Advanced Management Accounting & Control

Course Description

This course deals with advanced aspects of management accounting and control. Students will understand how controllership is set up in international companies and explore the contingencies of management accounting and control (e.g., strategy, organizational life-cycle phase, size, and ownership structure). The course also introduces the lever of control and highlights not only the traditional feedback and constraining function of control systems but also the learning and expanding function of control levers. Given that the ultimate aim of management accounting and control is to influence the behavior of managers and employees when implementing the organization's goals, behavioral aspects must be considered. Constraints such as limitations concerning the information processing capabilities of managers have to be taken into account when designing management control systems. Furthermore, as companies grow larger and operate in different countries, transfer pricing systems for controlling corporate and shared service centers must be set up. Upon completion of this course, students will also understand the consequences.

Contents

1. Controllership and the CFO: Core Competencies, Organization, and Strategies
   1. Management Accounting and Control
   2. Core Competencies of CFOs and Controllers
   3. Controllership Strategies
   4. Organization of the Controller and Finance Unit
2. Contingency Theory and Management Accounting and Control
   1. Contingency Theory
   2. Differences in Management Accounting and Control According to Different Contingencies
   3. Limitations of Contingency Theory
3. Levers of Control
   1. Levers of Control
   2. Implications of the Levers of Control for the Management Accounting and Control Function
   3. Instruments for Different Levers of Control
4. Behavioral Management Accounting and Control
   1. Cognitive and Behavioral Constraints of Managers
   2. Implications for the Design of Management Accounting and Control Systems
   3. Behavioral Aspects of Implementing Management Control Systems
5. Transfer Pricing and Corporate and Shared Service Centers
   1. Transfer Pricing Methods
   2. Transfer Pricing in Multi-National Companies
   3. Organizing Corporate Centers and Allocation of Their Costs
   4. Organizing and Pricing of Shared Service Centers
6. Balance Scorecard, Executive Remuneration, and Control
   1. Balanced Scorecard: An Overview
   2. Measures in Balanced Scorecard
   3. Agency Theory and Balanced Scorecard
   4. Implications of Balanced Scorecard on Control
7. Product Life Cycle, Business Strategy, and Control
   1. An Overview of Product Life Cycle
   2. Stages of Product Life Cycle and Business Strategy
   3. Implications of Product Life Cycle for Control