




# Accounting (ACCT) 454

## Management Control Systems and Decision Analysis (Revision 8)

**Status:** Replaced with new revision, see the [course listing](#) [↗](#) for the current revision 

**Delivery mode:** [Individualized study online](#) [↗](#) with [eText](#) [↗](#)

**Credits:** 3

**Area of study:** Applied Studies (Business and Administrative Studies)

**Prerequisites:** [ACCT 351](#) [↗](#), [ACCT 352](#) [↗](#), [ACCT 355](#) [↗](#) and either [MATH 215](#) or [MGSC 301](#). [MGSC 312](#) is recommended but not required.

**Precluded:** None

**Challenge:** ACCT 454 is not available for challenge.

**Faculty:** [Faculty of Business](#) [↗](#)

## Overview

ACCT454: Management control Systems and Decision Analysis teaches students about management control systems, which are used to align employee decisions and behaviours with organizational objectives and strategies. Establishing effective management controls is complex because it involves assessing the needs of an organization and the effects and costs of different combinations of possible approaches. The other key aspect of the course is decision analysis, which is necessary for managers to make strategic financial and performance management decisions for today's dynamic organizations.

## Outline

The course comprises 16 lessons, divided among six units.

### **Unit 1: The Control Function of Management**

- Lesson 1: Management and Control

### **Unit 2: Management Control Alternatives and Their Effects**

- Lesson 2: Results Controls
- Lesson 3: Action, Personnel, and Cultural Controls
- Lesson 4: Control System Tightness
- Lesson 5: Control System Costs
- Lesson 6: Designing and Evaluating Management Control Systems

### **Unit 3: Financial Results Controls Systems**

- Lesson 7: Financial Responsibility Centres
- Lesson 8: Planning and Budgeting
- Lesson 9: Incentive Systems

### **Unit 4: Performance Measurement Issues and Their Effects**

- Lesson 10: Financial Performance Measures and Their Effects
- Lesson 11: Remedies to the Myopia Problem
- Lesson 12: Using Financial Results Controls in the Presence of Uncontrollable Factors

### **Unit 5: Corporate Governance, Important Control-Related Roles, and Ethics**

- Lesson 13: Corporate Governance and Boards of Directors

- Lesson 14: Controllers and Auditors
- Lesson 15: Management Control-Related Ethical Issues

## Unit 6: Management Control When Financial Results Are Not the Primary Consideration

- Lesson 16: Management Control in Not-for-profit Organizations

## Evaluation

To **receive credit** [↗](#) for ACCT 454, you must obtain a grade of **D (50 percent)** [📄](#) or better on the Final Examination and an overall course grade of at least a D (50 percent).


Activity	Weight
Assignment 1: Case Study	15%
Assignment 2: Case Study	15%
Assignment 3: Case Study	15%
Lesson quizzes (16 @ 1.25% each)	20%
Final Exam	35%
<b>Total</b>	<b>100%</b>

The **final examination** for this course must be requested in advance and written under the supervision of an AU-approved exam invigilator. Invigilators include either ProctorU or an approved in-person invigilation centre that can accommodate online exams. Students are responsible for payment of any invigilation fees. Information on exam request deadlines, invigilators, and other exam-related questions, can be found at the [Exams and grades](#) [↗](#) section of the Calendar.

To learn more about assignments and examinations, please refer to Athabasca University's [online Calendar](#) [↗](#).

**Note:** Students planning to transfer this course to a Professional Accounting designation are advised that they will be required to achieve a grade higher than the minimum passing grade. See [CPA Requirements](#) [↗](#) for details.

## Materials

Merchant, K. A., & Van der Stede, W. A. (2017). *Management control systems: Performance measurement, evaluation and incentives* (4<sup>th</sup> ed.). Pearson Education. ISBN-10: 1292110554; ISBN-13: 9781292110554.  (eBook)

## eTexts

Registration in this course includes electronic textbooks. For more information on **electronic textbooks** [↗](#), please refer to our **eText Initiative site** [↗](#).

## Other Resources

All other learning resources will be available online.

## Important links

- › [Academic advising](#) [↗](#)
- › [Program planning](#) [↗](#)
- › [Request assistance](#) [↗](#)
- › [Support services](#) [↗](#)
- › [CPA Requirements](#) [↗](#)

Athabasca University reserves the right to amend course outlines occasionally and without notice. Courses offered by other delivery methods may vary from their individualized study counterparts.

*Opened in Revision 8, April 7, 2021*

*Updated November 20, 2024*

View [previous revision](#) [↗](#)