

Exam in: Management Accounting Systems

Course code: 2119 - E

Date: 08.05.2010

Examiner: Oana Velcu

Duration: 4 hours

No books or notes allowed

Please answer the following questions (write the answer to question 2 on a separate piece of paper):

1. Kindly discuss according to Merchant and Van der Stede, how the results control can be used as forms of management control that influence the behaviour in organizations. (15 p)
2. Please describe the different reasons for which transfer pricing is used. In addition, explain how these reasons might conflict. (15 p)
3. Kindly explain what incentive compensation systems are and what purposes they have? Please give examples of positive and negative rewards. What are the criteria that make an incentive system good or bad? (25 p)
4. Please discuss the four levers of control according to Simons' paper, "Control in an Age of Empowerment". How can be these four control systems be balanced to boost innovation in organizations? (25 p)