

GUJARAT TECHNOLOGICAL UNIVERSITY

MASTER OF BUSINESS ADMINISTRATION

Year – 2 (Semester – IV) (W.E.F. Academic Year 2018-19)

Specialization: Elective

Subject Name: Management Control Systems (MCS)

Subject Code: 3549285

1. Learning Outcome:

- Understand the importance of control system as a tool for strategy implementation.
- Comprehend the dilemma that a manager faces in budget preparation and resource allocation to various activities and centers in the organization.
- Equip the students with the practical understanding of the variations in the control systems of different types of organization.

2. Course Duration: The course duration is of **36 sessions of 75 minutes** each.

3. Course Contents:

Module No.	Modules / Sub-Modules	No. of Sessions	70 Marks (External Evaluation)
I	<p>Introduction to Management Control Systems</p> <ul style="list-style-type: none"> • Basic Concepts • Boundaries of management Control – How different from Strategy Formulation • Goal Congruence & informal factors that affect it • The Formal Control System • Functions of the Controller <p>Responsibility Centres</p> <ul style="list-style-type: none"> • Concept of Responsibility Centres • Revenue Centres • Expense Centres • Other Types - Administrative and Support Centres, R&D, Marketing 	9	17
II	<p>Responsibility Centres</p> <ul style="list-style-type: none"> • Profit Centres – General Considerations, BU as a Profit Centre, Measuring Profitability • Investment Centres – Measuring and Controlling Assets Employed, EVA v/s ROI, Additional Considerations, Evaluating the Economic Performance 	9	18

III	<p>Transfer Pricing</p> <ul style="list-style-type: none"> • Transfer of Goods & Services between Divisions and its Pricing. • Administration of Transfer Prices <p>Management Control Process</p> <ul style="list-style-type: none"> • Strategic Planning • Budget Preparation – Process, Behavioral Aspects, Quantitative Techniques • Analyzing Financial Performance – Variance Analysis, Limitations • Performance Measurement Systems. • Interactive Control • Management Compensation – Incentive Compensation Plans for BU Managers & Corporate Officers, Agency Theory 	9	18
IV	<p>Variations in Management Control</p> <ul style="list-style-type: none"> • Controls for Differentiated Strategies – Corporate and BU Level Strategy • Service Organizations – Specific characteristics • Multinational Organizations – Cultural Differences, Transfer Pricing issues and Exchange Rates • Management Control of Projects – Nature, Project Planning, Execution and Evaluation 	9	17
V	<p>Practical:</p> <ul style="list-style-type: none"> • As a group students should study various control systems adopted in the organization of their choice and analyze how the control systems help achieve the organizational objectives at large. 	---	(30 marks CEC)

4. Teaching Methods:

The course will use the following pedagogical tools:

- Lectures
- Case Discussions and Role Playing
- Audio-visual Material (Using CDs/Clippings/ online videos)
- Assignments and Presentations

5. Evaluation:

The evaluation of participants will be on continuous basis comprising of the following elements:

A	Continuous Evaluation Component comprising of Projects / Assignments / Quiz / Class Participation / Class test / Presentation on specific topic etc.	(Internal Assessment- 50 Marks)
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B	Mid-Semester examination	(Internal Assessment-30 Marks)
C	End –Semester Examination	(External Assessment-70 Marks)

6. Reference Books:

Sr. No.	Author	Name of the Book	Publisher	Year of Publication
1	Robert Anthony and Vijay Govindarajan,	Management Control Systems	Tata McGraw Hill	Latest Edition
2	Pradip Kumar Sinha	Management Control Systems	Excel	Latest Edition
3	N. Ghosh	Management Control Systems	PHI	Latest Edition
4	Joseph A. Maciariello and Calvi J. Kirby	Management Control Systems	PHI	Latest Edition
5	Ravindhra Vadapalii	Management Control Systems	Excel	Latest Edition

Note: Wherever the standard books are not available for the topic appropriate print and online resources, journals and books published by different authors may be prescribed.

7. List of Journals / Periodicals / Magazines / Newspapers, etc.

1. Journal of Management Control
2. Journal of Management Information Systems
3. Control systems Magazine