

## MBA GENERAL SEM IV

Course Title: Management Control Systems

Course Code: 15MB61C1

Semester III / Year II

L-T-P : 3-0-0

Credits : 3

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### COURSE OUTCOMES

After completion of this course, the student will be able to

1. Acquire knowledge and skills to excel in the area of management control systems.
2. Equip the students with analytical and evaluation abilities to evaluate the management controls and budgetary systems.
3. Make the students to apply different management styles in the organization for an efficient and effective control.

### SYLLABUS

**Fundamentals of Management Control:** Nature of Management Control Systems – Basic concepts – Boundaries of Management Control – Impact of the Internet on Management Control – Management control environment- Goal congruence – Informal factors that influence goal congruence – Formal control systems- types of organizations – Functions of the controller – Performance measurement – Difficulties in implementing performance measurement systems – interactive control. **Strategic Planning and Management Control:** Responsibility centers – Revenue centers – Expenses centers- Administrative and support centers – Research and Development centers – Marketing centers- Profit centers- General considerations- Business units as profit centers – Other profit centers- Measuring profitability – Transfer pricing – Objectives of transfer prices – Transfer pricing methods- Pricing corporate services – Administration of transfer prices. **Management control process:** Strategic planning – Nature of strategic planning – Analyzing proposed new programs- Analyzing ongoing programs – strategic planning process – Understanding strategies – Concept of strategies – Corporate level strategies – Business unit strategies. Budget preparation – Nature of a budget- Other budgets – Budget preparation process – Behavioral aspects- Quantitative techniques- Calculating variances – Variations in practice- Limitations on variance analysis. **Variations in Management control:** Controls for differentiated strategies – Top management style- Service organizations – Service organizations in general, professional service organizations, Financial service organizations, Health care organizations, Non-profit organizations, Multinational organizations – Cultural differences

### RECOMMENDED TEXT BOOK

Robert N Anthony and Vijay Govindarajan, *Management Control Systems*, The McGraw-Hill, New Delhi, 12<sup>th</sup> edition, 2010.

### REFERENCE BOOKS

1. Maciariello, J A and Kirby C J. Management Control System. Prentice Hall of India, New Delhi.
2. Sharma Subhash, Management Control System, Tata Mc Graw Hill Publishing Co., New Delhi