

## Semester 7 IFC

In a nutt shell:

### Block I Strategic Management

ASMI – Controlling & Cost Accounting (ALA3)  
100 % written exam

ASMII – Business Intelligence (ALA 7)  
100% Presentation of the dashboard with an assessment

ASMIII – Strategic Management (ALA 5)  
60 % Portfolio  
40 % Management Game

### Block II Corporate Governance & Compliance

ACGCI – Financial Reporting (ALA 4)  
100 % written exam

ACGCII – Finance (ALA 2)  
100 % written exam

ACGCIII – Corporate Governance (ALA 6)  
60 % Risk analysis (report)  
40 % Presentation

## Module content:

### Controlling & Cost Accounting:

The aim of this Learning Arrangement (LA) is to introduce students to methods of (strategic) management support in entrepreneurial processes. The controlling function is indispensable in a modern understanding of management ("management by objectives").

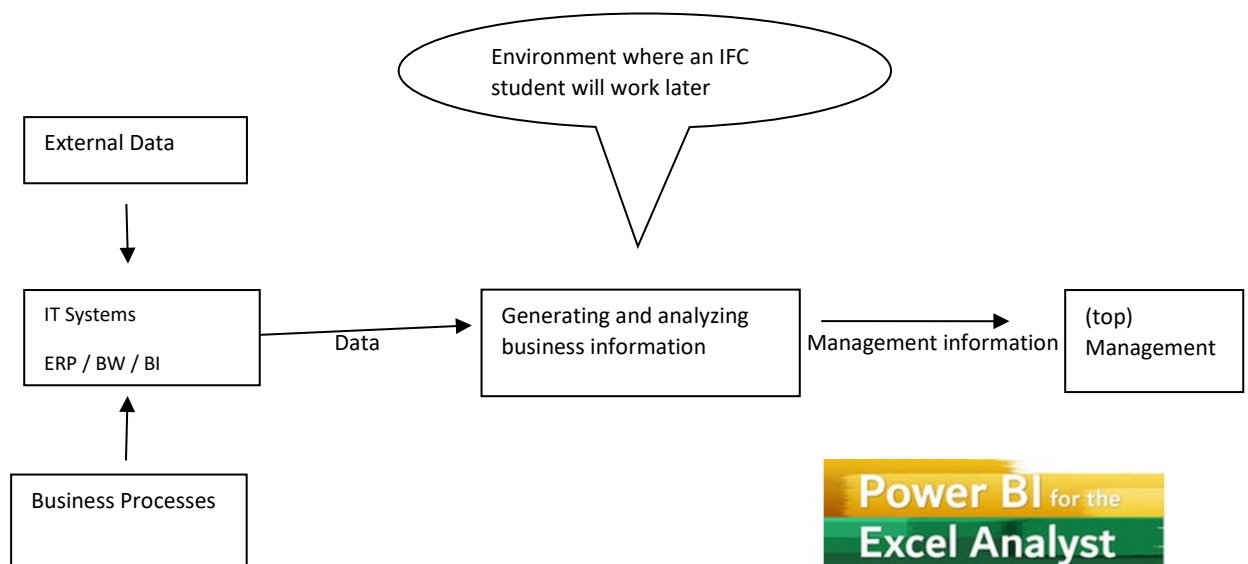
The strategic management of a company is directly linked to the strategy orientation of controlling in the company. The analysis and evaluation of relevant data and information for management is not unproblematic for the controller. Especially in strategic controlling, the consideration of the management orientation on behavioural scientific explanatory approaches is of great importance. Therefore, it is the task of controlling to make information about the complete corporate process accessible to management.

The strategy orientation of the financial management process in a company requires long-term advance planning and monitoring. The process also requires management reactions to possible problems, risks and bottlenecks. Controlling meets these requirements through budgeting, risk controlling and performance measurement. These controlling components are focused on in this LA.

In addition, the LA "Controlling & Management Accounting" focuses on ensuring economic efficiency in management. Starting points for this task can be found in almost all management decisions. These requirements are taken into account through strategic controlling instruments

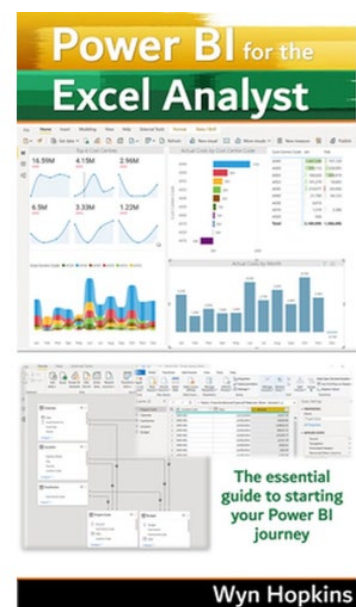
### Business Intelligence:

Nowadays, almost all companies in the world are automated. Business Processes (in SAP these are called transactions) generate very much information. Every process is registered and gives information for the next process to come or can be used for aggregating. It is not easy to manage these data in a proper way, meaning getting the right data at the right time without too much effort. Many organizations create a system for this process: they make a snapshot of the operational data (stored in a Business Warehouse) and provide these data for management to use them when making decisions. The ultimate goal is that (top) managers can ask all kinds of questions (queries) from behind their PC to support their decision process. Business specialists (with detailed knowledge about the processes) remain however necessary, not only to generate the right queries (what fields, what settings) but also to define the information requirements. In this case they are the intermediates between the IT department and the managers. This is the environment where an IFC student can or will work after graduation. The following graph illustrates this environment.



In this course we are going to work with Power BI. Students will work on their own dataset, modify this dataset and bring this data to live with a dashboard. At the end of the block, students will defend their choices and show their competencies of the program Power BI.

We use the book on the right side. As the data model and DAX language is the same in Power BI as in Excel, those two programs work perfectly together. Understanding tables in Excel will give you some advantage, but we start from scratch in any case.



### Strategic Management:

In this Learning Arrangement (LA) we deal with the process of analyzing the environment, setting objectives, developing policies and creating plans for operational and strategic actions. Theory in combination with a business game involving strategic aspects should give the student the opportunity to understand strategic management in organisations.

Strategic management is the art and science of formulating, implementing and evaluating cross-functional decisions that will enable an organisation to achieve its objectives. It is the process of specifying the organisation's objectives, developing policies and plans to achieve these objectives, and allocating resources to implement the policies and plans to achieve the organisation's objectives. Strategic management, therefore, combines the activities of the various functional areas of a business to achieve organizational objectives. It is the highest level of managerial activity, usually formulated by the Board of Directors and performed by the organization's Chief Executive Officer (CEO) and executive team. Strategic management provides overall direction to the enterprise and is closely related to the field of Organisation Studies.

Strategic Management is an ongoing process that assesses the business and the industries in which the company is involved; it assesses its competitors and sets goals and strategies to meet all existing and potential competitors; and then it reassesses each strategy annually or quarterly to determine how it has been implemented and whether it has succeeded or needs replacement with a new strategy to meet changed circumstances, new technology, new competitors, a new economic environment, or a new social, financial, or political environment.

### Financial Reporting:

In this Learning Arrangement (LA), we will take a deep dive into Financial Reporting. Financial reporting is the back-bone of any organisation as it plays a vital role in decision-making, accountability, and transparency. For financial reporting to be used efficiently, rules and standards have been developed. In this course, we will use these to enhance your knowledge, skills and abilities within the field of financial reporting.

The course starts with reinforcing your understanding of key topics such as accrual accounting, depreciation, impairment, provisions, and contingent liabilities. Then, building on this foundation, we will dive deeper into financial reporting, where we will discover the intricacies of consolidation with key themes such as the acquisition and equity method, non-controlling interests, and intercompany transactions.

Throughout the course, lecturers, tutorials and workshops are provided where you gain new knowledge and can engage in exercises, case studies, and practical examples to apply your knowledge and develop a strong understanding of financial reporting.

### Finance:

Corporate Finance is the third course in finance for students in Finance and Control. This course supplements the knowledge that students have acquired in the previous finance courses.

In Corporate Finance, students will be introduced to the main stylized facts concerning the financial structure of a firm. Students will also learn some basic methods and techniques that can be used to analyze a variety of corporate finance policies. In particular, upon successful completion of the course, students will have more insights into what risks a firm may be able to mitigate through the enactment of proper financial policies and the use of financial derivatives.

Moreover, students will be able to link policies to the maximization of value for the shareholders of a corporation, and to analyze how optimal financial policies are shaped by micro-level issues of agency, information asymmetry, moral hazard, and adverse selection, as well as by the macro-level governmental policies concerning for instance regulation, or the taxation of corporate profits.

### Corporate Governance:

The course consists out of two parts. The first part of the course is related to the topic corporate governance. Corporate governance has become a hot topic over the past few years. The turn of the twenty-first century witnessed scandals and corporate fraud. The name of well-respected companies like WorldCom, Wirecard, Tyco and Enron filled the news. Enron, with a market capitalization of \$68 billion at its peak, became almost worthless in a matter of months, wiping out the retirement savings of thousands of employees and stockholders. The story of WorldCom was similar.

The common theme among these companies is the accusation of fraud, perpetrated by the manipulation of (accounting) statements. Shareholders, analysts and regulators were kept in the dark as the companies' financial situations became ever more precarious, resulting, in the end, in total collapse. How did this happen? Are managers supposed to act in the interest of shareholders? Why did auditors go along with the fraud? Where were the boards of directors when all of this was happening?

The key issue with respect to preventing fraud is a decent corporate governance system. There is an opportunity cost to bad governance. Therefore, by replacing bad governance with good governance, it is possible to increase firm value. Therefore, we start the course by discussing various governance mechanisms that are designed to mitigate the agency conflicts between managers and owners. These agency conflicts cannot be removed completely by a firm's governance mechanism, so next we will discuss regulations that are designed to prohibit managers from taking certain acts that are not in the interests of shareholders.

The second part of the course concerns risk management. Via a professional product the students are supposed to carry out a risk analysis of a company based on the COSO-ERM risk management model and methodology.