Course:

BAE2292 – Financial Control (Management Accounting)

Overview (catalogue description):

The main topic of this course is how managerial accountants (financial controllers) think and act in order to reach the financial goals of a company. Financial methods and instruments such as business planning and budgeting, the use of key performance indicators (KPIs) as well as the examination of business reports and conducting product and target costing are some of the themes which will be addressed in this course.

Volume:	2 semester periods per week, 3 credits
Language:	English
Level:	Advanced
Date:	See time table below supplemented by approx. 14 lecture units which are offered as videos on Elearning.
Documents:	Available on our E-Learning platform (Moodle): https://lms.hs-pforzheim.de/course/view.php?id=3281
Room:	Live sessions online via Alfaview (Dates see below). Virtual classroom: https://app.alfaview.com/#/join/alfaview-technik/d365f562-fa37-4d2a-add7-bcc295a20fae/53d98b4e-17c8-4235-9f8e-b2b5804194b8

Instructor:

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Office:	T1.3.28	
Office Hours:	according to individual arrangement	

Prerequisites:

You should have a good understanding of traditional cost accounting systems (see lectures of Business Management I (BW I)) and financial accounting, as well as financing and investment calculation and strategic management (see lectures of Business Management II (BW II)).

Learning Objectives:

At the end of the course, students will know how managerial accountants think and act and which financial instruments and methods they use. Management accounting is a corporate function, which has to ensure effectiveness and efficiency of companies, especially concerning the main corporate objectives of profitability and liquidity.

As partners of management, management accountants make a significant contribution to the sustainable success of the organization. They

1. design and accompany the management process of defining goals, planning and management control so that every decision maker can act in accordance with agreed objectives,
2. ensure the conscious preoccupation with the future and thus make it possible to take advantage of opportunities and manage risks,
3. integrate the organizations' goals and plans into a cohesive whole,
4. develop and maintain all management control systems. They ensure the quality of data and provide decision-relevant information,
5. are the economic conscience of a company and are committed to the good of an organization as a whole..

Managerial accountants are internal business consultants of all decision-makers and act as navigators for the achievement of corporate objectives.

Course Topics:

1. Introduction
   - 1.1 Objectives of a company and tasks to achieve them
   - 1.2 Management and Management Accounting
2. Ensuring Effectiveness and Efficiency in a Company
   - 2.1 SWOT analysis of a company
   - 2.2 Business strategy and operating planning: Business planning and budgeting
   - 2.3 Target costing and pricing: The "right" products
   - 2.4 Article profit and loss statement
   - 2.5 Break-even-point analysis
3. Performance Measurement
   - 3.1 Management accounting reports and charts
   - 3.2 Financial ratios and financial ratio systems
4. Summary and Outlook

Course Material:

Besides ***lecture notes*** *(including a complex case study and additional exercises)*, which can be downloaded from "E-Learning" (see course BAE2292-Financial Control / Prof. Schnell/ https://lms.hs-pforzheim.de/course/view.php?id=3281), the following literature is recommended:

- *IGC (International Group of Controlling (Hrsg.)):* Controller-Wörterbuch. 4. überarbeitete und erweiterte Aufl.; Stuttgart : Schäffer-Poeschel – 2010
- *Krause, H.-U.; Arora, D.:* Controlling-Kennzahlen – Key Performance Indicators. Zweisprachiges Handbuch Deutsch/Englisch – Bi-lingual Compendium German/English. 2. Aufl.; München : Oldenburg - 2008
- *Reichmann, T.: Controlling – Concepts of Management Control, Controllership and Ratios. 1. Aufl.; Berlin – Springer : 1997*
- *Reichmann, T.: Controlling mit Kennzahlen – Die systemgestützte Controlling-Konzeption mit Analyse- und Reportinginstrumenten. 8. Aufl.; München : Vahlen – 2008 (oder neuere Auflage)*
- *Weber, J.; Schäffer, U.:* Einführung in das Controlling. 15. überarbeitete und aktualisierte Aufl.; Stuttgart : Schäffer-Poeschel – 2016
- *Weber, J.; Schäffer, U.:* Einführung in das Controlling. Übungen und Fallstudien mit Lösungen. 3. überarbeitete und erweiterte Aufl.; Stuttgart : Schäffer-Poeschel – 2016
- *Weber, J.; Schäffer, U.:* Introduction to Controlling. 1. Aufl.; Stuttgart : Schäffer-Poeschel – 2008
- *Weygandt, J.; Kimmel, P.; Kieso, D.:* Managerial Accounting. 6th ed.; Wiley; Hoboken, N.J.: Wiley, 2012

Writing the final exam:

After the end of the semester, you will write a 60-minute exam on 'Controlling' in English. During the lectures, you will be prepared for the exam by preparing many case studies. Summaries and key learnings will be given that provide you with the framework of what to prepare for the exam. In addition, the style of the exam will be explained.

Corresponding to „§ 24 (2) *SPO*" the following grading for evaluating your exam applies:

1 = *sehr gut* =	very good = represents exceptional work.
2 = *gut* =	good = represents good work, far above average
3 = *befriedigend* =	sufficient = represents average work
4 = *ausreichend* =	still acceptable = represents below average work with considerable shortcomings
5 = *nicht ausreichend* =	failed = represents work which won't be accepted due to serious shortcomings

For a differentiated evaluation of the examination, individual grades will be increased or decreased by steps of 0.3; the grades 4.3 and 5.3 are excluded.

Teaching and learning approach:

- Please use the suggested literature to reflect on the content of this course in a critical way!
- Repeat the tackled chapters and the case studies of the lecture regularly, ideally minimum once per week!
- Use written examinations of previous semesters, which are given to you for preparing the new ones and to get familiar with the character, the volume and the level of difficulty of the forthcoming examinations.
- Please read newspapers regularly and especially economic-relevant information to become aware of topical items, which are relevant for the lecture. By doing this, you will improve your capabilities to transfer theoretical knowledge into practice.

My teaching philosophy:

I care about your learning outcomes and helping you is important to me. If you have a problem or questions about some aspects of the course, do not hesitate to contact me. I will respond quickly and if necessary, we can make an appointment. If you have problems with your progress in the course, or with a teammate or your group please contact me as early as possible. The longer you wait, the fewer options I will have to help you. I really want you to pass the exam, but you must earn it!

Policy on academic honesty:

Students are encouraged to discuss the course, including issues raised by the assignments. However, the solutions to assignments should be individual original work unless otherwise specified. If an assignment makes you realize you do not understand the material, ask a fellow student a question designed to improve your understanding, not one designed to get the assignment done. Doing otherwise is to cheat yourself, as well as to act dishonourably.

Tentative Schedule:

No.	Date		Subject / Item
1.	17. Mar	13:45 – 15:15 live	*Discussing organizational aspects, presenting the topics, stating the objectives of the lecture / Discussion of strategic and operational goals of companies as well as effectiveness and efficiency*
2.	17. Mar	**Video 1 (1 h)**	Introduction into Financial Control and Managerial Accounting and the way of thinking and acting of controllership's staff
3.	24. Mar	**Video 2a (1 h)**	Ensuring effectiveness and efficiency in a company: Analysis of **financial** SWOT of a company **Case 1: KPI** **Case Bike Ltd.: Characteristics of a company**
4.	31. Mar	**Video 2b (0:40 h)**	Analysis of SW of the product programme and OT of the markets: Relative market share and portfolio analysis **Case Bike: Portfolio** Introduction in business planning and budgeting: Business strategy and operating planning
5.	07. Apr	13:45 – 15:15 live	*Discussion and question-and-answer session on strategic planning and on tasks of case study R. Bike Ltd.*
6.	07. Apr	**Video 3 (0:50)**	Business strategic and operational planning: Business planning and budgeting –
7.	14. Apr	**Video 4 (0:34)** **Video 5 (0:34)**	Financial planning; Case Study "E-Wheely Ltd.": Sales and capacity **Case Bike: Sale, Production & Capacity, Determination of Budgets** Budgeting – Case Study "E-Wheely Ltd.": Budgets and P&L-Statement as well as CF-Statement (Direct method) **Case Bike Ltd.: P&L, CF I**
8.	21. Apr	**Video 6 (1:02)**	**CF-Statement (Indirect method)** **Case Bike Ltd.: CF II**
9.	28. Apr	13:45 – 15:15 live	*Discussion and question-and-answer session on operating planning, budgeting resp. and on tasks of case study R. Bike Ltd.*
10.	28. Apr	**Video 7 (0:38)**	Preparation of a balance sheet **Case Bike Ltd.: Balance Sheet**
11.	05. May	**Video 8 (0:40)**	**Case 2: Financial Planning** Organisational aspects of business planning and budgeting: The role of management accountants / The twofold budgeting process
12.	12. May	13:45 – 15:15 live	*Discussion and question-and-answer session on Balance sheet and organizational behaviors of budgeting*
13.	12. May	**Video 9 (0:50)**	Target costing and pricing: Introduction **Case 3: TC Burger**
14.	19. May	**Video 10 (1:04)**	Target costing and pricing: Cost Break down **Case 4: TC R. Wash**
	26. May		**No class due to Whitsun-Holiday**
15.	03. Jun	13:45 – 15:15 live	*Discussion and question-and-answer session on Target Costing and on tasks of case study R. Bike Ltd.*
16.	03. Jun	**Video 11 (0:50)**	Sales result accounting **Case 5: Sales result accounting**
17.	09. Jun	**Video 12 (0:41)**	Break-even-Analysis **Case 6: Break-even-Analysis**
18.	16. Jun	13:45 – 15:15 live	*Discussion and question-and-answer session on Contribution accounting and on tasks of case study R. Bike Ltd.*
19.	16. Jun	**Video 13 (0:35)**	Management Reports: Controllership's reports and charts
20.	23. Jun	**Video 14 (0:51)**	Financial ratios and financial ratio systems: Du-Pont-Ratio-System & BSC **Case 7: Du-Pont-Ratio System/Case 8: BSC**
21.	30. Jun	13:45 – 15:15 live	Conclusions: Questions / Preparation for the examination / Outlook on Financial Control in other lectures and semesters