See Bibliography)

SESSION 6 (LIVE IN-PERSON)

Topic 4: Transfer pricing??.

Transfer pricing in multinationals. Types of transfer prices.

Book Chapters: Horngren's cost accounting: A managerial emphasis; Chapter 22 (See Bibliography)

SESSION 7 (LIVE IN-PERSON)

?Topic 4: Transfer pricing?.

?????????Transfer pricing in multinationals. Types of transfer prices.

Book Chapters: Horngren's cost accounting: A managerial emphasis; Chapter 22 (See Bibliography)

SESSION 8 (LIVE IN-PERSON)

Topic 4: Transfer pricing?.

Transfer pricing in multinationals. Types of transfer prices. Assignment 7.5%.

Book Chapters: Horngren's cost accounting: A managerial emphasis; Chapter 22 (See Bibliography)

Article: Fitting responsibility center structures to strategy: Bakery Products International (Journal of Accounting Education)

SESSION 9 (LIVE IN-PERSON)

Topic 5: Planning and budgeting?.

The budgeted income statement. The cash budget.

Book Chapters: Horngren's cost accounting: A managerial emphasis; Chapter 6 (See Bibliography)

SESSION 10 (LIVE IN-PERSON)

Topic 5: Planning and budgeting?.

The budgeted income statement. The cash budget.

Book Chapters: Horngren's cost accounting: A managerial emphasis; Chapter 6 (See Bibliography)

SESSION 11 (LIVE IN-PERSON)

?Topic 5: Planning and budgeting?.

The budgeted income statement. The cash budget.

Book Chapters: Horngren's cost accounting: A managerial emphasis; Chapter 6 (See Bibliography)

SESSION 12 (LIVE IN-PERSON)

?Topic 5: Planning and budgeting?.

The budgeted income statement. The cash budget.

Book Chapters: Horngren's cost accounting: A managerial emphasis; Chapter 6 (See Bibliography)

SESSION 13 (LIVE IN-PERSON)

?Topic 5: Planning and budgeting?.

The budgeted income statement. The cash budget.

Book Chapters: Horngren's cost accounting: A managerial emphasis; Chapter 6 (See Bibliography)

SESSION 14 (LIVE IN-PERSON)

Midterm exam?.

SESSION 15 (LIVE IN-PERSON)

Topic 6: Flexible budgeting?.

????Static budgets and flexible budgets. Flexible-budget variances and sales-volume variances. Price variances and efficiency variances for variable costs.

Book Chapters: Horngren's cost accounting: A managerial emphasis; Chapters 7 and 8 (See Bibliography)

SESSION 16 (LIVE IN-PERSON)

?Topic 6: Flexible budgeting?.

Static budgets and flexible budgets. Flexible-budget variances and sales-volume variances. Price variances and efficiency variances for variable costs.

Book Chapters: Horngren's cost accounting: A managerial emphasis; Chapters 7 and 8 (See Bibliography)

SESSION 17 (LIVE IN-PERSON)

Topic 6: Flexible budgeting?.

Static budgets and flexible budgets. Flexible-budget variances and sales-volume variances. Price variances and efficiency variances for variable costs.

Book Chapters: Horngren's cost accounting: A managerial emphasis; Chapters 7 and 8 (See Bibliography)

SESSION 18 (LIVE IN-PERSON)

Topic 7: Performance measurement?.

Calculating ROI, RI, EVA and ROS. Transforming ROI at book value to current value.

Book Chapters: Horngren's cost accounting: A managerial emphasis; Chapter 23 (See Bibliography)

SESSION 19 (LIVE IN-PERSON)

Topic 7: Performance measurement?.

Calculating ROI, RI, EVA and ROS. Transforming ROI at book value to current value.

Book Chapters: Horngren's cost accounting: A managerial emphasis; Chapter 23 (See Bibliography)

SESSION 20 (LIVE IN-PERSON)

Topic 7: Performance measurement?.

Calculating ROI, RI, EVA and ROS. Transforming ROI at book value to current value.

Book Chapters: Horngren's cost accounting: A managerial emphasis; Chapter 23 (See Bibliography)

SESSION 21 (LIVE IN-PERSON)

Sustainability Topics:

- Environment

?Topic 8: The balance scorecard.

Definition and terminology of BSC. Measures of the BSC.

SESSION 22 (LIVE IN-PERSON)

Sustainability Topics:

- Environment

Topic 8: The balance scorecard?.

Teaching comments: Definition and terminology of BSC. Measures of the BSC???

SESSION 23 (LIVE IN-PERSON)

Assignment to be presented in groups?.

Assignment 15%.

Article: Crossroads Car Wash: When Family and Finances Collide (Issues in Accounting Education)

SESSION 24 (LIVE IN-PERSON)

Assignment to be presented in groups?.

Assignment 15%??.

SESSION 25 (LIVE IN-PERSON)

Final exam.

EVALUATION CRITERIA

?For the first ordinary call students pass the subject if the average of their grades, weighted according to the percentages shown below, is 5 or more and if they obtain a minimum of 4.5 in the final exam. Students who obtain less than 4.5 in the final exam and whose average grade is higher than 4.5 will obtain a 4.5 as their final grade.?

criteria	percentage	Learning Objectives	Comments
Final Exam	35 %	<ul style="list-style-type: none">- Understand the different types of responsibility centers which can be found in organizations.- Understand transfer pricing within organizations.- Elaborate income and cash budgets and evaluate how results depart from those budgets.- Learn about key unit performance indicators.- Allocate environmental costs to products/services.- Learn about environmental performance indicators.	The final exam will cover all course content. A minimum grade of 4.5 is required on the final exam to pass the subject.

Intermediate tests	25 %	<ul style="list-style-type: none"> - Understand the different types of responsibility centers which can be found in organizations. - Understand transfer pricing within organizations. - Elaborate income and cash budgets and evaluate how results depart from those budgets. - Learn about key unit performance indicators. - Allocate environmental costs to products/services. - Learn about environmental performance indicators. 	The midterm examination will take place on session 14 and it will be worked out individually. It will cover the material presented during the first part of the course. This exam is mandatory.
Class Participation	10 %		Class participation will depend on frequency and quality of contribution as well as class attendance.
Group Work	30 %		2 assignments and one case will be worked in groups tentatively on sessions 5, 8 and 23/24. Their weights to the final grade are 7.5%, 7.5% and 15% respectively.

RE-SIT / RE-TAKE POLICY

Each student has four (4) chances to pass any given course distributed over two (2) consecutive academic years. Each academic year consists of two calls: one (1) ordinary call (during the semester when the course is taking place); and one (1) extraordinary call (or “re-sit”) in June/July.

Students who do not comply with the 70% attendance requirement in each subject during the semester will automatically fail both calls (ordinary and extraordinary) for that Academic Year and have to re-take the course (i.e., re-enroll) during the next Academic Year.

The Extraordinary Call Evaluation criteria will be subject to the following rules:

- Students failing the course in the ordinary call (during the semester) will have to re-sit evaluation for the course in June / July (except those students who do not comply with the attendance rule, and therefore will not have that opportunity, since they will fail both calls and must directly re-enroll in the course during the next Academic Year).
- It is not permitted to change the format nor the date of the extraordinary call exams or deadlines under any circumstance. All extraordinary call evaluation dates will be announced in advance and must be taken into consideration before planning the summer (e.g. internships, trips, holidays, etc.)
- The June/July re-sit will consist of a comprehensive evaluation of the course. Your final grade for the course will depend on the performance in this exam or evaluation only. I.e., continuous evaluation over the semester (e.g. participation, quizzes, projects and/or other grade components over the semester) will not be taken into consideration on the extraordinary call. Students will have to achieve the minimum passing grade of 5 and the maximum grade will be capped at 8.0 (out of 10.0) – i.e., “notable” in the extraordinary call.
- Re-takers: Students who failed the subject on a previous Academic Year and are now re-enrolled as re-takers in a course will need to check the syllabus of the assigned professor, as well as contact the professor individually, regarding the specific evaluation criteria for them as re-takers in the course during that semester (ordinary call of that Academic Year). The maximum grade that may be obtained as a retaker during the ordinary call (i.e., the 3rd call) is 10.0 (out of 10.0).

After exams and other assessments are graded by the professor (on either the ordinary or extraordinary call), students will have a possibility to attend a review session (whether it be a final exam, a final project, or the final overall grade in a given course). Please be available to attend the session in order to clarify any concerns you might have regarding your grade. Your professor will inform you about the time and place of the review session.

Students failing more than 18 ECTS credits after the June/July re-sits will be asked to leave the Program. Please, make sure to prepare yourself well for the exams in order to pass your failed subjects.

In case you decide to skip the opportunity to re-sit for an exam or evaluation during the June/July extraordinary call, you will need to enroll in that course again for the next Academic Year as a re-taker and pay the corresponding tuition fees. As you know, students have a total of four (4) allowed calls to pass a given subject or course, in order to remain in the program.

BIBLIOGRAPHY

Compulsory

- Horngren, Datar and Rajan. (2021). *Horngren's cost accounting: A managerial emphasis*. 17th. Pearson. ISBN 9781292363073 (Printed)

Available as eBook at IE Library

BEHAVIOR RULES

Please, check the University's Code of Conduct [here](#). The Program Director may provide further indications.

ATTENDANCE POLICY

Please, check the University's Attendance Policy [here](#). The Program Director may provide further indications.

ETHICAL POLICY

Please, check the University's Ethics Code [here](#). The Program Director may provide further indications.