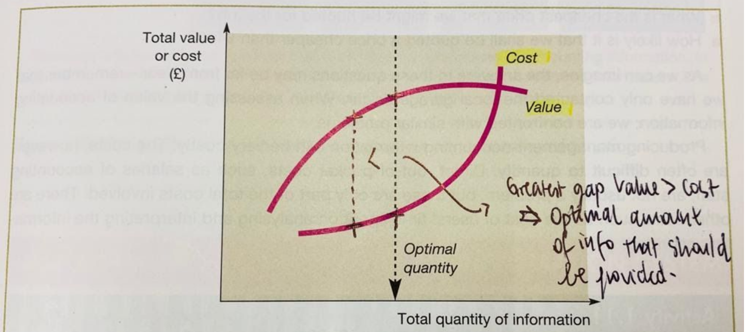
- **verifiability** → MA information should be provided faithfully and represent what it is supposed to represent.
- **timeliness** → be produced in time for managers to take their decisions
- **understandability** → clear and concise, to be alqso undersandable by non-accountants.

10. weighing up the costs and benefits



The benefits of management-accounting information eventually decline. The cost of providing the information, however, will rise with each additional piece of information. The optimal level of information provision is where the gap between the value of the information and the cost of providing it is at its greatest.

➔ **Optimal amount** of information that should be provided: The gap between the value of information and the cost of providing that information is at the greatest.

11. Management accounting as an information system

➔ The management accounting information system has certain features that are common to all information systems within a business:
- identifying and capturing relevant information
- recording the information collected in a systematic manner
- analyzing and interpreting the information collected
- reporting the information in a manner that suits the needs of individual managers

➔ IDENTIFICATION > RECORDING > ANALYSIS > REPORTING

12. Phases of MA

➔ **Phase 1 - 1950s, Inward looking management attention**
- competition was weak
- the main focus of management attention was on the internal process of the business

➔ **Phase 2 - 50-60s, inward focus + ST planning control purposes**
- management information remained inwardly focused
- short term plan and control purposes

➔ **Phase 3 - 70-80s, competition (robotics+tech) → waste reduction & cost control**
- world experienced a considerable upheaval as a result of oil price and economic recession
- increased competition,, fostered by new techniques in robotics & computer-aided design
- greater concerns for controlling costs, waste reduction, various techniques developed to reduce or eliminate waste

➔ **Phase 4 - 90-00s, @www → shareholder value & customer need** → secure and maintain competitive advantage
- a concern for a more effective use of resources, with particular emphasis on creating value for shareholders by understanding customers need
- MA became more outwardly focused
- businesses with success maintain competitive advantage over their rivals thanks to a greater understanding of the customers needs