



Carleton
University

Sprott
School of Business

CARLETON UNIVERSITY
SPROTT SCHOOL OF BUSINESS
BUSI 4008R
FALL 2023
MANAGEMENT CONTROL SYSTEMS

Instructor: Jasdeep Bajwa
Office Hours: Online, by appointment
Email: jasdeepbajwa3@cunet.carleton.ca

Modality: Online, asynchronous
TA information: To be determined
Pre-requisites: Fourth-year standing 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.

Prerequisite(s): 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 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.

An internet access is also required.

Course Requirements and Methods of Evaluation:

Reference	Component	Weight (% of final grade)	Due Date(s)
A	Participation	20%	Deadlines each week starting September 12 th
B	Individual Assignment (open books, individual)	25%	October 20 th
C	Team Project (group)	25%	December 1 st
D	Final Exam (closed-book, e-proctored, individual)	30%	To be scheduled during the exam period

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. All submissions must be made in Brightspace.

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 individual assignment (except the final exam). For example, a single assignment may be two days late or two assignments may each be one day late with no penalty. If you wish to use these days of grace, send me an email **by the deadline** indicating you plan on submitting the assignment late. Once the two days have been used, no further lateness will be accepted and any late submissions at that stage will receive 0.

A. Participation (20%)

Participation will be assessed using the following items:

- **Introduction:** In Brightspace, there is a discussion forum called “Introductions”. Introduce yourself to the class and let us know why you are taking the course and what you are hoping to get out of it. Introducing yourself is worth 0.5 mark.
- **Practice cases:** Each week, there will be practice problems/cases to solve. In order to perform well in this course, it is critical not only to try **solving these problems/cases** but also to **debrief your work** and compare what you did to the suggested response so that you can progress, improve the structure of your response, and familiarize yourself with the type of problems you will have to solve for the individual assignment and final exam.

You can submit your attempt at solving these problems/cases in Brightspace each week. A Word file and/or an Excel spreadsheet should be used to complete the work. Each weekly submission is worth 0.5 mark, for a maximum of 6 marks.

I will post videos/documents that present the suggested response for each problem/case. You will have **one week to look at the suggested response, comment on your original work** (you can use the comment function in Word, for example), and submit your reviewed work in Brightspace. Each submission (reviewing and commenting on

your original) is worth 1 mark, for a maximum of 12 marks. Even if you did not submit your attempt at solving the problem/case before the first deadline, you can still submit your debriefing work before the second deadline.

- **Highlights:** Each week, you can write a one-pager (double-space 12-point Times New Roman) describing what you learned reading the textbook, watching the videos, and doing the problems/cases. You can discuss the concepts you found difficult, how the concepts relate to other weeks' or other courses' concepts, etc. You can draw figures if you find that helpful. Each submission is worth 0.5 mark, for a maximum of 6 marks.
- **Contemporary articles:** In Brightspace, there is a discussion forum called "Contemporary articles". You can find, summarize, discuss contemporary articles using the course concepts, and share the result of your analysis with the group. Each post about a relevant contemporary article is worth 1 mark, for a maximum of 3 marks.

As you may have noted, there are 27.5 marks available. Thus, you can decide how to invest your time and efforts so that you can collect 20 marks. Additional participation opportunities may be added throughout the term.

B. Individual Assignment (25%)

The individual assignment consists in a case analysis covering concepts seen during Weeks 1-5. The individual assignment must be submitted in Brightspace before end-of-day on **October 20th**. Additional instructions will be provided in Brightspace.

C. 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 on **December 1st**. Detailed instructions are available in Brightspace.

D. 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

Please note that the final exam in this course will use a remote proctoring service provided by Scheduling and Examination Services. 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.

Preliminary Course Schedule:

WEEK	TOPIC	REQUIRED READINGS (TEXTBOOK CHAPTERS)
1	Introduction	1
2	The different types of control	2 and 3
3	Control system tightness and costs	4 and 5
4	Designing and evaluating control systems	6
5	Financial responsibility centers	7
6	Planning and budgeting	8
7	Incentive systems	9
8	Reading week	
9	Financial performance measures	10
10	Myopia problem and uncontrollable factors	11 and 12
11	Corporate governance	13
12	Controllers and auditors	14
13	Ethical Issues and Management Control in NFP Organizations	15 and 16

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 their communications.</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, 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/>
-