



Management Control Systems

BUSI-4008 A

FALL 2024

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| Instructor: | John Jarecsni |
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| Phone Number: | none |
| Office: | none |
| Office Hours: | Tuesday after class – Nicol building Atrium near Bridgehead |
| TA: | To be determined |
| Office Hours: | To be determined |
| Email: | To be determined |
| Modality: | Classes: On-line asynchronous Tutorials: either in-person or on-line synchronous |
| Class Times: | On-line asynchronous |

Pre-requisites: fourth-year standing in B.Com. or B.I.B. or enrolment in the Post-Baccalaureate Diploma in Accounting with at least 2.0 credits completed in the program.

Precludes: none

Course Calendar Description (from the 2024/2025 University Calendar)

Focuses on understanding control systems that can be used to implement firm strategies and oversee the firm. Integrates relevant issues from other functional areas: corporate governance, strategic uses of cost management, budgeting, internal controls, and performance evaluation systems in managerial planning and control..

Course Description:

Management control systems are the backbone of proper operation and accountability for any organization. They refer to the process by which an organization influences, to varying degrees, the behavior of employees and the output they produce through the use of formal and informal tools. Formal control typically relies on authority-based power arising from institutionalized mechanisms such as ownership or organizational structure. However, control can also be exercised through a broad range of informal mechanisms which can influence behavior and thus

affect the probability of achieving specific outcomes. Organizational culture, risk management systems, corporate governance mechanisms, and performance assessment are all different sides of the same coin aimed at setting goals, monitoring execution, evaluating results, and allocating rewards and punishments in organizations. From that perspective, the making of managerial control processes and systems is essential for the long-term effectiveness and success of an organization.

This course focuses on managerial planning and control systems using the case method. It extends the concepts covered in the intermediate management accounting course and also integrates relevant contextual issues from other functional areas of organizations. The design of budgeting, cost management, performance measurement, performance evaluation, and reward systems, as well as governance and ethical issues, are examined. Emphasis is placed on the need for different control techniques and systems in different types of organizations and for balanced integrated systems, comprising both financial and nonfinancial controls and measures.

Drop Course Policy

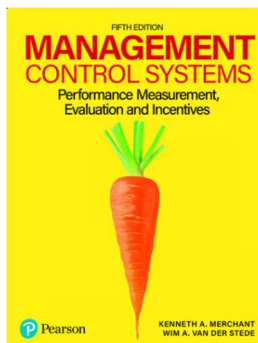
The deadline for academic withdrawal follows the dates prescribed by Carleton University: <https://calendar.carleton.ca/academicyear/>

Learning Outcomes:

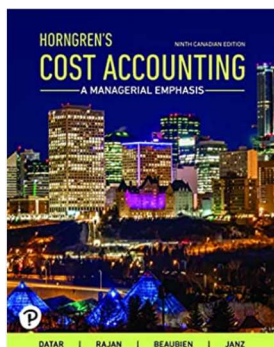
1. Identify management control problems related to cost management, budgeting, performance measurement, performance evaluation, and reward systems, as well as, governance and ethics, in private, non-profit, and public organizations;
2. Evaluate an organization's management control systems and practices, considering relevant organizational and environmental factors, to remedy management control problems;
3. Recommend appropriate managerial actions and improvements to management control systems using analyses conducted;
4. Present the results and defend recommended courses of action.

Reading(s)/Textbook(s)/Required Materials

Kenneth A. Merchant and Wim A. Van der Stede, *Management Control Systems: Performance Measurement, Evaluation and Incentives*, 5th Ed., Prentice-Hall, 2023.



Cost Accounting - A Managerial Emphasis 9th Canadian Edition by Horngren, Datar, Rajan, and Beaubien (Pearson, 2019) ISBN 9780134453736, 0134453735



You can also get by with older versions of Horngren.

ADDITIONAL REQUIRED READINGS WILL BE POSTED ON BRIGHTSPACE

Methods of Evaluation / Grading Scheme / Course Completion Requirements

| Item | Date | Weight |
|------------------------|------------------------------------|---------------|
| Weekly assignments | weekly | 20% |
| Small Case Analysis | Oct 17 | 10% |
| Group term report | Proposal – Nov 7 Report – Dec 5 | 30% |
| Final Exam | See exam schedule | 35% |
| Tutorial Participation | | 5% |
| Total | | 100% |

Weekly Assignments (20%)

Beginning the week of September 16, an assignment will be posted that asks specific questions about certain cases discussed in the tutorials and online lectures. Specific assignments and due dates are posted in Brightspace.

Each assignment will be graded out of 2:

- 1 for submitting it
- Up to 1 mark for overall quality of the submission

Small Case Analysis – Group project (10%)

Groups will analyze and critique Management Control Systems in a short case. This small case analysis is due by 11:59pm Thursday October 17. The case will be posted in Brightspace. Groups will be assigned on September 30.

Group Term Report (30%)

As a group, you are to prepare a written report on an organization selected from any field (manufacturing, merchandising, service, high-tech, non-profit, or government, etc.) with which

at least one group member is personally familiar, or for which relevant information is publicly available.

The objective of the report and presentation is to analyze a real-world organization's Management Control System(s) and recommend improvements using concepts and frameworks learned in the course.

Request for project topic (1%)

You must get pre-approval for the organization you wish to analyze. The request only has to be a paragraph or two and can be sent by email. Submissions must be made by Thurs. Nov 7. I am more than happy to meet with your group to discuss possible organizations. This request is graded as a pass/fail.

Group Report (29%)

The report should focus on Management Control issues. The report should be professional in style and format, and will be evaluated for both content and style. In writing the report, assume the role of independent management consultants reporting to senior management.

The report should include industry resources as well as additional research from relevant articles published in professional and academic outlets (e.g., journals and conference papers). For referencing, APA style is recommended, and a guide is available through library resources. It is important to document all sources of information used in the report. Please see me if there are issues related to confidential internal information.

The Project Report is to be submitted through the drop-box in Brightspace by Thursday Dec 5.

Participation (5%)

Details to be posted in Brightspace

Final Exam (35%)

The final exam will take place during the regularly scheduled final exam period. The exam will be comprised of a case (or cases) that require a cumulative understanding of materials from the entire course. **The final exam is in-person and on-campus**

Late Assignments:

Everyone is allowed to submit one assignment up to 2 days late with no explanation required as long as you tell me before the due date.

Course Schedule

| Class | Week of: | Chapter/Topic (all are Merchant, except where indicated) |
|-------|-------------------|--|
| 0 | Sept 9 7pm-8pm | Optional overview class: https://carleton-ca.zoom.us/j/98154226837?pwd=6H3fyF0wSblomwZ7DhTpUMQgAhhewl.1 Passcode: 4008 |
| 1 | Sept 9 | Ch.1 Introduction “The CPA Way” (material posted in Brightspace) |
| 2 | Sept 16 | Ch.2 and Ch.3 Results, Action and Personnel/Cultural Controls |
| 3 | Sept 23 | Ch.4 and Ch.5 Control systems and tightness |
| 4 | Sept 30 | Ch.6 Responsibility Centers |
| 5 | Oct 7 | Ch.7 Financial Results and Controls Ch.8 Planning and Budgeting Ch.23 Performance Management (Horngren) |
| 6 | Oct 14 | Ch.9 Incentive Systems |
| | Oct 21 | Reading Week |
| 7 | Oct 28 | Ch.10 and Ch.11 Financial Performance measures and Myopia Ch.23 Performance Management (Horngren) |
| 8 | Nov 4 | Ch.12 Uncontrollable factors |
| 9 | Nov 11 | Ch.13 Governance CFE case (material posted in Brightspace) |
| 10 | Nov 18 | Ch.14 Controllers and Auditors |
| 11 | Nov 25 | Ch.15 Ethical Issues |
| 12 | Dec 2 | Ch.16 Controls in NFP organizations Ch.14 Balanced Scorecard (Horngren) |
| | | Final exam – see exam schedule |

Contribution to Learning Goals of the Program ([BCom](#), [BIB](#)):

| Program Learning Goal | Competencies Not Covered | Competencies Introduced (only) | Competencies Taught But Not Assessed | Competencies Taught and Assessed |
|---|---------------------------------|---------------------------------------|---|---|
| CHECK (X) ONE PER ROW | | | | |
| BC1 Knowledge <i>Graduates will be skilled in applying foundational business knowledge to appropriate business contexts.</i> | | | | x |
| BC2 Collaboration <i>Graduates will be collaborative and effective contributors in team environments that respect the experience, expertise and interest of all members.</i> | | | | x |
| BC3 Critical Thinking <i>Graduates will be discerning critical thinkers, able to discuss different viewpoints, challenge biases and assumptions, and draw conclusions based on analysis and evaluation.</i> | | | | |
| BC4 Communication <i>Graduates will be effective and persuasive in their communications.</i> | | | | x |
| BI5 Global Awareness (BIB ONLY) <i>Graduates will be globally-minded.</i> | x | | | |

ADDITIONAL INFORMATION

Course Sharing Websites

Materials created for this course (including presentations and posted notes, labs, case studies, assignments, and exams) remain the intellectual property of the author(s). They are intended for personal use and may not be reproduced or redistributed without prior written consent of the author(s).

Required calculator in BUSI course examinations.

If you are purchasing a calculator, we recommend any one of the following options: Texas Instruments BA II Plus (including Pro Model), Hewlett Packard HP 12C (including Platinum model), Staples Financial Calculator, Sharp EL-738C & Hewlett Packard HP 10bII

Group work

The Spratt School of Business encourages group assignments in the school for several reasons. They provide you with opportunities to develop and enhance interpersonal, communication, leadership, followership, and other group skills. Group assignments are also good for learning integrative skills for putting together a complex task. Your professor may assign one or more group tasks/assignments/projects in this course. Before embarking on a specific problem as a group, it is your responsibility to ensure that the problem is meant to be a group assignment and not an individual one.

Grading

In accordance with the Carleton University Undergraduate Calendar (p 34), the letter grades assigned in this course will have the following percentage equivalents:

| | | | |
|--------------|-------------|-------------|-------------|
| A+ = 90-100 | B+ = 77-79 | C+ = 67-69 | D+ = 57-59 |
| A = 85-89 | B = 73-76 | C = 63-66 | D = 53-56 |
| A - = 80-84 | B - = 70-72 | C - = 60-62 | D - = 50-52 |
| F = Below 50 | | | |

Grades entered by Registrar:

WDN = Withdrawn from the course

DEF = Deferred

Academic Regulations

University rules regarding registration, withdrawal, appealing marks, and most anything else you might need to know can be found on the university's website, here:

<http://calendar.carleton.ca/undergrad/regulations/academicregulationsoftheuniversity/>

Requests for Academic Accommodation

Carleton is committed to providing academic accessibility for all individuals. You may need special arrangements to meet your academic obligations during the term. The accommodation request processes, including information about the *Academic Consideration Policy for Students in Medical and Other Extenuating Circumstances*, are outlined on the Academic Accommodations website (students.carleton.ca/course-outline).

You may need special arrangements to meet your academic obligations during the term. For an accommodation request, the processes are as follows:

Pregnancy Accommodation

Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. For more details, visit the Equity Services website: carleton.ca/equity/wp-content/uploads/Student-Guide-to-Academic-Accommodation.pdf

Religious obligation

Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. For more details, visit the Equity Services website: carleton.ca/equity/wp-content/uploads/Student-Guide-to-Academic-Accommodation.pdf

Academic Accommodations for Students with Disabilities

If you have a documented disability requiring academic accommodations in this course, please contact the Paul Menton Centre for Students with Disabilities (PMC) at 613-520-6608 or pmc@carleton.ca for a formal evaluation or contact your PMC coordinator to send your instructor your Letter of Accommodation at the beginning of the term. You must also contact the PMC no later than two weeks before the first in-class scheduled test or exam requiring accommodation (if applicable). After requesting accommodation from PMC, meet with your instructor as soon as possible to ensure accommodation arrangements are made. carleton.ca/pmc

Survivors of Sexual Violence

As a community, Carleton University is committed to maintaining a positive learning, working and living environment where sexual violence will not be tolerated, and its survivors are supported through academic accommodations as per Carleton's Sexual Violence Policy. For more information about the services available at the university and to obtain information about sexual violence and/or support, visit: carleton.ca/sexual-violence-support

Accommodation for Student Activities

Carleton University recognizes the substantial benefits, both to the individual student and for the university, that result from a student participating in activities beyond the classroom experience. Reasonable accommodation must be provided to students who compete or perform at the national or international level. Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. <https://carleton.ca/senate/wp-content/uploads/Accommodation-for-Student-Activities-1.pdf>

For more information on academic accommodation, please contact the departmental administrator or visit: students.carleton.ca/course-outline

Academic Integrity

Violations of academic integrity are a serious academic offence. Violations of academic integrity – presenting another’s ideas, arguments, words or images as your own, using unauthorized material, misrepresentation, fabricating or misrepresenting research data, unauthorized co-operation or collaboration or completing work for another student – weaken the quality of the degree and will not be tolerated.

Process: If an alleged violation occurs, all relevant documentation will be forwarded to the Dean. If the allegation proves true, the penalties may include; a grade of Failure on the submitted work and/or course; academic probation; a refusal of permission to continue or to register in a specific degree program; suspension from full-time studies; suspension from all studies at Carleton; expulsion from Carleton, amongst others. **For a first offence, at a minimum, the penalty assigned will normally be a zero on the submitted work and at least a minimum full grade reduction of the final course grade. For a second offence, at a minimum, the penalty assigned will normally lead to a suspension from studies.**

Students are expected to familiarize themselves with and follow the Carleton University Student Academic Integrity Policy which is available, along with resources for compliance at: <https://carleton.ca/registrar/academic-integrity/>.

Other Useful information

- Don’t run with scissors. Listen to your mother. Look both ways before you cross the street.
- An example of “bloat” is when things are put in a course outline that could be a link.

Sprott Student Services

The Sprott Undergraduate Student Services Office offers program advising and overall student success support. Our team is available to discuss your academic goals and your program progression plans. We can also work with you to develop strategies for success, including study skills for Business. If you experience any difficulty this term or if you would like to access support, please contact our team at bcom@sprott.carleton.ca or at bib@sprott.carleton.ca.

Centre for Student Academic Support

The Centre for Student Academic Support (CSAS) is a centralized collection of learning support services designed to help students achieve their goals and improve their learning both inside and outside the classroom. CSAS offers academic assistance with course content, academic writing and skills development. Visit CSAS on the 4th floor of MacOdrum Library or online at: carleton.ca/csas.

Important Information:

- Students must always retain a copy of all work that is submitted.
- All final grades are subject to the Dean’s approval.

- For us to respond to your emails, we need to see your full name, CU ID, and the email must be written from your valid CARLETON address. Therefore, in order to respond to your inquiries, please send all email from your Carleton CMail account. If you do not have or have yet to activate this account, you may wish to do so by visiting <https://carleton.ca/its/get-started/new-students-2/>
