

Management Control Systems

Code: 102369
ECTS Credits: 6

2025/2026

Degree	Type	Year
Business Administration and Management	OT	4
Economics	OT	3
Economics	OT	4

Contact

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Teaching groups languages

You can view this information at the [end](#) of this document.

Prerequisites

It is recommended to have studied Financial Accounting, Financial Statement Analysis, Cost Accounting and Management Accounting before taking this course. Students with insufficient knowledge of these subjects should count on having to do additional readings.

Objectives and Contextualisation

Management control is an important function in all organizations that delegate tasks to their employees. It involves managers taking steps to help ensure that the organization's employees (in particular, other, lower-level managers) do what is best for the organization. This implies making sure that the employees understand and pursue what is expected from them, especially through the design and use of information and reward systems.

This course addresses questions, such as, how does the delegation of managerial tasks affect the overall efficiency of an organization?; how can goals be quantified and their achievement be measured?; what should be taken into account when choosing performance indicators?; how can the right balance be found between the costs and benefits of control systems?; which alternatives exist to motivate managers with incentives?

Competences

Business Administration and Management

- Capacity for independent learning in the future, gaining more profound knowledge of previous areas or learning new topics.
- Capacity for oral and written communication in Catalan, Spanish and English, which enables synthesis and oral and written presentation of the work carried out.
- Demonstrate initiative and work individually when the situation requires it.
- Organise the work in terms of good time management, organisation and planning.

- Select and generate the information necessary for each problem, analyse it and take decisions based on that information.
- Use of the available information technology and adaptation to new technological environments.

Economics

- Capacity for independent learning in the future, gaining more profound knowledge of previous areas or learning new topics.
- Demonstrate initiative and work individually when the situation requires it.
- Organise the work in terms of good time management, organisation and planning.
- Select and generate the information necessary for each problem, analyse it and take decisions based on that information.
- Show motivation for carrying out quality work and sensitivity to the consequences for the environment and society.
- Use of the available information technology and adaptation to new technological environments.
- Value ethical commitment in professional practice.

Learning Outcomes

1. A capacity of oral and written communication in Catalan, Spanish and English, which allows them to summarise and present the work conducted both orally and in writing.
2. Assess ethical commitment in professional activity.
3. Capacity to continue future learning independently, acquiring further knowledge and exploring new areas of knowledge.
4. Demonstrate initiative and work independently when required.
5. Demonstrate motivation regarding the quality of the work performed and sensitivity regarding the consequences on the environment and society.
6. Organise work, in terms of good time management and organisation and planning.
7. Select and generate the information needed for each problem, analyse it and make decisions based on this information.
8. Use available information technology and be able to adapt to new technological settings.

Content

1. INTRODUCTION

- 1.1 Objectives, activities and management of organizations
- 1.2. Delegation as a management tool
- 1.3. Organization structure and management units
- 1.4. Authority and responsibility
- 1.5. Economic control and management control

2. AGENCY RELATIONSHIPS WITHIN THE ORGANIZATION

- 2.1. Key elements of agency relationships
- 2.2. Costs and benefits of the agency relationship
- 2.3. Moderating elements and net agency costs

3. FORMS OF CONTROL IN ORGANIZATIONS

- 3.1 Results controls

3.2 Action controls

3.3 Personnel and cultural controls

4. PERFORMANCE INDICATORS

4.1. Determination of variables to be controlled

4.2. Advantages and disadvantages of using multiple performance indicators

4.3. A model for deriving performance indicators

4.4 The role of closed and non-significant variables

5. INCENTIVES

5.1. Classes and purposes of incentives

5.2. Quantifying rewards

5.3. Incentive formulas using forecasts

6. RESPONSIBILITY CENTERS

6.1. Classification of responsibility centers

6.2. Transfer pricing

Activities and Methodology

Title	Hours	ECTS	Learning Outcomes
Type: Directed			
Class sessions - practice	17	0.68	7
Class sessions - theory	32.5	1.3	7
Type: Supervised			
Tutoring	7.5	0.3	1, 3, 4, 5, 6, 7, 8, 2
Type: Autonomous			
Reading and preparation of exercises and cases	93	3.72	4, 6, 7

This course is based on a conceptual analysis of the firm, but it is nevertheless oriented towards the practical application of the concepts that are developed.

Annotation: Within the schedule set by the centre or degree programme, 15 minutes of one class will be reserved for students to evaluate their lecturers and their courses or modules through questionnaires.

Assessment

Continuous Assessment Activities

Title	Weighting	Hours	ECTS	Learning Outcomes
group work	50	0	0	1, 3, 4, 5, 6, 7, 8, 2
individual cases and exercises	50	0	0	1, 3, 4, 5, 6, 7, 8, 2
validation tests	0	0	0	1, 7

This subject/module does not offer the option for comprehensive evaluation.

Assessment of this course is based on continuous evaluation. During the semester individual or group tasks will be assigned weekly and regularly readings will be indicated. In the middle and at the end of the semester there will be compulsory individual validation tests.

The individual and group tasks will be carried out both during class sessions and outside of the class room. When a task is assigned to be carried out during a class session, it will only be collected in the same session; in that case it is not possible to hand in any work before or afterwards, nor through a different person. For this reason, students must plan to attend class sessions on a regular basis.

Overall assessment of the tasks performed during the term will be on a scale from 0 to 10.

The two validation tests will consist of three problems each. Each of the in total six problems will be evaluated as either "satisfactorily" or "unsatisfactorily" resolved. The score on the validation will be based on the number of problems resolved satisfactorily, as follows:

Problems resolved satisfactorily	Validation score
6	0
5	-1
4	-2
3	-3
2	-4
1	-5
0	-6

The final grade for the course will be calculated as the sum of the score obtained for the individual and group work and the validation score, with the highest grade being 10.0 and the lowest 0.0.

All students are required to perform the evaluation activities. If the student's grade is 5 or higher, the student passes the course and it cannot be subject to further evaluation. If the student grade is less than 3.5, the student will have to repeat the course the following year. Students who have obtained a grade that is equal to or greater than 3.5 and less than 5 can take a second chance exam. The lecturers will decide the type of the second chance exam. When the second exam grade is greater than 5, the final grade will be a PASS with a maximum numerical grade of 5. When the second exam grade is less than 5, the final grade will be a FAIL with a numerical grade equal to the grade achieved in the course grade (not the second chance exam grade).

A student who does not perform any evaluative task is considered "not evaluable", therefore, a student who performs a continuous assessment component can no longer be qualified with a "not evaluable".

Calendar of evaluation activities

The dates of the evaluation activities (midterm exams, exercises in the classroom, assignments, ...) will be announced well in advance during the semester.

"The dates of evaluation activities cannot be modified, unless there is an exceptional and duly justified reason why an evaluation activity cannot be carried out. In this case, the degree coordinator will contact both the teaching staff and the affected student, and a new date will be scheduled within the same academic period to make up for the missed evaluation activity." **Section 1 of Article 264. Calendar of evaluation activities**

(Academic Regulations UAB). Students of the Faculty of Economics and Business, who in accordance with the previous paragraph need to change an evaluation activity date must process the request by filling out an [Application for exams' reschedule](#).

Grade revision process

After all grading activities have ended, students will be informed of the date and way in which the course grades will be published. Students will be also be informed of the procedure, place, date and time of grade revision following University regulations.

Retake Process

"To be eligible to participate in the retake process, it is required for students to have been previously been evaluated for at least two thirds of the total evaluation activities of the subject." Section 2 of Article 162 ter. The recovery (UAB Academic Regulations). Additionally, it is required that the student has achieved an average grade of the subject not lower than 3.5.

The date of the retake exam will be posted in the calendar of evaluation activities of the Faculty. Students who take this exam and pass, will get a grade of 5 for the subject. If the student does not pass the retake, the grade will remain unchanged, and hence, student will fail the course.

Irregularities in evaluation activities

In spite of other disciplinary measures deemed appropriate, and in accordance with current academic regulations, *"in the case that the student makes any irregularity that could lead to a significant variation in the grade of an evaluation activity, it will be graded with a 0, regardless of the disciplinary process that can be instructed. In case of various irregularities occur in the evaluation of the same subject, the final grade of this subject will be 0".* **Section 11 of Article 166. Results of the evaluation. (UAB Academic Regulations).**

For this subject, the use of Artificial Intelligence (AI) technologies is permitted exclusively for support tasks, such as bibliographic or information searches, text correction, or translations. The student must clearly indicate which parts have been generated using this technology, specify the tools used, and include a critical reflection on how these tools have influenced the process and the final outcome of the activity.

FAILURE TO BE TRANSPARENT ABOUT THE USE of AI in this subject will be considered a breach of academic honesty and may result in partial or full penalization in the grading of the affected activity, or more severe sanctions in serious cases.

Bibliography

Merchant KA, Van Der Stede WA. *Management Control Systems: Performance Measurement, Evaluation and Incentives*. Prentice Hall. Latest edition. - Also available as [ebook](#).

Anthony RN, Govindarajan V. *Management Control Systems*. McGraw Hill. Latest edition.

Software

MS Office

Groups and Languages

Please note that this information is provisional until 30 November 2025. You can check it through this [link](#). To consult the language you will need to enter the CODE of the subject.

Name	Group	Language	Semester	Turn
(PAUL) Classroom practices	4	English	first semester	morning-mixed
(TE) Theory	4	English	first semester	morning-mixed