



Carleton
University

Sprott
School of Business

CARLETON UNIVERSITY
SPROTT SCHOOL OF BUSINESS
BUSI 4008A
WINTER 2024
MANAGEMENT CONTROL SYSTEMS

Instructor: Jasdeep Bajwa
Office Hours: By appointment
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Modality: In-class, Tuesdays 2:35pm – 5:25pm
TA information: To be determined

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.

Course Calendar Description from the [2023/2024 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.

Learning Outcomes:

1. Understand advanced management control concepts, techniques, and practices applicable to private, non-profit, and public organizations;
2. 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;
3. Identify and apply appropriate management control techniques to remedy management control problems in private, non-profit, and public organizations;
4. Analyze and evaluate an organization's management control systems and practices, considering relevant organizational and environmental factors;
5. Recommend appropriate managerial actions and improvements to management control systems using analyses conducted;
6. Present the results and arguments in an effective manner and defend recommended courses of actions.

Textbook, Readings, and Required Course Material:

Kenneth A. Merchant and Wim A. Van der Stede, *Management Control Systems: Performance Measurement, Evaluation and Incentives*, 4th Ed., Prentice-Hall, 2018.

An e-text version of the above noted textbook is available if you prefer this to a print version.

Additional required readings will be listed in Brightspace.

Internet access is also required.

Course Requirements and Methods of Evaluation:

Reference	Component	Weight (% of final grade)	Due Date(s)
A	Participation	20%	See below
B	In-class quizzes	5%	See below
C	Individual Assignment	20%	February 16
D	Team Project	25%	April 5
E	Final Exam (on campus, e-proctored)	30%	To be scheduled during the exam period (Apr 13-25)

Each component of your grade will be assigned a percentage score. Your final course grade will be a weighted average of each of these components, as per the weights defined in the table above.

Late work policy: Sometimes, despite our best efforts, we cannot meet our deadlines. You have **two days of grace** that you can apply to any weekly case debrief submission (see below) or your individual assignment, meaning that one assessment can be two days late, or two assessments can each be one day late, without penalty. If you wish to use these days of grace, you **do not** have to notify me – I will keep track of late submissions. Once the two days have been used, no further lateness will be accepted and any late submissions at that stage will receive 0. Grace days will not be granted for any other grade components.

A. Participation (20%)

Participation during class discussions will be crucial to your success in the course. As this is a case-based course, we will spend a considerable amount of time during each lecture discussing and solving a relevant weekly case. Participation will be evaluated as follows:

- **Case debriefs (5%):** You will be assigned weekly cases to attempt prior to each class, with the goal of you coming to class ready to discuss. You are encouraged to critically reflect on your case responses in comparison to the discussions held in class and identify areas for improvement - I.e. you should debrief your case responses after class. You may submit your debriefed case response in Brightspace (due by 11:59PM the day after class) for an opportunity to earn 0.5% per submission, for any 10 (ten) cases throughout the course. The full 0.5% will be granted based on the instructor's evaluation of whether the student made a genuine effort to reflect on their response. You must come to class to benefit from the case discussions – suggested solutions will not be posted on Brightspace (unless deemed necessary by the instructor). Further instructions for completing the debrief will be provided in class.
- **In-class participation (15%):** You are encouraged and expected to engage with the lecture material by answering and asking questions and contributing to in-class discussions. Your participation will be evaluated holistically throughout the term.

B. In-class Quizzes (5%)

A total of five (5) in-class quizzes will be held throughout the term to evaluate students' understanding of lecture material, because a thorough understanding of course concepts is required to ultimately succeed at analyzing cases.

C. Individual Assignment (20%)

The individual assignment consists of a case analysis covering concepts seen during Weeks 1-5. The individual assignment must be submitted in Brightspace before end-of-day on **February 16, 2024**. Additional instructions will be provided in Brightspace.

D. Team Project (25%)

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.). The objective is to analyze the organization's management control systems and recommend

improvements using concepts covered in the course. The team report must be submitted in Brightspace before end-of-day on **April 5, 2024**. Detailed instructions are available in Brightspace. Please be aware of the following interim deadlines:

- Form groups of 3-4 and submit to Brightspace by **January 26th**
- Select the organization and submit to Brightspace by **February 9th**

E. Final Exam (30%)

A final examination will take place during the university scheduled final exam period. The final exam is cumulative. University policy with respect to examinations will be strictly adhered to. Supplemental and grade-raising examinations are not available. **If the mark on the final exam is less than 50%, the final grade for the course will be an F.**

E-proctoring

The final exam will be a digital in-person exam, meaning that students will use their laptops to write the exam and it will be held on campus. Therefore, virtual proctoring service provided by Scheduling and Examination Services will be used during the final exam. You can find more information at <https://carleton.ca/ses/e-proctoring/>.

The minimum computing requirements for this service are as follows:

Hardware: Desktop, or Laptop

OS: Windows 10, Mac OS 10.14, Linux Ubuntu 18.04

Internet Browser: Google Chrome, Mozilla Firefox, Apple Safari, or Microsoft Edge

Internet Connection (High-Speed Internet Connection Recommended)

Webcam (HD resolution recommended)

Note: Tablets, Chromebooks and Smartphones are not supported at this time. Windows based tablets are not supported at this time.

Important Dates:

Last day to withdraw from the course with a fee adjustment	January 31, 2024
Individual Assignment due:	February 16, 2024
Last day to withdraw from the course (academic withdrawal)	March 15, 2024
Team Project due:	April 5, 2024
Final Exam	April 13 - 25, 2024

Preliminary Course Schedule:

WEEK	DATE	TOPIC	REQUIRED READINGS (TEXTBOOK CHAPTERS)
1	Jan 9	Introduction and CPA Way	1
2	Jan 16	The different types of control	2 and 3
3	Jan 23	Control system tightness and costs	4 and 5
4	Jan 30	Designing and evaluating control systems	6
5	Feb 6	Financial responsibility centers	7
6	Feb 13	Planning and budgeting	8
		Reading week (Feb 19-23)	
7	Feb 27	Incentive systems	9
8	Mar 5	Financial performance measures	10
9	Mar 12	Myopia problem and uncontrollable factors	11 and 12
10	Mar 19	Corporate governance	13
11	Mar 26	Controllers and auditors	14
12	Apr 2	Ethical Issues and Management Control in NFP Organizations	15 and 16
13	Apr 9	TBD – Review class	N/A

Please note that the above schedule is preliminary and may change at the instructor's discretion.

Preparation for Each Class:

Students are expected to come prepared to each class. Preparation includes the following:

- Reading the relevant textbook chapter(s) - as per tentative course schedule above
- Reading any additional assigned articles
- Preparing a response to the weekly assigned case

Weekly article readings and cases will be posted on Brightspace.

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>				X
BC4 Communication <i>Graduates will be effective and persuasive in</i>				X

<i>their communications.</i>				
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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 Sprott School of Business encourages group assignments in the school for several reasons. They provide you with opportunities to develop and enhance interpersonal, communication, leadership, follower-ship 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

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/>.

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/>
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