

Assignment:

1. Objectives, scope, relationship with Financial Accounting & cost accounting.

Objective:

Management accountants provide information and participate in the management process. They select and provide, to all levels of management, information needed in:

1. planning, evaluating and controlling operations, decision making
2. safeguarding the organizations assets
3. communicating with interested parties outside the organization, such as shareholders and regulatory bodies.

Scope:

Management accounting is concerned primarily with providing information to internal managers who are charged with planning and controlling the operations of the firm and making a variety of management decisions. Generally, management accountants do the following tasks:

a. Scorekeeping or data accumulation which involves with internal and external parties to evaluate organizational performance and position.

b. Interpreting and reporting of information that helps manager to focus on operating problems, opportunities as well as inefficiencies. This is commonly associated with current planning and control and the analysis and investigations of recurring routine internal accounting reports to signal situations in which management action may be required.

c. Problem-solving or quantification of the relative merits of possible course of action as well as recommendations as to the best procedure. This is commonly associated with non-recurring decisions.

* Relationship between Financial Accounting and Cost Accounting

Cost Accounting is a systematic set of procedures for recording and reporting measurements of the cost of manufacturing goods and performing services in the aggregate and in detail. It includes methods for recognizing, classifying, allocating, aggregating and reporting such costs and comparing them with standard costs.