



**POLITECNICO**  
MILANO 1863

# **Accounting, Finance & Control**

Academic Year 2023/24

# Agenda

- **9.00 – 10.15 Welcome to the MSc in Management Engineering**
- **10.15 – 10.30 Break**
- **10.30 – 11.15 The transformation of the AFC Function in the current business landscape** (Guest speaker: Flavio Caruso, Chief Financial Officer Novartis Italia)
- **11.15 – 12.00 Course articulation**



## Who we are – AFC Chairs

**Michela Arnaboldi**  
*A-CE (excluded)*  
*students*



**Deborah Agostino**  
*MO-ROS (excluded)*  
*students*



**Paolo Maccarrone**  
*CE-GI (excluded)*  
*students*



**Marika Arena**  
*ROS-ZZZ*  
*students*



**Emanuele Lettieri**  
*GI-MO (excluded)*  
*students*



## AFC – Goals of this subject (1)

The course aims at providing students with the state-of-art, theoretical frameworks and instruments to **measure and manage the overall performance of an enterprise**

You will develop these capabilities:

- 1. UNDERSTAND** challenges, functions, processes in a business and industrial environment and their mutual effects on business, economy, environment and society
- 2. DESIGN** solutions applying a scientific and engineering approach (Analysis, Learning, Reasoning, and Modeling capability deriving from a solid and rigorous multidisciplinary background) coupled with participatory approaches to face problems and opportunities in a business, industrial and societal environment



## AFC – Goals of this subject (2)

### PERFORMANCE MEASUREMENT

- Accounting-based Indicators (*Profitability and Liquidity Analysis*)
- Value-based Indicators (*Enterprise Value and Relative Valuation*)
- Value Indicators (*Non-Financial & Risk Drivers*)

The following will be developed:

- 1. UNDERSTAND** challenges, functions, processes in a business and industrial environment and their mutual effects on business, economy, environment and society
- 2. DESIGN** solutions applying a scientific and engineering approach (Analysis, Learning, Reasoning, and Modeling capability deriving from a solid and rigorous multidisciplinary background) coupled with participatory approaches to face problems and opportunities in a business, industrial and societal environment



## AFC – Goals of this subject (3)

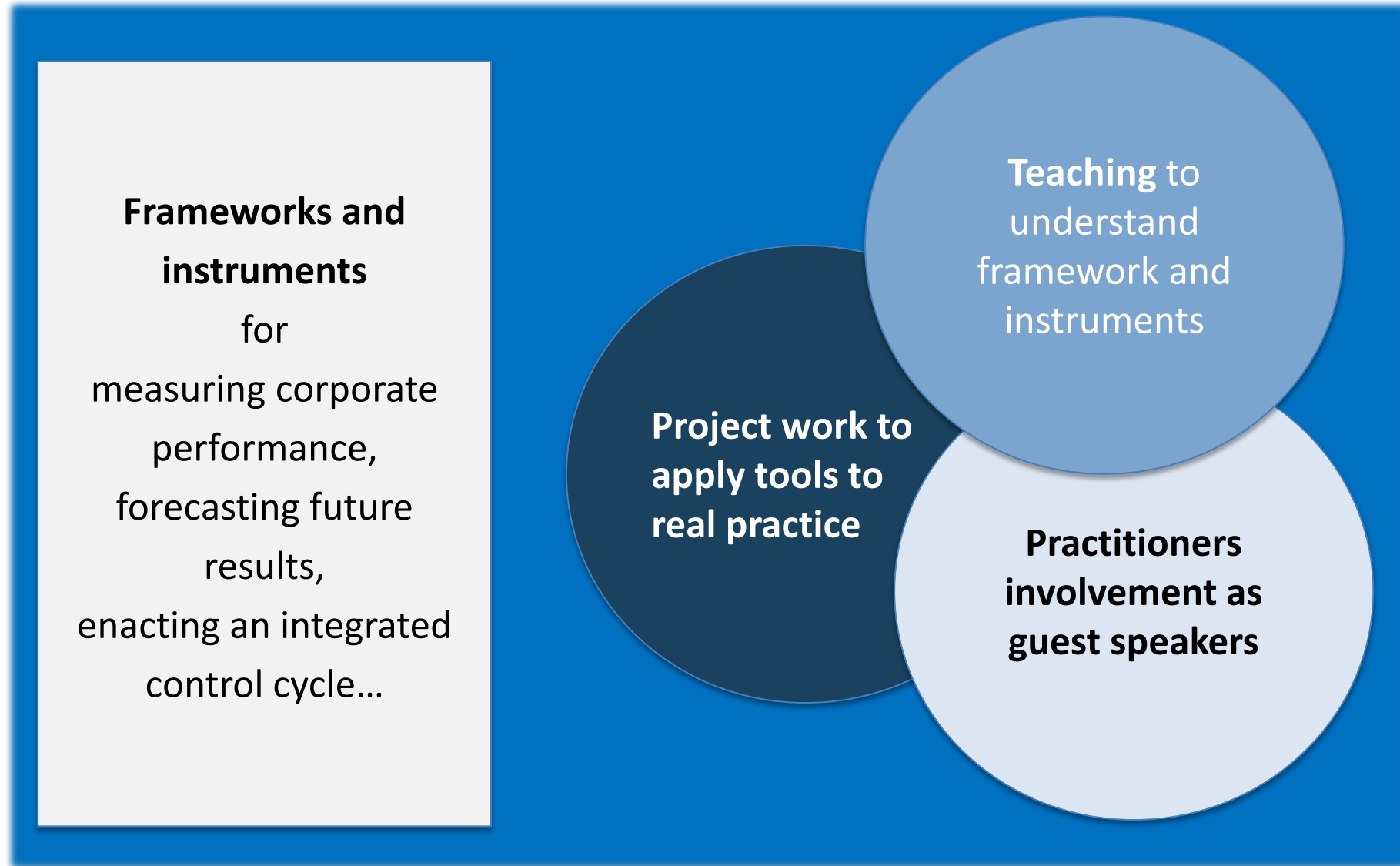
### PERFORMANCE MANAGEMENT

- Planning (*Budgeting and Financial Planning*)
- Control (*Variance Analysis and Reporting*)
- Reporting (*bridging Strategy and Execution*)

**2. DESIGN** solutions applying a scientific and engineering approach (Analysis, Learning, Reasoning, and Modeling capability deriving from a solid and rigorous multidisciplinary background) coupled with participatory approaches to face problems and opportunities in a business, industrial and societal environment



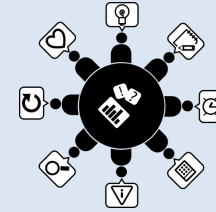
# Course articulation



# Assessment

The exam is divided in three parts:

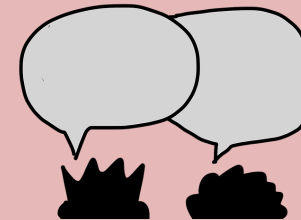
## GROUP WORK



## WRITTEN TEST



## ORAL EXAM

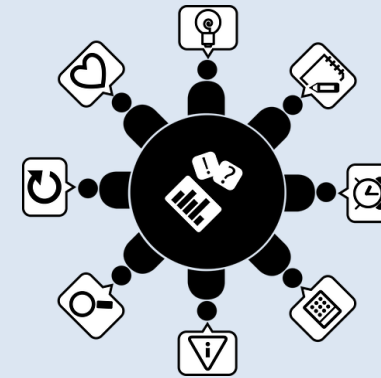




The exam is divided in three parts:

## GROUP WORK

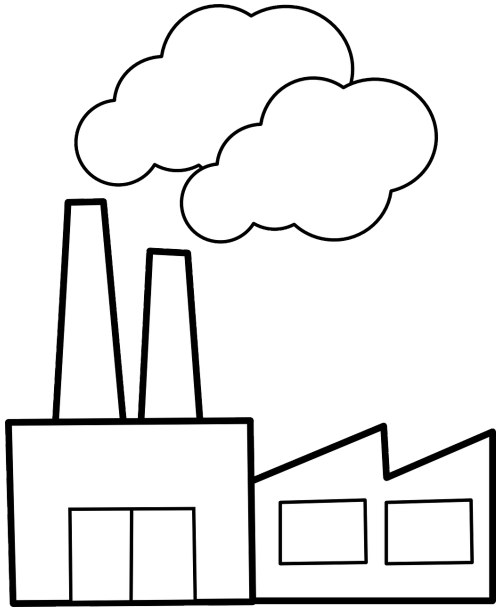
- Developed during the semester
- Group-based
- 50% of the final grade



## Group work: objectives



- The group work is aimed at challenging AFC students in preparing a **research report** for a real company, facing the common problems that an analyst faces in doing similar analysis

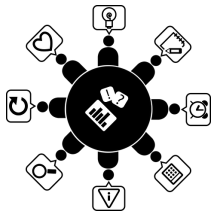


### **Expected learning goal:**

to be able to understand, evaluate and critically comment the performance of the company



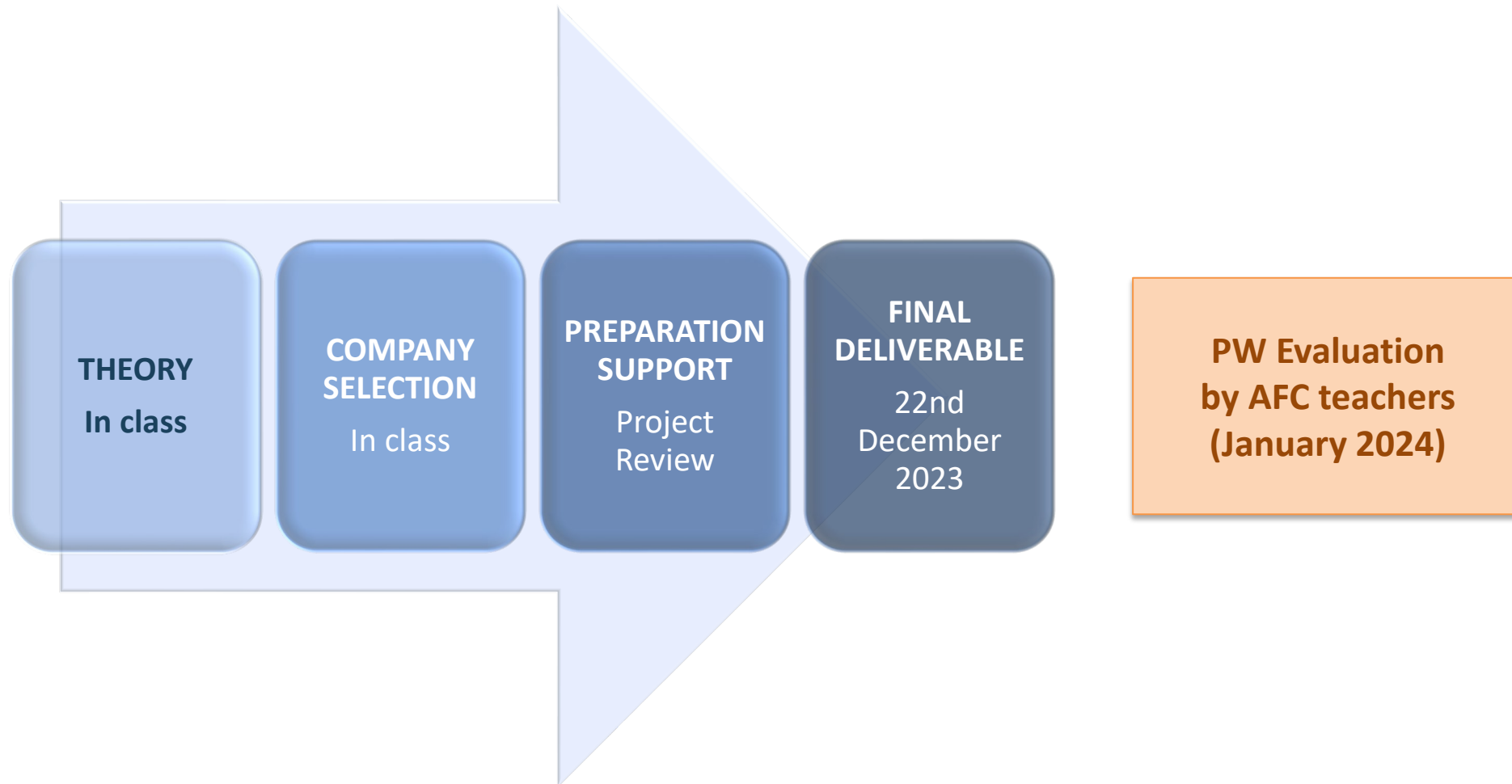
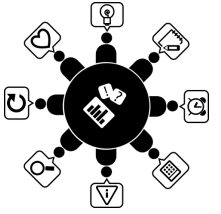
## Group work: expected output



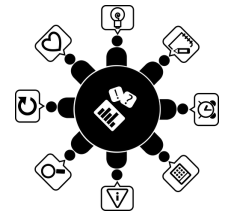
- **Final output:** a report for top levels of the organization (CEO, CFO, first lines in the hierarchy) evaluating the company performance:
  - Based on financial statements
  - In comparison with other companies (your choice)
  - Integrated with other information available in open source (that must be reported in references)
  - Contextualized in the strategy
  - The report should be 4.000 words in length (15 pages, including tables and figures. Excluded cover page and references)
- **Choice of the company:** the company will be presented by your AFC professor



# Group work: steps



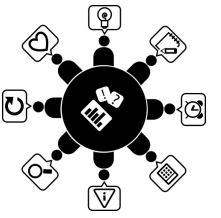
# Group composition



- Guidelines by group composition will be provided by **your reference professor**
- Groups will be composed by **5/6 students of the same cohort**
- We expect you will collaborate within each group. To avoid free riding, there will be a **Peer-to-Peer evaluation (P2P)**
  - P2P will not contribute to the final grade
  - It is based on a (1-5) scale, where 1= no collaboration in the group and 5 = high collaboration
  - The role of the P2P is to avoid free-riding **and opportunistic** behaviours
  - If your P2P grade  $\leq 2$ , you will be required to develop an **individual work** on a topic that will be assigned to you by your professor **as recovery assignment**



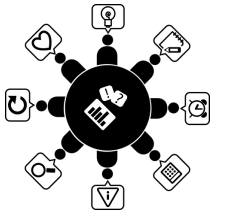
# Individual work (essay)



- Individual work applies in two particular cases:
  - **Case 1**\_Students who will receive an evaluation  $\leq 2$  in the P2P
  - **Case 2**\_Students **who are not in the proper condition to develop a project-based activity** (e.g., a student-worker).
- If you **fall** in Case\_1, the professor will contact you to **define** the individual work
- If you **fall** in Case\_2, **you** are required to contact the professor before the group's composition
  - The professor will evaluate **your** situation and **will decide to** accept/reject the request of individual work
  - The topic of the individual work will be defined by the professor
  - The weight of the individual work remains 50% of the final grade



## Group work: Deadlines



- Further details on the content of the project works will be provided by your reference professor during the next lectures.
- Google spreadsheet for allowing group composition by **September 27th, 2023.**
- The group composition will be communicated by **October 2nd, 2023.**
- **2** interim project reviews **during the semester.**
- Deadlines for the delivery of the PW/individual work: **December 22<sup>nd</sup>, 2023**
- PW evaluation communicated in **January 2024.**



The exam is divided in three parts:

## WRITTEN TEST

- At the end of the semester
- Individual
- 50% of the final grade
- You can access the written test only if you pass the Project Work





## Written Test (50% of the final grade)



- Held the first day of the exam rounds
- Multiple-choice questions (definitions + short cases)
- Each question will have an ad-hoc score (shown)
- Written test and Oral exam must be held in the same round
- If you fail the oral exam OR you reject the final grade, the written test must be repeated

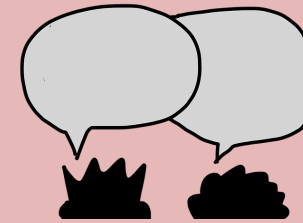
**YOU MUST REGISTER FORMALLY FOR THE EXAM !!!**



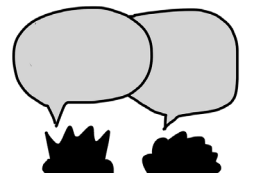
The exam is divided in three parts:

## ORAL EXAM

- To be held in the same session of the written test
- The oral exam is mandatory if
  - (Written Test grade is  $\geq 16$  and  $\leq 18$ ) **OR**
  - (Written test grade is  $\geq 28$  and  $\leq 30$ )
- The oral exam is optional if
  - (Written test grade is  $\geq 19$  and  $< 28$ )
- The oral exam will add to the AFC grade ( **$\pm 2$  OR failure**)



## Oral Assessment ( $\pm 2$ OR failure)



- Held the next days of the written test. Schedule published on WeBeep.
  - Theory questions (e.g., tell me about how to compute the cost of capital, tell me about reporting at the business unit level, tell me about the matching principle, tell me about...)
  - Short cases with numbers

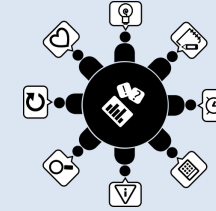
### **Suggestions for a satisfactory oral exam:**

- Do not rush, think before speaking
- If the question is unclear, ask to repeat it
- Use the papers provided to draw diagrams, write formulas etc.
- Be concrete and provide examples
- Always think about the why
- English proficiency is NOT evaluated



## Assessment: overall view

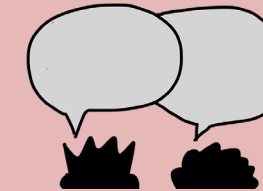
**GROUP WORK (50% final grade)**



**WRITTEN TEST (50% final grade)**



**ORAL EXAM ( $\pm 2$  OR failure)**



AFC FINAL GRADE:

$[(\text{GROUP WORK GRADE} * 0.5) +$   
 $(\text{WRITTEN TEST GRADE} * 0.5)] +$   
ORAL EXAM

This average is rounded down to  
obtain the final grade



## Next AFC lecture & relevant information

Professor	When	Where	Streaming
Arnaboldi (A-CE)	Monday 18th, 2.30 pm	L15	<a href="https://politecnicomilano.webex.com/meet/michela.arnaboldi">https://politecnicomilano.webex.com/meet/michela.arnaboldi</a>
Maccarrone (CE-GI)		L01	<a href="https://politecnicomilano.webex.com/meet/paolo.maccarrone">https://politecnicomilano.webex.com/meet/paolo.maccarrone</a>
Lettieri (CI-MO)		L06	<a href="https://politecnicomilano.webex.com/meet/yulia.sidorova">https://politecnicomilano.webex.com/meet/yulia.sidorova</a>
Agostino (MO-ROS)		BL2707	<a href="https://politecnicomilano.webex.com/meet/deborah.agostino">https://politecnicomilano.webex.com/meet/deborah.agostino</a>
Arena (ROS-ZZZ)		BL2703	<a href="https://politecnicomilano.webex.com/meet/marika.arena">https://politecnicomilano.webex.com/meet/marika.arena</a>

All AFC lectures will be streamed even if in-person participation is kindly recommended as the preferable way to attend AFC lectures. All lectures will be recorded and all registrations will be made available to Students via WeBeep as soon as possible.

Exams will be in presence (exceptions are allowed for mobility exchange students)

**If you are not already enrolled to WeBeeP course,  
please require the enrollment and always monitor it**



**WeBeep**

