Management Control

ECTS : 6

Enseignant responsable : Celine BAUD (https://dauphine.psl.eu/recherche/cvtheque/baud-celine)

Langue du cours : Français

Volume horaire : 36

Description du contenu de l'enseignement :

Information is a crucial resource for organizations. It enables managers to make decisions, evaluate options, formulate plans and monitor their implementation. The tools that enable this monitoring are therefore omnipresent in the work of managers, from the most strategic to the most operational levels of organizations. It is important to master them, to know how to use them, but also to identify their limits and potential dysfunctional effects.
The course therefore presents the different tools of management control and performance management. It presents the principles and methods of cost calculation, how these calculations can be used to inform operational and strategic decisions. It also presents the tools used to guide and control financial (budgets) and operational (dashboards) performance.
It aims to train skillful users who are not only capable of mastering the fundamental techniques and tools, but who are also able to interpret the results obtained, question the adequacy of the methods used, and assess the coherence between control and monitoring systems in on hand, and organizational objectives in the other.
Course Objectives:
- Mastering the tools and fundamental principles of cost calculation and analysis (partial cost methods, full cost methods).
- Mastering the tools and fundamental principles of performance control and management (budgets, budgetary control, dashboards).
- Give future managers sufficient knowledge to use and adapt the tools at their disposal.
- Introduce future management controllers to the technical and organizational challenges of piloting and control tools. This course is on Moodle. The course consists of lecture sessions (**12 lectures**) and group-based tutorial sessions (**12 tutorials**), organized according to the following syllabus :
Week 1 Introduction to management control: tools, roles and definitions of control the organization of the control function.
Week 2 Variable costing and break-even analysis (1): Cost classification, Cost Volume Profit Analysis Break-even point Cost Indifference Point.
Week 3 Variable costing and break-even analysis (2): Break-even point with multiple products; contribution analysis (direct costing and evolved direct-costing) contribution per unit of scarce resource.
Week 4 Full costing (1): Marginal and absorption costing Product Costs Using Absorption Costing The homogeneous sections method.
Week 5 Full costing (2): Choosing appropriate bases of apportionment Over/Under absorption ("imputation rationnelle" method) Limits of absorption costing.
Week 6 Full costing (3): Activity Based costing
Mid-term exam
Week 7 Decentralisation and financial indicators: Responsibility centres Calculation and use of ROI and EVA.
Week 8 Building a budget (1): Operational budgets.
Week 9 Building a budget (2): Financial budgets Cash Flow budget.
Week 10 Flexible Budgets and Variance Analysis: Sales Volume Variance and Flexible Budget Variance Sales Price variance Direct materials price and efficiency variance Direct manufacturing labor price and efficiency variance analysis and interpretation of variances.
Week 11 Non-financial indicators: Limitations of monitoring by financial indicators, Strategy map and Balanced Scorecard, Issues of quantification of indicators.
Week 12 Control and behaviors: Results control and financial incentives: limits and dysfunctional effects.
Week 13 Review
Final exam

Compétences à acquérir :

By the end of this course, students will be able to:

- Apply key costing methods (variable and full costing) to support managerial decisions;
- Prepare and interpret budgets, variance analyses, and performance dashboards;

- Evaluate the relevance and limitations of management control tools in different contexts;
- Assess and critically reflect on different models and methods in management control.

Pré-requis obligatoires

Being comfortable with numerical reasoning is essential and the course will be easier for students who already have some knowledge of accounting.

Mode de contrôle des connaissances :

Grading Criteria:
- Continuous assessment (mid-term test): 50%.
- Final exam: 50%
The numerical grade distribution will dictate the final grade. The passing grade for a course is 10/20.

Attendance

Attendance is mandatory. Students are expected to attend all classes, arrive on time, and stay for the entire session. Repeated absences or lateness may affect the final grade.

Class Participation

Active participation is encouraged, as it contributes to making classes more engaging and instructive. Students are expected to come prepared and contribute thoughtfully to discussions. When participation is part of the course assessment, it is evaluated based on the quality of contributions rather than their quantity.

Exam Policy

Students are not allowed to bring any materials into exams, except those explicitly authorized by the instructor. Unexcused absences from exams or failure to submit assigned cases will result in a grade of zero when calculating final averages. All exams must be submitted at the end of the examination period.

Communication and Grading

All questions or concerns regarding grading or course policies must follow the official procedures. No direct negotiation with instructors about grades or assessments is permitted. Be aware of the rules in Université Paris Dauphine about plagiarism and cheating during exams. All work turned in for this course must be your own work, or that of your own group. Working as part of a group implies that you are an active participant and fully contributed to the output produced by that group. Be aware of the rules in Université Paris Dauphine about plagiarism and cheating during exams. All work turned in for this course must be your own work, or that of your own group. Working as part of a group implies that you are an active participant and fully contributed to the output produced by that group.

Bibliographie, lectures recommandées :

Céline Baud:
A graduate of ESCP-EAP and former student of the ENS de Cachan, Céline Baud completed her thesis at HEC-Paris. After spending six years at the Accounting School of Laval University (Quebec), she joined the DRM-MOST team in Dauphine in 2019. Her work focuses on the diversity of management modes and tools in organizations.
She has been particularly interested in risk management methods in the banking sector, changes in the retail sector, social and solidarity economy organizations and, more generally, the role played by accounting and its tools in the transformations of organizations, the economy and society.
With a critical and multidisciplinary approach, she actively participates in the editorial boards of the Socio-Economic Review and Critical Perspectives on Accounting.
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