

Strategic Management Control Systems

Master in L&M 4E 2024/2025

Lecturer	<u>Sofia Lourenço</u>
E-mail	<u>slourenco@iseg.ulisboa.pt</u>
Office Hours	<u>By appointment</u>

Objectives

1. Understand the importance of Management Control Systems (MCS) for shaping behaviors and decision making.
2. Develop the ability to design, implementation and use of different types of MCS, such as responsibility centers, internal transfer pricing, performance measurement systems and incentive systems.
3. Acknowledge the context in which MCS are used, identify key factors in that context ? size, strategy, structure, external environment and culture ? and promote a fit between context and MCS
4. Understand the challenges that multinational companies face regarding their MCS
5. Acknowledge the strategic risks and the internal pressures that boost them. Identify financial and non-financial measures that allow the follow-up of those risks.
6. Prepare the students for a research process such as that of a Master Final Work (MFW).

Programme

1. Introduction to Strategic Management Control Systems
2. Responsibility Centers
3. Internal Transfer Pricing
4. Budgets
5. Performance Measurement Systems
6. Incentive Systems
7. A contingency approach to Management Control Systems
8. Management Control Systems in Multinational Companies
9. Strategic Risk
10. Research in Strategic Management Control Systems

Evaluation

The evaluation method values the effort developed along the semester as well as the final knowledge acquired:

- Business Cases (group) 40%
- Class Participation (individual) 10%
- Exam (individual), minimum grade 7.5 out of 20 50%

Bibliography

- Simons, R. (2000) Performance Measurement & Control Systems for Implementing Strategy 1a edição, Prentice Hall, New Jersey, USA.
- Hartman, F., Kraus, K., Nilsson, G., Anthony, R., V. Govindarajan (2020) Management Control Systems 2nd European edition, McGraw-Hill
- Drury, Colin (2018) Management and Cost Accounting 10th Edition, Cengage Learning
- Anthony A. Atkinson, Robert S. Kaplan, Ella Mae Matsumura, S. Mark Young (2012) Management Accounting: Information for Decision-Making and Strategy Execution Prentice Hall, 6th Edition