

MANAGEMENT ACCOUNTING DEFINITION

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Different authorities have provided different definition of them are as under:

“Management Accounting is concerned with accounting i management”. — Robert N. Anthony

“Management Accounting is concerned with the efficient presentation to management of such information that wil —Brown and Howard

“Any form of Accounting which enables a business to be c as Management Accounting” — The Institute of Chartered

The Certified Institute of Management Accountants (CIM Accounting' in the following manner:

“Management Accounting is an integral part of managemen and interpreting information for:

1. Formulating strategy
2. Planning and controlling activities
3. Decision taking
4. Optimizing the use of resources
5. disclosure to shareholders and others, external to th
6. disclosure to employees
7. safeguarding assets

From the above definitions, it is clear that the mana accounting information, which is useful to the managemen in such a manner and provided to the top management for of business. Thus, management accounting is concerned external sources, analyzing, processing, interpreting an organization, so that management can more effectively pl The information to be collected and analysed has been ex provides more meaningful clues for proper decision-maki

The information in the management accounting system is

1. Measurement
2. Control and
3. Decision-making

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

1.3 OBJECTIVES OF MANAGEMENT ACCOUNTING

The basic objectives of management Accounting are to he and regular operation of the business. It provides relev for use in planning, organising, decision- making and c

The main objectives of management accounting may be enu

- 1.Providing management with accounting, costing , and o and decision- making
- 2.Computing and presenting to the management the financi to decide on the best alternative
- 3.Translating the management plans covering all financia
- 4.Verifying the figures for business activities to jud revision of plans, if any
- 5.Financial interpretation of plans to pinpoint individ
- 6.Measuring actual performance against standards, and r the appropriate level of management
- 7.Measuring and reporting on the effectiveness of the e

1.4 ROLE OF MANAGEMENT ACCOUNTING IN MANAGEMENT PROCESS

An enterprise would operate, successfully, if it direc specified objective in a planner manner, rather than re

Organisation has to be both efficient and effective. O objective is achieved. However, the firm is efficient on cost and resources, both in physical and monetary term significant in making the firm both efficient and effec clear shift in the objective of accounting. From mere analyzing and interpreting to help the management to sec Accounting eliminates intuition, which is not at all dep to the cause and effect approach.

The basic functions of management are: 1.Planning,

- 2.Organising,
 - 3.Controlling,
 - 4.Decision-making
- and 5.Staffing