



Syllabus Course Program

Financial Controlling

Specialty

072 – Finance, banking, insurance and the financial market

Institute

Educational and Scientific Institute of Economics, Management and International Business

Educational program

Finance and banking

Department

Accounting and finance (205))

Level of education

Bachelor's level
Master's level
Ph.D.

Course type

Special (professional), Mandatory

Semester

7

Language of instruction

Ukrainian

Lecturers and course developers



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Doctor of Economic Sciences, Professor, Professor
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Author and co-author of more than 300 scientific and methodical publications.

Courses: "Controlling", "Financial controlling", "Theory of international finance", "Main trends and concepts of financial capital management", "Investment and innovative activity at the enterprise", "Financial Management", "Corporate Finance Management".

[More about the lecturer on the department's website](#)

General information

Summary

The maximum use of the internal capabilities of the enterprise in modern conditions requires the creation of such a management system that is able to timely identify, analyze, control, coordinate, adjust and inform the management about the economic situation at the enterprise. This can be ensured due to the introduction of innovative management technologies, which include financial controlling as a component of general controlling. It represents a fundamentally new concept in enterprise management, capable of ensuring its effective functioning in the long term by forming objective information about annual costs and revenues, which enables prompt optimal management decisions to be made, and at the same time provides a predictable result of activity through the integration and direction of various services and divisions of the enterprise to achieve the most important strategic goals. Financial controlling is focused on informational and functional support of financial management. The discipline is aimed at deepening theoretical knowledge, mastering modern methodological tools, practical skills of effective management of information flows and resources of the enterprise in modern dynamic business conditions, formation of a comprehensive vision, understanding and perception of the management system in online mode for the formation of alternative options for management solutions

Course objectives and goals

The purpose of the academic discipline "Financial Controlling" is the formation of students' theoretical knowledge regarding innovative concepts of controlling, practical skills in making timely and effective management decisions based on transparent controlling information, and professional competencies regarding the organization of financial controlling at the enterprise, taking into account its functions and tools. This gives the student the opportunity to master theoretical ideas and practical skills regarding the application of modern management methods, diagnosis and forecasting of the financial and economic state of the enterprise and generalization of the results obtained in the learning process

Format of classes

Lectures, laboratory classes, consultations, self-study. Final control in the form of an exam.

Competencies

GC01. Ability to think abstractly, analyze and synthesize.

GC02. Ability to apply knowledge in practical situations.

GC03. Ability to plan and manage time.

GC04. Ability to communicate in a foreign language.

GC05. Skills in the use of information and communication technologies.

GC06. Ability to conduct research at the appropriate level.

GC07. Ability to learn and master modern knowledge.

GC08: Ability to search, process and analyze information from various sources.

GC09. Ability to be critical and self-critical.

GC10. Ability to work in a team.

GC11. Ability to communicate with representatives of other professions of groups of different levels (with experts from other fields of knowledge / types of economic activity).

GC12 Ability to work autonomously.

GC13. Ability to exercise their rights and responsibilities as a member of society, to realize the values of civil (free democratic) society and the need for its sustainable development, the rule of law, human and civil rights and freedoms in Ukraine.

GC14. The ability to preserve and enhance moral, cultural, scientific values and achievements of society based on an understanding of the history and patterns of development of the subject area, its place in the general system of knowledge about nature and society and in the development of society, technology and technology, to use various types and forms of physical activity for active recreation and healthy lifestyle.

SC01. Ability to study trends in economic development using tools of macro- and microeconomic analysis, to assess current economic phenomena.

SC02. Understanding of the peculiarities of the functioning of modern world and national financial systems and their structure.

SC03. Ability to diagnose the state of financial systems (public finance, including budget and tax systems, finance of business entities, household finance, financial markets, banking system and insurance).

SC04. Ability to apply economic and mathematical methods and models to solve financial problems.

SC05. Ability to apply knowledge of legislation in the field of monetary, fiscal and financial market regulation.

SC06. Ability to apply modern information and software for obtaining and processing data in the field of finance, banking and insurance.

SC07. Ability to prepare and analyze financial statements.

SC08. Ability to perform control functions in the field of finance, banking and insurance.

SC09. Ability to carry out effective communications.

SC10. Ability to identify, justify and take responsibility for professional decisions.

SC11. Ability to maintain an appropriate level of knowledge and constantly improve their professional training.

Learning outcomes

PR 04. To know the mechanism of functioning of public finance, including budget and tax systems, finances of economic entities, household finances, financial markets, banking system and insurance.

PR05. Possess methodological tools for diagnosing the state of financial systems (public finance, including budget and tax systems, finance of economic entities, household finance, financial markets, banking system and insurance).

PR06. Apply appropriate economic and mathematical methods and models to solve financial problems.

PR07. Understand the principles, methods and tools of state and market regulation of activities in the field of finance, banking and insurance.

PR09. Prepare and analyze financial statements and correctly interpret the information received.

PR10. Identify sources and understand the methodology of determining and methods of obtaining economic data, collect and analyze the necessary financial information, calculate indicators that characterize the state of financial systems.

PR 11. Possess methodological tools for exercising control functions in the field of finance, banking and insurance

PR12. Use professional argumentation to convey information, ideas, problems and ways to solve them to specialists and non-specialists in the financial sector.

PR 13. Possess general scientific and special methods of researching financial processes.

PR16. Apply the acquired theoretical knowledge to solve practical problems and interpret the results in a meaningful way

PR 19. To demonstrate skills of independent work, flexible thinking, openness to new knowledge.

PR 20. To perform functional duties in a group, to propose reasonable financial decisions.

Student workload

The total volume of the course is 120 hours (4 ECTS credits): lectures - 32 hours, laboratory classes - 16 hours, self-study - 72 hours.

Course prerequisites

To successfully study the course, you must have knowledge and practical skills in the following disciplines: "Fundamentals of economic theory", "Statistics", "Economics of the enterprise", "Fundamentals of taxation", "Finance", "Finance of the enterprise", "Budgeting", "Controlling"

Features of the course, teaching and learning methods, and technologies

Lectures are conducted interactively with maximum use of multimedia technologies. In practical classes, a project and case approach to learning, game methods are used, attention is focused on the use of a system approach in controlling and financial management

Program of the course

Topics of the lectures

Topic 1. Introduction. Basics of financial controlling.

Innovative concept, subject, functions and tasks of controlling. Financial controlling as a component of controlling. The need for financial controlling at domestic enterprises in modern conditions. Subsystems of financial controlling in enterprise management. Types of financial controlling.

Topic 2. Organizational foundations of financial controlling at the enterprise.

Principles of controlling organization. The practice of implementing the financial controlling system at the enterprise. Models of controlling services in the management hierarchy. Functional duties of the financial controller. Information provision of financial controlling and its IT support.

Topic 3. Budgeting and budgetary control according to the concept of financial controlling.

Content, tasks, stages and methods of developing operating budgets. Budgets of functional units and master budget. Development of budgets by centers of financial responsibility. Qualitative and quantitative methods of financial forecasting. Budget control. Analysis of deviations from static and flexible budgets. Reporting on the execution of budgets. The concept of non-budget activity.

Topic 4. Transfer pricing at the enterprise.

Necessity, essence and functions of internal pricing. Methodical approaches to transfer pricing: 1) based on market prices; 2) on the basis of costs; 3) on a contractual basis; 4) at double the price. Conflicts of interest are possible in the process of setting transfer prices.

Topic 5. Evaluation of the effectiveness of the financial and economic activity of the enterprise.

Behavioral controlling. Motivational system as a tool for controlling behavior. Performance indicators and possible ways of their real use. Determination of the discount rate when evaluating the financial and economic activity of the enterprise.

Topic 6. Value-oriented controlling management of the enterprise.

Definition and essence of value-oriented management. The role of financial controlling in such management. Methods of estimating the value of the enterprise. Methodical approaches to the introduction of value-oriented financial management. Cash Flow Discounting Model. Indicators of value-oriented financial management (EVA, SVA, CVA, MVA).

Topic 7. Strategic financial controlling and system of balanced indicators.

Strategic financial controlling and its toolkit of competitive advantages. The system of balanced indicators as an innovative tool of enterprise cost management. The concept of BPM in the strategic controlling system. Alternative concepts of financial management.

Topic 8. Financial diagnosis and monitoring according to the concept of controlling.

A classic approach to financial diagnosis. Indicator systems of financial diagnostics.

Discriminant analysis method. Discriminative models of diagnosing national enterprises. The method of rating assessments. The quality of assessment according to models of financial diagnostics.

Topic 9. Harmonization of financial reporting as a competence of financial controlling.

Financial controlling in international financial reporting standards. Formation of reporting based on the management approach. Determination of fair value. Requirements for drawing up a balance sheet.

Cash flow reporting. Consolidation of reporting and financial controlling.

Topic 10. Controlling expenses in the system of value-oriented financial management of the company.

Management accounting and cost control. Classification of costs and costing systems: 1) based on full costs; 2) on the basis of partial costs; 3) using CVP-analysis, ABC method, product life cycle, Target-Costing

Topics of the workshops

Topic 1. The economic essence of controlling. Subject, functions and tasks of controlling. Evolution of controlling. Financial controlling as a component of controlling. The necessity and problems of implementing controlling at national enterprises in modern conditions. Subsystems of financial controlling in enterprise management. Characteristics of strategic and operational controlling.

Topic 2. Organizational foundations of financial controlling at the enterprise.

Centralized and decentralized system of financial controlling management at the enterprise.

Characteristics of foreign models of controlling services in company management. The role and functional duties of the financial controller. "Portrait" of the controller. The use of IT technologies in the management of the company's finances according to the concept of financial controlling.

Topic 3. Budgeting and budgetary control according to the concept of financial controlling.

Static and flexible budgets. Time stages and methods of developing operating budgets. Principles of formation of centers of financial responsibility and methods of developing budgets for them. Budgets of functional units and master budget. Methods of financial forecasting. Carrying out budgetary control through the analysis of deviations from static and flexible budgets. An example of creating a master budget and analyzing its implementation through a plan/fact comparison.

Topic 4. Transfer pricing at the enterprise.

Methodical approaches to transfer pricing: 1) taking into account market prices; 2) on the basis of costs; 3) on a contractual basis; 4) at double the price. Examples of the movement of the cost of the product according to the technological sequence, taking into account the number of products in the batch and the costs of its processing by individual production units, taking into account the specified prices by each method for one product.

Topic 5. Evaluation of the effectiveness of the financial and economic activity of the enterprise.

Performance indicators and possible ways of their real use. Determination of the discount rate when evaluating the financial and economic activity of the enterprise. An example of performance evaluation by groups of financial indicators: 1) absolute profit indicators (net profit, EBITDA, EBIT, EBT, NOPAT); 2) relative indicators (return on equity, return on assets, return on investment, return on sales); 3) relative and absolute indicators of net cash flows {Cash Flow, CFROI, CFROE}; 4) value-oriented indicators {EVA, CVA, MVA, SVA}.

Topic 6. Value-oriented controlling management of the enterprise.

An example of performance evaluation by groups of financial indicators: 1) absolute profit indicators (net profit, EBITDA, EBIT, EBT, NOPAT); 2) relative indicators (return on equity, return on assets, return on investment, return on sales); 3) relative and absolute indicators of net cash flows (Cash Flow, CFROI, CFROE); 4) value-oriented indicators {EVA, CVA, MVA, SVA}.

Topic 6. Value-oriented controlling management of the enterprise.

Methods of estimating the value of the enterprise. Cash Flow Discounting Model. Indicators of value-oriented financial management (EVA, SVA, CVA, MVA). An example of calculating enterprise value indicators by all methods and the specified value indicators of financial management.

Topic 7. Strategic financial controlling and system of balanced indicators.

Toolkit of strategic controlling to ensure competitive advantages. The system of balanced indicators as an innovative tool of enterprise cost management and an element of the combination of controlling and financial controlling. The concept of BPM in the strategic controlling system. Alternative concepts of financial management. Examples of practical application of all noted methodological approaches.

Topic 8. Financial diagnosis and monitoring according to the concept of controlling.

Quantitative methods and indicator systems of financial diagnostics. Foreign models for assessing the probability of bankruptcy of an enterprise. Examples of domestic discriminatory models of diagnosing enterprises. An example of a company rating. Qualitative characteristics of assessment using foreign and domestic models of financial diagnostics.

Topic 9. Harmonization of financial reporting as a competence of financial controlling.

Determination of the possibilities of combining IFRS with the national system of management accounting and reporting using financial controlling. Search for ways to improve the definition of fair value.

Adaptation of the national balance sheet formation system to the requirements of IFRS and cash flow reporting. Assess the role of controlling in the consolidation of reporting

Topic 10. Controlling expenses in the system of value-oriented financial management of the company
Costing systems: 1) based on full costs; 2) on the basis of partial costs; 3) using CVP analysis, ABC method, product life cycle, Target-Costing. Examples of calculating the cost of the product according to all the above methods

Topics of the laboratory classes

Laboratory works within the discipline is not provided

Self-study

The course involves the completion of an individual task - an essay on problematic issues of the course. The result of writing the abstract is drawn up in the form of a written report with a presentation in the appendix. Students are also recommended additional materials (videos, articles) for independent study and analysis

Course materials and recommended reading

Basic literature

1. Sablina N.V., Kuzenko T.B. Financial controlling [Electronic resource]: study guide. - Kharkiv: KhNEU named after S. Kuznetsia, 2019. – 161 p.
2. Ptashchenko L.O. Synopsis of lectures on the discipline "Financial Controlling". - Poltava: National University named after Yuriy Kondratyuk, 2023. – 80 p.
3. Zhavnerchyk O.V. Controlling: Synopsis of lectures. Odesa: ODEKU, 2019. 135 p.
4. Zayachkivska O.V. Synopsis of lectures on the academic discipline "Financial Controlling". [Electronic edition] / O. V. Zayachkivska – Rivne: NUVHP, 2022. – 53 p.
5. Shelemba N. Financial controlling in bank activity. Science online: International Scientific Electronic Journal. 2020. No. 12. URL: <https://nauka-online.com/publications/ekonomika/2020/12/finansovijkontroling-v-diyalnosti-banku>.

Additional literature

1. Pavlo Pronoza, Tetyana Kuzenko, Nataliya Sablina. Controlling mechanisms to ensure the financial security of instrument-making enterprises (2020). Economics of Development, Volume 19, Issue 3, 2020.
2. V. A. Mishchenko, S. A. Mekhovych, I. I. Horobets. Foreign practice of controlling and problems of its implementation at national enterprises. Energy saving. Energy. Energy audit. Kharkiv, 2020. (B) No. 11, (160). P.3-13.

3. Mishchenko V.A., Drugova O.S., Domnina I.I. Formation of the enterprise development strategy using the tools of strategic controlling in modern economic conditions. Scientific and practical journal "Economic Studies". Lviv, 2020. No. 1 (27). P.119 - 125.

4. V. A. Mishchenko, L. M. Taraniuk, I. I. Domnina, Preventive assessment of the financial state of the enterprise from the standpoint of possible bankruptcy. Bulletin of Sumy State University. Economy series. Sumy: Sumy State University, 2020. No. 3. P. 45-53. (Web of Science).

5. V. A. Mishchenko, E. M. Shapran, O. S. Drugova, A. V. Daragan Possibilities and tasks of controlling behavior in value-oriented enterprise management // Science, innovations and education: problems and prospects. Proceedings of the 14th International scientific and practical conference. CPN Publishing Group. Tokyo, Japan. 2022. Pp. 435-445. URL: <https://sci-conf.com.ua/xiv-mizhnarodna-naukovo-praktichna-konferentsiya-science-innovations-and-education-problems-and-prospects-25-27-08-2022-tokio-yaponiya-arhiv/>.

6. Mishchenko V. A., Shapran E. M., Drugova O. S. Modern organization of controlling at food industry enterprises // Modern directions of scientific research development. Proceedings of the 9th International scientific and practical conference. BoScience Publisher. Chicago, USA. 2022. Pp.488-497. URL: <https://sci-conf.com.ua/ix-mezhdunarodnaya-nauchno-prakticheskaya-konferentsiya-modern-directions-of-scientific-research-development-23-25-fevralya-2022-goda-chikago-ssha-arhiv/>

Assessment and grading

Criteria for assessment of student performance, and the final score structure

The final grade (100%) includes the current assessment (60%) and the exam (40%). The current assessment includes a calculation task (30%) and two equivalent control papers (15% each). The exam is conducted in the format of a written task consisting of two theoretical questions and a task or a test and an oral answer

Grading scale

Total points	National	ECTS
90-100	Excellent	A
82-89	Good	B
75-81	Good	C
64-74	Satisfactory	D
60-63	Satisfactory	E
35-59	Unsatisfactory (requires additional learning)	FX
1-34	Unsatisfactory (requires repetition of the course)	F

Norms of academic integrity and course policy

The student must adhere to the Code of Ethics of Academic Relations and Integrity of NTU "KhPI": to demonstrate discipline, good manners, kindness, honesty, and responsibility. Conflict situations should be openly discussed in academic groups with a lecturer, and if it is impossible to resolve the conflict, they should be brought to the attention of the Institute's management. Regulatory and legal documents related to the implementation of the principles of academic integrity at NTU "KhPI" are available on the website: <http://blogs.kpi.kharkov.ua/v2/nv/akademichna-dobrochesnist/>

Approval

Approved by

Date, signature

Head of the department
Oleksandr MANOILENKO

Date, signature

Guarantor of the educational program
Marina SHEVCHENKO

