

# Introduction to Management Accounting

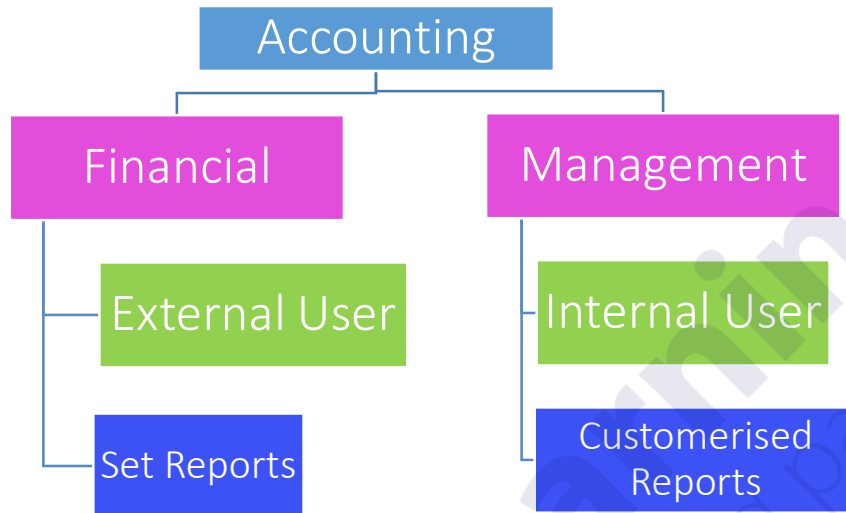
## AAT Level III Management Accounting and Finance (MAF)

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## Introduction to Management Accounting

**Financial accounting systems** ensure that the assets and liabilities of a business are properly accounted for and provide information about profits and so on to shareholders and to other interested parties.

**Management accounting systems** provide information specifically for the use of managers within an organization.



<b>1.Users</b>	External persons who make FS.	Managers who plan for and control Company.
<b>2.Time Focus</b>	Historical perspective	Future emphasis
<b>3.Verifiability</b>	Source Documents	Satisfying management needs
<b>4.Subject</b>	Companywide reports	Segment Reports
<b>5.Rules</b>	SLFRS/LKASs	Not bound by outside rules
<b>6.Requirements</b>	Mandatory for external reports	Not Mandatory

### Role of the Management Accountant

1. To provide the information to managers for use within an organization.
2. To maintain an ethical and reliable system of internal control.
3. To prepare reports including forecasting, Budgeting etc.

While management accounting is mainly concerned with the provision of **financial information**

- **To aid planning**
- **To control**
- **To decision making**

### Importance of Management Accounting

1. Support to maintain a good relationship between financial activities and other activities in an organization.
2. Provide suggestions on the future activities from the evaluations of current status by means of relevant costing analysis.
3. Provide required information to all the levels of management to make decisions.
4. Provide required information and reports for planning and organizing.
5. Provide recommendation for the control of methods of business operations.