→ Its main objective is to reduce or control the cost, and use it in the best effective and efficient manner.

c) Management Accounting is related with information regarding funds, costs, profit etc.

→ It helps management in effective decision making.

* Book Keeping :

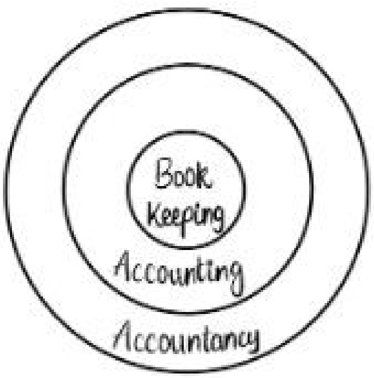
✧ Book keeping is the systematic recording of financial transactions on a day to day basis.

✧ It includes —

- Recording of transactions and events in books of Accounts.
- Classifying the recorded transactions and events in ledger [i.e. posting]
- Book keeping is maintained by Book Keeper.
- The end product of book keeping is the financial statement.

* Accounting :

✧ Accounting is the process of recording financial transactions, summerising them and communicating the financial information to its users.



→ Book keeping is the primary function of accounting and focuses on proper recording and maintainance of books of accounts.

→ Accounting is the secondary function.
 - It starts where book keeping ends.