Refer to the following cases from Chapter 2 & 3 of the Textbook and attempt the questions based on these cases.

**Chapter 2**

**Kooistra Autogroep**

1. Did Kooistra Autogroep management go too far in decentralizing the organization? Did they not go far enough? Or did they get it just right? Why?
2. Evaluate the budgeting, performance measurement, and incentive systems used at Kooistra Autogroep. What changes would you recommend, if any?

**Houston Fearless 76, Inc**

1. Why are Houston Fearless 76, Inc. (HF76) managers unhappy with the company’s existing sales incentive plan? Are weaknesses in this plan a major cause of the company’s performance problems?
2. Evaluate the new incentive plan being contemplated. What modifications would you make to the proposed new plan, if any? How would you address the unresolved issues?
3. Are there any significant impediments to the successful implementation of the new incentive plan? If so, which?
4. Would you make any changes to the system providing bonuses to sales assistants? If so, what?

**Chapter 3**

**EyeOn Pharmaceuticals, Inc**

1. How would you characterize the control strategy used in the research and development area of EyeOn Pharmaceuticals?
2. Evaluate the control strategy. What, if anything, would you suggest EyeOn managers do differently?
3. Evaluate the control environment and control system at EyeOn Pharmaceuticals, Inc. What are the strengths, weaknesses, and dangers inherent in the control systems?
4. What changes, if any, would you suggest to Mr. DeMartino and Dr. Kumar? How would your suggestions improve control at EyeOn Laboratories? Specifically address the concerns of Mr. DeMartino as they relate to the planning, budgeting, measurement, and reporting processes that are used.
5. How can the productivity of research and development be measured?
6. On what basis should EyeOn’s board of directors evaluate the management of EyeOn

Pharmaceuticals?

**Axeon N.V.**

1. Is construction of the new factory in the UK in the best interest of Axeon N.V.?
2. Ignoring your answer to Question 1, if the plant were not built and AR-42 was shipped from the Netherlands to the UK, what transfer price would be appropriate?
3. What should Mr. van Leuven do?