

Module 2 “Financial Performance and Management Control”

Supervisor	Prof. Dr. Matthias Meyer
Inputs	Prof. Dr. Christian Ringle, Dr. Iris Lorscheid
Learning path	Workload: 6 ECTS / 180 hours Attendance: 48 hours (6 dates) in 10 weeks
Recommended semester	2nd semester
Exam / grading	Case Studies / Project Reflection: 30%, Quizzes: 30% Written Exam: 40%; graded

Contents

- Financial performance and economic value
- Balance sheet
- Income statement
- Financial statement analysis and ratios
- Management accounting
- Costing
- Cost-based pricing
- Break-even analysis
- Performance measurement
- Investment decisions
- Monte Carlo simulation in accounting and finance

Learning objectives

After successful completion of this module, students are able to describe the components of the balance sheet and create a balance sheet from transaction data:

- To describe the components of the balance sheet and to create a balance sheet from transaction data
- To analyze business transactions and link them to balance sheet changes
- To explain how external accounting measures income
- Use the concept of matching to record expenditure for a period
- To prepare a profit and loss account and to present the connection with a balance sheet
- To identify the main principles of IFRS and their impact on financial performance management
- To understand the approach of balance sheet analysis
- To identify the most important analytical indicators and describe their calculation
- To apply several standard cost accounting methods for different business contexts
- To understand control and management of a company's costs in various areas (marketing, administration, logistics, etc.).
- To apply management accounting techniques to strategic business decisions
- To understand the principal-agent problem
- To assess the impact of performance management systems on behavior
- To understand the time value of money and the criteria for investment decisions
- To apply the amortization method, the present value method (NPV) and the internal rate of return method (IRR)
- To analyze cash flows and project values
- To determine weighted average cost of capital (WACC)
- To explain what is meant by financial leverage and how financial leverage is measured
- To develop numeracy and quantitative skills related to accounting and financial information
- To apply Monte Carlo simulation to accounting and financial problems
- To analyze and discuss case studies/projects and to develop problem-solving and team skills