



# ME1309 Industrial Management Control for I 6.0 credits

Industriell ekonomistyrning för I

This is a translation of the Swedish, legally binding, course syllabus.

If the course is discontinued, students may request to be examined during the following two academic years

## Establishment

Course syllabus for ME1309 valid from Autumn 2014

## Grading scale

A, B, C, D, E, FX, F

## Education cycle

First cycle

## Main field of study

Technology

## Specific prerequisites

Only for CINEK2.

ME1305 Introduction to Industrial Engineering and Management.

## Language of instruction

The language of instruction is specified in the course offering information in the course catalogue.

## Intended learning outcomes

The aim of the course is to provide you with the ability to understand, design and handle methods in the area of management control for industrial organisations. This means that after the course you should be able to:

- Get an insight into the strategic management control, for example value chain analysis, life cycle cost-, target cost- and kaizen calculation and be able to apply performance measurement, such as balanced scorecard, in an industrial company.
- Describe the content and understand the use of the most common tools in management control, such as costing, budgeting, deviation analysis, financing- and investment decisions and business systems.
- Describe and understand the meaning of the various models of management control that exist, such as activity based control (costing, budgeting and accounting) and benchmarking.
- Choosing (and argue for the choice) between different models of management control (price, cost, time and quality) of the company's operations and its various processes.
- Understand how the information in different modes of management control is used for decision making and how companies should take responsibility for their impact on society, both from an economic, environmental and social perspective, CSR (Corporate Social Responsibility).
- Apply theoretical concepts of management control in different areas of business in various industries.
- Critically evaluate and compare the models of management control that is used by companies in different sectors.

## Course contents

The course consists of lectures with theoretical concepts, practical examples and exercises in the following fields:

1. Management control starting points, basic concepts and instruments.
2. Product Costing of goods and services, such as self-costing, contribution calculations and calculations for different decisions. Allocation of costs.
3. Activity Based Control. The meaning of the activities and processes, such as activity-based costing, budgeting and accounting.
4. Planning and short-term decision making, such as budgeting and deviation analysis, internal price setting and internal accounting.
5. Operational control. Control over time, quality and customer profitability. Performance measurement, such as balanced scorecards, benchmarks, target and kaizen calculation. Business systems.
6. Long term decision making, such as investment appraisal, cost estimates and the choice of financing sources and capital structure.

## Course literature

"Den nya ekonomistyrningen", av Ax, Johansson och Kullvén. Liber ekonomi, senaste upplagan.

"Strategy Maps, Converting Intangible Assets into Tangible Outcomes" av Kaplan och Norton, 2004.

## Examination

- SEM1 - Seminar assignment, 2.0 credits, grading scale: A, B, C, D, E, FX, F
- TEN1 - Examination, 4.0 credits, grading scale: A, B, C, D, E, FX, F

Based on recommendation from KTH's coordinator for disabilities, the examiner will decide how to adapt an examination for students with documented disability.

The examiner may apply another examination format when re-examining individual students.

## Ethical approach

- All members of a group are responsible for the group's work.
- In any assessment, every student shall honestly disclose any help received and sources used.
- In an oral assessment, every student shall be able to present and answer questions about the entire assignment and solution.