



# ME1309 Industrial Management Control for I 6.0 credits

Industriell ekonomistyrning för I

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

## Establishment

On 2020-04-21, the Dean of the ITM school has decided to establish this official course syllabus to apply from autumn term 2020 (registration number M-2020-0726).

## Grading scale

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

## Education cycle

First cycle

## Main field of study

Technology

## Specific prerequisites

ME1314 Introduction to Industrial Engineering and Management completed

## Language of instruction

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

# Intended learning outcomes

On completion of the course, the student should be able to:

1. calculate, give an account of and analyse important financial key ratios as performance measures
2. quantitatively and qualitatively evaluate and analyse the financial and non-financial situation of an industrial corporation and identify improvement measures
3. based on scientific studies, describe and account for the different aspects of the strategic financial control
4. describe and analyse different types of decentralised organisational units
5. compare and discuss different types of responsibility units qualitatively, and evaluate their financial performance
6. give an account of different methods for internal pricing
7. quantitatively and qualitatively evaluate and analyse different types of performance measures, standards, budgets and incentives
8. account for behavioural aspects on financial control and the need to adapt the financial control to the situation and present and discuss ones conclusions and the knowledge behind these, as well as propose investments and improvement measures.

## Course contents

The course gives a broad overview of financial control in industrial enterprises and its relation to the environment in which the company acts. To plan and control the performance of the organisation at different levels, efficient control is required, based on the organisation's value creation strategy and the individual co-worker's behaviour. A central field in the course therefore deals with how to implement a general strategy and use it to control the activities.

The course consists of two parts. During the first part of the course, students will learn to analyse and interpret financial reports. The students will acquire knowledge on analysing and understanding financial consequences of strategic and operational decisions. A distinction is made between use of financial reports for planning and for measuring and following up results. The students will carry out financial analyses of real companies on the basis of accounting information found in the financial reports (the profit and loss account, the balance sheet and the cash flow analysis). Different categories of key indicators are introduced and used to compare companies, e.g. profitability measures.

The second part of the course focuses on management control. In this part, the students will work based on the analyses that were done during the first part of the course and design control systems to create sustainable profitability. In order for this to happen, the management must ensure that the activities are carried out according to established plans and that strategic aims are achieved. An important control mechanism to achieve this is the organisational structure that consists of different responsibility units in different parts of, and at different levels in the company. Another central field in the second part of the course is the control process. Which measures are used in the company and how well do these measures catch central aspects of the activities? How does one know when performance is "good", i.e. what is the performance compared with? Which reward systems are used by the company to create a desirable behaviour, and to which indicators are rewards connected?

## Examination

- SEM2 - Seminar assignment, 1.5 credits, grading scale: P, F
- TEN2 - Exam, 4.5 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.

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

## 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.