

**E X A M****Course code: BE-417****Course name: Management Control Systems**

Date: December 1, 2016

Duration: 4 hours

Number of pages incl. front page: 2 (two)

Resources allowed: None

Notes: You may answer in English, Norwegian, Danish or Swedish

**Question 1 (20%)**

- a) Explain what is meant by the myopia problem.
- b) Explain how the use of a Balanced Scorecard can remedy the myopia problem.

**Question 2 (25%)**

Briefly explain the following terms:

- a) Results controls
- b) Action controls
- c) Personnel controls
- d) Cultural controls
- e) Management control package

**Question 3 (20%)**

- a) Explain what is meant by the controllability principle.
- b) Discuss this statement: "Individual rewards are always more effective than group rewards"



**Question 4 (20%)**

- a) Provide a brief overview of the Beyond Budgeting approach.
- b) Discuss the role of national cultural differences in the implementation of Beyond Budgeting.

**Question 5 (15%)**

- a) Briefly explain the link between corporate governance and management control systems.
- b) Briefly discuss this statement: "The Sarbanes-Oxley Act has had little impact on corporations and the accounting profession."