

THE ICAI UNIVERSITY JAIPUR
IBS Business School
Course Handout
MBA
Second Semester: 2013-2014

Course Code/No.	Course title	L	P	U
SL GM 601	Management Control Systems	3	0	3

1. Instructor-in-charge : **G. D. Rathod**
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2. Scope & Objective of the course:

The course aims to provide a broad understanding about the control process and reporting system within a challenging environment taking into account the structure, culture and style of the organisation with adequate emphasis on key success variables, responsibility centres and management audit.

At the end of the course, the student will be able to:-

1. Analyze the need of control mechanism in an organization and design the crucial control process hierarchy.
2. Compare the different schools of thoughts in control and discuss the sector specific key success variables.
3. Demonstrate the different types of organization structure and predict the structural requirement of an adaptive organization.
4. Select various tools for managerial control both qualitative as well as quantitative.
5. Explain the scope and direction of different responsibility centers and apply them for responsibility accounting.
6. Design the control dynamics for a Multi National Corporation and compute transfer price.
7. Prepare control mechanism for service organization, non profit organization and projects.
8. Select the parameters for evaluating management audit.

3. (a) Textbook(s):

T1	Management Control Systems , Fed Uni, 2008
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(b) Reference book(s):

R1	Management Control Systems , Robert Anthony and Vijay Govindarajan - TMH, 2000
R2	Management Control Systems : Using Adaptive Systems to Attain Control, 2 nd ed, Maciariello, Joseph A / Kirby, Calvin J. Prentice-Hall, India, 2004

(c) Other readings: Annual Reports of leading Indian Companies from the Websites .

Financial daily The Economic Times, Business Standards etc.

(e-copy of finance news papers can be read from the respective websites)

Finance Magazines: Business India, Business World, Business Today etc.

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Lecture-wise plan

Lecture/ Session Nos.	Learning Objectives	Topics to be covered	Reference (Chapter/Sec./ Page Nos. (of Text/ Ref. Books)
1-4	To analyze the Nature of management control- purpose of MCS-the organizational context of MCS-the formal systems- the informal systems- the subsystems and the components of the control systems- use of information technology on control systems,	Introduction to Management Control Systems	T1: Ch 1, page 1-24 R1: Ch 1 , page 1-14 R2: Ch 1, page 1-22 R2 : ch2 page 54
5-9	To understand schools of thoughts in control (contingency approach, cybernetics approach) – designing management controls- the control process hierarchy- communication and reporting structures in the control systems. To know various Ethical dimensions in MCS, and understand corporate culture of MCS, organization structures.	Designing the Control Process and Managerial Controls	T1: Ch 2, page 25-54 R2: Ch 2 , page 38-54 T1: Ch 8 , page 154-155
10-13	To understand the meaning of Goal congruence, Action Control, Result Control, Types of organizations, functions of controller.	Behavior in Organizations	R1: Ch 3, page 93-107 T1: Ch1, 12, 29
14-16	To identify key success variables-key success variables and the control paradigm- performance indicators-EVA and profitability measures.	Key Success Variables and Measures of Performance	R2: ch3, page 77-103 R1: ch 7 , page 299
17-20	To understand Responsibility accounting , Different Types of responsibility Centers (Investment centers, revenue centers, expense centers, administrative and support centers, R&D Centers, marketing centers, profit centers), general considerations/business units as profit centers/measuring loose coupling between inter profit centers	Responsibility Centers	R2: ch 6, page 185-219 R1: ch 4, page 147-163
21-24	To understand Nature of a budget, operating and other budgets, flexible and fixed budgets, budget preparation process, behavior aspects.	Budget Preparations	T1 ; ch 4, page74-88

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25-28	To analyze Financial Performance Reports: Calculating variances like material, labour and profit: limitations of variance analysis, tools like standard costing, target costing, life cycle costing and activity based costing.(appropriate numerical examples should be given)	Financial reporting	T1 ; ch 5, page90-108
29-31	To know Characteristics, Professional service organizations, Financial service organizations, Healthcare organizations, Non profit organizations.	MCSs in Service& Non Profit Organizations	T1: Ch 13, page295-313 R1: Ch 14, page 684-699
32-34	To understand Control issues, cultural differences, exchange rates, transfer pricing-objectives, methods, administration of transfer prices. (appropriate numerical examples should be given)	MCS in Projects	T1: ch 14, page 317-342
35-37	To understand Nature of projects, control environment, project planning and appraisal, project execution, project evaluation	MCS of Multinational Corporation	R1: ch15, page 755-771
38-40	To know Concepts, types, process of Management Audit and applications in various functions.	Management Audit	T1 : Ch6 page-118 to 121

5. Evaluation Scheme:

Component	Duration (hr/min)	Weightage (%)	Course coverage/ Syllabus	Date/ Time	Remarks
Individual Assignment		8	Based on the topic related to pre-mid-term syllabus	Announcement date: 28.10.2014 Submission date: 11.11.2014	Library/web research
Test -I	30 min	7	Session 1to9	10.11.2014 10:15-10:45	Case/theory
Academic Interactions		2			Evaluated by the instructor in the middle of the semester
Regularities in class		3			Evaluated by the instructor

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Mid Term Examination	90 min	20	Session 1to20	12.12.2014 10:00-11:30 am	Closed book written Examination
Group Presentations		8	Based on defined case studies	Announcement date:16.12.2014 Presentations from 06.01.2015	
Test-II	30 min	7	Sessions 21-31	13.01.2015 11:15-11:45	Problems & theories
Academic Interactions		2			Evaluated by the instructor in the END of the semester
Regularities in class		3			Evaluated by the instructor
End Term Examination		40	Sessions 1-40, entire course	28.01.2015 10:00 am - 01:00 pm	Closed book written Examination
	TOTAL	100			

6. **Chamber Consultation Hours:** Every Thursday between 4:00 pm to 5:00pm

7. **Make-up Policy:** Make up tests will be allowed to the students only in case of genuine circumstances. However, there has to be a Prior and proper intimation to the undersigned or the Program Coordinator

8. **General:**

a. Assignments topic will cover the given syllabus but it should be aligned with the current business scenario

Date: ___07.10.2014 _____

Name & Signature of I/C

Form: GT/2