Managerial accounting unit assignment

Business

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The Information found In the tables on page 48 would describe as primarily financial accounting data In nature Financial accounting Is not Intended to satisfy all the data needs of business managers (Edmonds, Olds, Tsar, 2008). Whereas, managerial accounting meets the needs of the Internal users (the company). Study Like this one is prepared for external parties such as shareholders and creditors, whereas managerial accounting reports are prepared for managers in the organization.

Financial accounting is predominantly concerned with reporting for the company as a hole, in contrast, managerial accounting forces much more on the parts, or sections, of a company. The chart’s on page 48 of our text was designed to compare Cost Wholesale Corporation data to Wall-Mart’s Cam’s Club data, therefore it is intended for external users instead of Internal users. External users were comparing higher wages meant higher profits. The chart’s data proved Cost Wholesale showed a 25% profit gain the most recent quarter before March 3, In which the article was posted (Holmes, Keller, 2004).

Surprisingly, Costs high-wage approach had better results Han Wall-Mart’s, lower wages. Employees stayed longer with the higher wage approach, therefore, employee turnover was less. However. The cheap labor model (Wall-Mart) turns out to be costly in several ways; it fuels poverty, social cripples and dumps the cost on other companies and taxpayers. The higher wages of Cost allows them to be more productive and loyal workforces in all of retailing. The productive workforce offsets the higher expense.

Furthermore, Wall-Mart stands behind their low prices they bring to their consumer, ignoring the harm it does to the US wages. Reference Edmonds, T. Olds, P. , Tsar, B.. (2008). Fundamental managerial accounting concepts, 5th edition, chapter 1 . McGraw-Hill/luring. Holmes, S. , & Keller, W. (2004, April 12). The cost way. Businesslike. DOI: http://www. Businesslike. Com/stories/ 2004-04-11 ‘ commentary-the-cost-way Case Analysis The accounting analysis of Cost Wholesale Corporation should be modified to include the quick book methods of financial recording for effective reporting.

The financial reports obtained must be audited appropriately by external auditors (Needles, Powers & Cross, 2010). However, the ratios used In the financial tenement should follow to the generally accepted accounting principles. The financial statements should include the percentage rates of the bonus given to decisions and it is not a mandatory practice. This provides information to the organization’s insiders in relation to performance evaluation, motivation, direction and control.

The timeliness of report is a major requirement and emphasis is placed on relevance of items in decision-making (Needles, Powers & Cross, 2010). Therefore, Managerial accounting gives a report on customers, products, employees and departments. However, it is not a must for managerial accounting to follow the generally accepted accounting principles. The management accountants can analyze the external factors that affect the internal information in relation to the future productivity of the organization (Edmonds, Olds, Tsar. 2008).

Although, Cost can also implement more methods of performance management such as critical incidence that appraises employees according to an outstanding event that led to productivity. The management accountant can conduct more training activities on customer service and quality sales strategies that will align the sales volume to the hanging trends of the market. The management accountants should also make future decisions on technological improvements in the industry and an analysis of the markets in the warehousing industry.

However, the company should aim at achieving and maintaining a competitive advantage in the market by targeting productive and quality results.. References 5th edition, chapter 1 . McGraw-Hill/luring. Needles, B. E. , Powers, M. ,& Cross, S. V. (2010). Principles of accounting(l lathed.). United States: Coinage Learning. Executive discussion As the manager of an individual Cost store, an outside investor would need lance sheets, profit and loss sheets, employee retention span, 401 K plans, and numerous accounting sheets and numbers, as well.

Managerial accounting stresses on the future decision and that would be a must for my future investor to know. The investor should be knowledgeable to know my stores performance evaluation, motivation, direction and control presently and in the future. The external investor would need these numbers from both managerial and financial accounting. If that individual is willing to investor the earnings in my Cost store they should require he owner show the investor the last five years of books to prove my earnings.

Even if the investor was investing money or investing in common stock of my Cost, they should know where my earnings are and present and future goals. Financial accounting should be held accountable for as well. Any investor should have the right to know who are my accountants and my chain of command in the accounting department. A chain of command is important and this is why the Sox Act of 2002 was passed. Therefore, no individual is solely accountable for the accounting system in my Cost Store.