

MOS 4471B Management Control Systems Course Outline: Section – All Winter 2017

1. Course Information:

1.1 Class Location and Time:

Class Section	Days	Start Time	End Time	Bldg and Room	Instructor
001	Wednesday	6:30 pm	9:30 pm	UCC 66	Strickland
002	Tuesday	6:30 pm	9:30 pm	UCC 66	Strickland
003	Monday	1:30 pm	2:30 pm	UCC 54B	Dawson
	Wednesday	1:30 pm	3:30 pm	UCC 54B	
004	Tuesday	1:30 pm	2:30 pm	SSC 3010	Dawson
	Thursday	1:30 pm	3:30 pm	SSC 3010	
005	Wednesday	12:30 pm	3:30 pm	SSCSC018	Hawn

1.2 Contact Information:

Instructor, Class Location and Time:

Bill Dawson Office: SSC 4430 Sections: 003, 004
 (course coordinator) Phone: 519-661-2111 #82293
 Email: bdawson@uwo.ca
 Website Address: <https://owl.uwo.ca/portal>
 Office Hours: Monday 10:00-12:00 and Friday 10:00-1:00

Ruth Ann Strickland Office: SSC 4307 Sections: 001, 002
 (co-coordinator) Phone: 519-661-2111 #88377
 Email: rstrickl@uwo.ca
 Website Address: <https://owl.uwo.ca/portal>
 Office Hours: See Instructor

Barry Hawn Office: SSC 4405 Sections: 005
 Phone: 519-661-2111 #84515
 Email: bhawn@uwo.ca
 Website Address: <https://owl.uwo.ca/portal>
 Office Hours: See Instructor

DAN Management and Organizational Studies strives at all times to provide accessibility to all faculty, staff, students and visitors in a way that respects the dignity and independence of people with disabilities. Please contact the course

instructor if you require material in an alternate format or if you require any other arrangements to make this course more accessible to you. You may also wish to contact Services for Students with Disabilities (SSD) at 519-661-2111 ext 82147 for any specific question regarding an accommodation. More information about “Accessibility at Western” is available at: <http://accessibility.uwo.ca>

2. Calendar Description

2.1 Course Description:

An integrated study of the nature of control systems, the management control environment and the management control process. Management Control is a critical function of management that increases the probability of organization success. A detailed review of Management Control Systems to achieve organization goals, objectives and strategies.

Antirequisite(s): The former MOS 3371A/B or the former MOS 3372

Prerequisite(s): MOS 3370A/B and enrolment in the 4th year of BMOS.

Corequisite(s):

Pre-or Corequisite(s):

Extra Information: 3 lecture hours, 0.5 course

2.2 Senate Regulations

Senate Regulations state, “unless you have either the requisites for this course or written special permission from your Dean to enroll in it, you will be removed from this course and it will be deleted from your record. This decision may not be appealed. You will receive no adjustment to your fees in the event that you are dropped from a course for failing to have the necessary prerequisites.”

3. Textbook

Merchant, Kenneth A., & Wim A. Vander Stede (2012), Management Control Systems: Performance Measurement, Evaluation and Incentives, Custom Edition for MOS 4471 Western University, 2017 ISBN: 13:978-1-323-58798-0

Merchant, Kenneth A., & Wim A. Vander Stede (2012), Management Control Systems: Performance Measurement, Evaluation and Incentives, Third Edition Prentice Hall. (ISBN 978-0-273-73761-2) (used)

Management Accounting MOS 4471B Custom Publication for Western University, 2016 Available at bookstore.

4. Course Objectives and Format

4.1 Course objectives

The objective of this course is to provide students with an integrated study of the nature of control systems, the management control environment and the management control process. Management control is a critical function of management; it increases the probability of organizational success.

4.2 Course format

Weekly classes will include lectures, group discussions and discussing assigned problems and cases, plus a group presentation (see below).

Participation is required. Solutions will be posted on OWL2.

5. Learning Outcomes

The course is taught using lectures and case studies. The cases permit the exploration of the management control issues in a broad range of settings (eg. large and small firms, manufacturing and service firms, multinational firms, start-ups). Using a case study approach, the course aims to enable students to gain knowledge, insights, and analytical skills related to how managers go about designing, implementing and using planning and control systems in pursuit of an organization's strategies.

Management can use a combination of mechanisms to achieve organizational control.

One is to hire good people who can be relied upon to serve the firm well (personnel controls). Another alternative is to ensure that employees do not perform certain actions known to be harmful to the organization (*action controls*). Finally, management control can be achieved by rewarding individuals for generating good results (*result controls*).

The course focuses on the use of *result controls*, i.e. those that involve measurement and evaluation of financial and non-financial performance. The course explores the key decisions that must be made is using *results controls*, such as, choices of performance measures, performance standards and targets, and performance-based incentives.

Limitations of traditional financial performance measures are discussed (i.e. their tendency to make managers excessively short-term oriented) and recently developed approaches to deal with these shortcomings are analyzed (eg. EVA, Balanced Scorecard).

Evaluate Management Control Systems (MCS) for Profit organizations and Non-Profit organizations. Assess the efficiency and effectiveness of the MCS in place. Determine appropriate type of responsibility centre. Assess performance evaluation in place for motivating managers to achieve overall company goals and objectives. Evaluate strategic planning and budgeting programs.

6. Evaluation

Date	Percentage of Course Grade
Class participation (5% Case Memos, Misc; 10% Class Participation)	15%
In-class case presentations and reports	10%
Mid-Term Examination Friday, Feb 17 2:00-5:00	25%
Group Research Report and Presentation	15%
Final Exam (Calculators will be the only item allowed for all examinations) Exam Period April 9-30	35%

Group Research Report and Presentation (15%)

Analyze and present to class (group presentation) a 15-20 minute application of a company's MCS and assess its efficiency and effectiveness for a specific component of its MCS. Explain application and provide examples of how this is used by company. Details posted to OWL.

Worth 15% of your mark (10% for presentation, 5% for report. Participation in other class members presentations is encouraged. Each research report includes a formal written report (5-10 pages), double spaced plus exhibits.

The student's achievement of the objective will be evaluated in as listed above. Classroom contribution evaluation will be based on class participation in presenting and discussing assigned problem material. The classroom contribution component of the total mark for the course is an integral part of that mark and will not be waived. In addition, attendance and participation in the classes is important as the material is technical in nature.

Class participation:

In a case study course your regular participation is essential to a successful learning experience. Accordingly, your grade will be improved by consistent class preparation. Evidence of an attempt to critically evaluate the cases and assigned material is expected, and will form the basis of the class participation mark. In addition, each student will identify **one** issue in **five** of the asterisked (*) cases that they are **not** directly assigned to and hand in **a one page memo** identifying a key issue, an evaluation of its implications and a recommendation. These will be graded Very Good (S+ , 5), Good (S , 3) and Inadequate (S- . 1). One-third (5% of the 15%) of the participation grade will be based on these memos.

Case study presentations and written reports (10%):

Each group (4-5 students) will present one case during the semester. For each case study the group must submit copy of power point, at the time of the presentation. The group will be responsible for identifying the problems and issues of the case and providing a set of recommendations. Every student is encouraged to participate in group presentations. Feel free to be creative in how you elect to participate!

A well crafted presentation will engage the class. Each presentation is to be 15-25 minutes of class time.

Group Research Report and Presentation (15%)

- Responsibility Centres
- Transfer Pricing
- Budgeting
- Incentive/Performance Evaluation Measures
- Balance Scorecard
- Non-Profit Organizations

Closed book examinations. Dictionaries are NOT allowed into the examinations. Only non-programmable calculators will be allowed into the exams. If you are unsure, please ask your professor to check your calculator.

Students are responsible for material covered in the lectures as well as the assigned chapters/sections in the text and Custom Publication. Exams will not be returned to students but may be reviewed in the instructor's office.

Students are **REQUIRED TO COMPLETE ALL COMPONENTS** of this course. There are no exceptions to this. Extra assignments to improve grades will **NOT** be allowed. Exams will be scored using the program Scan Exam which examines the answer sheets for unusual coincidences in the pattern of answers given which may be indicative and used as supporting evidence of cheating.

Grades will **not** be adjusted on the basis of need. It is important to monitor your performance in the course. Remember: *You* are responsible for your grades in this course.

7. University Policy Regarding Illness

7.1 Illness

The University recognizes that a student's ability to meet his/her academic responsibilities may, on occasion, be impaired by medical illness. Illness may be acute (short term), or it may be chronic (long term), or chronic with acute episodes. The University further recognizes that medical situations are deeply personal and respects the need for privacy and confidentiality in these matters. However, in order to ensure fairness and consistency for all students, academic accommodation for work representing 10% or more of the student's overall grade in the course shall be granted only in those cases where there is documentation supplied (see below for process) indicating that the student was seriously affected by illness and could not reasonably be expected to meet his/her academic responsibilities.

Documentation shall be submitted, as soon as possible, to the appropriate Dean's office (the Office of the Dean of the student's Faculty of registration/home Faculty) together with a request for relief specifying the nature of the accommodation being requested. These documents will be retained in the student's file, and will be held in confidence in accordance with the University's Official Student Record Information Privacy Policy

http://www.uwo.ca/univsec/pdf/academic_policies/general/privacy.pdf

Once the petition and supporting documents have been received and assessed, appropriate academic accommodation shall be determined by the Dean's Office in consultation with the student's instructor(s). Academic accommodation may include extension of deadlines, waiver of attendance requirements for classes/labs/tutorials, arranging Special Exams or Incompletes, re-weighting course requirements, or granting late withdrawals without academic penalty.

Academic accommodation shall be granted only where the documentation indicates that the onset, duration and severity of the illness are such that the

student could not reasonably be expected to complete his/her academic responsibilities. (Note: it will not be sufficient to provide documentation indicating simply that the student was seen for a medical reason or was ill.)

A form to be completed by off-campus physicians is available at:

http://www.uwo.ca/univsec/pdf/academic_policies/appeals/medicalform.pdf

Whenever possible, students who require academic accommodation should provide notification and documentation in advance of due dates, examinations, etc. Students must follow up with their professors and their Academic Counselling office in a timely manner.

In the case of a final examination in the course, the student must arrange for a Special Examination or Incomplete through their Dean's office, for which you will be required to provide acceptable documentation.

If you feel that you have a medical or personal problem that is interfering with your work, you should contact your instructor and the Faculty Academic Counselling Office as soon as possible. Problems may then be documented and possible arrangements to assist you can be discussed at the time of occurrence rather than on a retroactive basis. In general, retroactive requests for grade revisions on medical or compassionate grounds will not be considered.

7.2 Make Up Examinations

The student must write a make-up exam if the regularly scheduled exam is missed for reasons for which adequate documentation is received by the instructor (this documentation must be supplied by the Academic Counseling office).

7.3 Attendance

It is expected that students will attend all classes. The professor does not provide access to lecture notes. Students are encouraged to obtain missed lecture notes from a fellow student.

8. University Policy on Cheating and Academic Misconduct

Cheating on exams will not be tolerated; students are referred to the university policy on scholastic offenses (see section 9.0 below). Looking at the test of another student, allowing another student to view your exam, or obtaining information about a test in advance are all examples of cheating. Students found cheating will receive a zero (0%) on that exam. A number of safeguards will be employed to discourage cheating. For example, examination supervisors (proctors) of the tests may ask students to move to another seat during the exam, cover their paper, avert their eyes from other students' papers, remove baseball caps, etc. This is not meant as a personal affront nor as an accusation of cheating, rather as vigilant attempts at

proctoring. A copy of guidelines about how to avoid cheating can be obtained from the office of the Ombudsperson, Room 3135 WSSB, (519) 661-3573.

Students are responsible for understanding the nature of and avoiding the occurrence of plagiarism and other academic offenses. Students are urged to read the section on Scholastic Offenses in the Academic Calendar. Note that such offenses include plagiarism, cheating on an examination, submitting false or fraudulent assignments or credentials, impersonating a candidate, or submitting for credit in any course without the knowledge and approval of the instructor to whom it is submitted, any academic work for which credit has previously been obtained or is being sought in another course in the University or elsewhere. If you are in doubt about whether what you are doing is inappropriate, consult your instructor. A claim that "you didn't know it was wrong" will not be accepted as an excuse.

The penalties for a student guilty of a scholastic offense include refusal of a passing grade in the assignment, refusal of a passing grade in the course, suspension from the University, and expulsion from the University.

9. Procedures For Appealing Academic Evaluations

In the first instance, all appeals of a grade must be made to the course instructor (informal consultation). If the student is not satisfied with the decision of the course instructor, a written appeal must be sent to the Assistant Program Director or Designate of the BMOS program. If the response of the Assistant Director is considered unsatisfactory to the student, he/she may then appeal to the Dean of the Faculty in which the course of program was taken. Only after receiving a final decision from the Dean, may a student appeal to the Senate Review Board Academic. A Guide to Appeals is available from the Ombudsperson's Office.

10. Student Responsibilities

Material covered in lectures will not always be the same as material covered in the textbook. These two sources should be viewed as complimentary and not redundant. As such, students who want to do well in this course are **strongly encouraged** to attend lectures on a regular basis. Please note that the instructor will not be providing copies of lectures notes or overheads. Therefore, if you miss a lecture, you should try to obtain this material from another student.

In this class, some students may be unaware that their private discussions are distracting to other people. If you feel that students are distracting your attention from the material, then you should ask them to be quiet. If you feel uncomfortable doing this (or the problem persists), then please see the instructor. In addition, please avoid engaging in private discussions with other students during the lectures.

To avoid unnecessary distractions, please arrive to each class on time.

11. Support Services

11.1 Support Services

The Registrar's office can be accessed for Student Support Services at

<http://www.registrar.uwo.ca>

Student Support Services (*including the services provided by the USC listed here*) can be reached at: <http://westernusc.ca/services/>

Student Development Services can be reached at: <http://www.sdc.uwo.ca/>

Students who are in emotional/mental distress should refer to Mental Health@Western http://www.health.uwo.ca/mental_health/ for a complete list of options about how to obtain help.

12. Other Issues

12.1 Grade Policy

The DAN Program has a grade policy which states that for courses in the 4000 range, the class average must fall between 70% and 77% for all sections of a course taught by the same instructor. In very exceptional circumstances only, class averages outside this range may be approved by the Undergraduate Chair or Chair. Class averages are not grounds for appeal.

12.2 Short Absences.

If you miss a class due to minor illness or other problems, check your course outlines for information regarding attendance requirements and make sure you are not missing a test or exam. Cover any readings and arrange to borrow the missed lectures notes from a classmate.

12.3 Extended Absences.

If you are absent more than approximately two weeks or if you get too far behind to catch up, you should consider reducing your workload by dropping one or more courses. The Academic Counsellors can help you to consider the alternatives. At your request, they can also keep your instructors informed about your difficulties.

12.4 Academic Concerns.

If you are in academic difficulty, it is strongly recommended that you see your academic counsellor.

12.5 Important Dates:

January 5: Classes resume

January 13: Last day to add a second term half course.

February 20: Family Day. All offices closed.

February 20 – 24: Reading Week.

March 7: Last day to drop a second term half course without penalty.

April 7: Classes end

April 8: Study day

April 9 – 30: Examination Period

April 14: Good Friday. All offices closed.

April 30: Second term ends. Last day to apply for Spring Graduation.

13. Other Information

- Bring student identification to exams.
- Nothing is to be on/at one's desk during an exam except a pencil, an eraser, and the individual's student card
- Do not wear baseball caps to exams
- Do not bring music players, cell phones, beepers, or other electronic devices to exams

For The University of Western Ontario Senate Regulations, please see the Handbook of Academic and Scholarship Policy at:

http://www.uwo.ca/univsec/academic_policies/index.html

14. Lecture and Examination Schedule

#	Date	Reading	Topic and In-Class Assignments	Cases
1	Week of Jan 9-13	MV Ch 1	<ul style="list-style-type: none"> Course Introduction Management Control Framework 	Leo's Four-Plex Theatre (p. 19) Wong's Pharmacy (p. 20)
2	Week of Jan 16-20	MV Ch 2 MV Ch 3	<ul style="list-style-type: none"> Results Control Action, Personnel and Cultural Controls Determine Case groups and assign cases 	Armco (p. 35) Axeon N. V. (p. 66)
3	Week of Jan 23-27	MV Ch 4 MC Ch 5	<ul style="list-style-type: none"> Control System Tightness Control Systems Control System Costs 	*Controls at Bellagio (p. 84) *Sunshine Fashion (OWL)
4	Week of Jan 30 to Feb 3	MV Ch 6 MV Ch 7	<ul style="list-style-type: none"> Designing and Evaluating Management Control Systems Financial Responsibility Centers and Transfer Pricing 	*Air Tex Aviation (OWL) Shuman Auto (Casebook)
5	Week of Feb 6-10	CB Ch 22 CB Ch 23 (Casebook)	<ul style="list-style-type: none"> The Management Control Environment The Management Control Process 	Zumwald AG (p. 149)
6	Week of Feb 13-16	MV Ch 8 CB Ch 24	<ul style="list-style-type: none"> Planning and Budgeting Strategic Planning and Budgeting 	Vershire (Casebook)
	Feb 17		MID-TERM EXAM: Friday, February 17 2:00-5:00	
	Feb 20-24		READING WEEK; NO CLASSES	
7	Week of Feb 27 to Mar 3	MV Ch 9 MV Ch 10 (Casebook)	<ul style="list-style-type: none"> Incentive Compensation Systems Financial Performance Measures and their Effects Investment Centre Problems 	*Industrial Electronics (casebook) *Berkshire Industries (p. 208) Investment Centre Problems (Casebook)
8	Week of Mar 6-10	MC Ch 11 MV Ch 12	<ul style="list-style-type: none"> Combinations of Measures and Other Remedies to the Myopia Problem Balanced Scorecard Using Financial Results Controls in the Presence of Uncontrollable Factors 	*First Commonwealth Financial (OWL) *Hoffman Discount Drugs (p. 241)
9	Week of Mar 13-17	MV Ch 13 MV Ch 14	<ul style="list-style-type: none"> Corporate Governance Controllers and Auditors 	*Vector Aeromotive Corp (p. 265) *Lendale PLC (p. 283)
10	Week of Mar 20-24	MV Ch 15 MV Ch 16	<ul style="list-style-type: none"> Management Control-Related Ethical Issues and Analysis Environment Uncertainty 	The 'Sales Acceleration Program' (p. 307); The Expiring Software License (p. 308) *TECO Electronic Machinery Group (p. 324)
11	Week of Mar 27-31	MV Ch 17	<ul style="list-style-type: none"> Management Control in Not-for-Profit 	*Carleton Fire Department (Casebook)
12	Week of Apr 3-7		<p>GROUP PRESENTATIONS – Management Control Systems 6 groups x 15 minutes each = 90 minutes 5 minutes switch – over x 6 = <u>30 minutes</u> 120 minutes</p> <p>Review of technical topics: application to company Review / Group Presentations</p>	
	Apr 8		Study Days	
	Apr 9-30		FINAL EXAM PERIOD	