

Accounting for Management Control (22E25000)

5.9.-2.10.2017

Venue: See MyCourse for details. (C-350. Tuesday 12.15-16.00).

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I am available for questions before and after classes, and by email.

COURSE OBJECTIVE AND APPROACH TO LEARNING

The objective of the course is to deepen the understanding of accounting based controls as part of the organizations management systems. The role of accounting in both strategic and operational control is discussed. The aim is to develop student's competences in applying such controls to assist in various managerial challenges. Course allows insights into the current research in this field as well as helps those who plan to undertake thesis in this topic area.

Lectures will not cover the content of the course readings, but will provide additional insights and practical applications and examples on topics covered. Course readings are essential to learning and student should read them independently and be ready to discuss those during the class. You will definitely get more out of this course in case you read lecture materials in advance. Student will get some appreciation of current research in this field through the articles included in the course requirements.

To achieve the learning objectives students need to work independently in between classes.

Classroom hours, 24 h

Class preparation, 46 h

Case assignments, 40 h

Exam preparation, 46 h

Exam, 4 h

Evaluation: 0-5

Lectures, cases and group assignments (50%).

Exam (50%). Management Control Systems, Merchant & Van der Stede, 3rd ed, Prentice Hall.

SCHEDULE

5.9. MANAGEMENT SYSTEMS

- Introduction to the course and practicalities
- Accounting as part of the organizational management system
- Causes of control problems
- What are the uses of measurement systems?
- Different organizational contexts
- Strategy as a basis for performance management systems

12.9. FINANCIAL RESULTS BASED CONTROLS, BUDGETING AND ROLLING FORECASTING

You are required to read the following articles to the lecture:

1. Frow,N., Marginson.D. & Ogden, S. 2010. "Continuous budgeting: Reconciling budget flexibility with budgetary control. Accounting, Organizations & Society, 35(4), 444-461.
2. Hansen, S.C. 2010. A Theoretical analysis of the impact of adopting rolling budgets, activity-based budgeting, and beyond budgeting, European Accounting Review.

- The role and purposes of budgets
- Problems with traditional annual budgeting.
- Beyond Budgeting. Start-up's.
- Rolling Forecasting

Case Baldwin bicycles.

19.9. ABC FOR STRATEGIC CONTROL

You are required to read the following case to the lecture:

Case Wisa Paper

ABC and EVA

Strategic Scorecards and performance measurement

Guest lecture: August Accosiates, Pasi Torppa, Antti Suontausta

26.9. PERFORMANCE MEASUREMENT OF BUSINESS UNITS

You are required to read the following case to the lecture:

Case Quality Metal Service Center

Management control of business units.

2.10 BALANCED SCORECARD

You are required to read the following case to the lecture:

Case KCI Konecranes

Balanced Scorecard

Management control package

Malmi, T. & Brown, D, 2008. Management Control Systems as a Package – Challenges, Opportunities and Research Directions, *Management Accounting Research*, 19, 287-300.

Buckingham, M. & Goodall, A., 2015. Reinventing Performance Management, *Harvard Business Review*, April, 40-50.