# Managerial accounting argumentative essay

Business, Accounting

All organizations havegoals, and their managers need information as they strive to attain those goals. Managerial accounting is the process of identifying, measuring, analyzing, interpreting and communicating information in pursuit of an organization's goals. It is an important part of any organization's management information system. 1-1. The following changes should be in store for managerial accounting as a result of the explosion in e-commerce: a. Companies will have to invest in their security. Their private information could be at risk. b. The transactions between businesses are going to be faster. c.

The companies will have to develop new programs for keeping records of transactions. d. The companies will have a reduction in paper work because the majority of transactions will be conducted electronically. 1-2. Plausible goals for the organizations listed are as follows: a. Amazon. com: 1. To achieve and maintain profitability. 2. To grow on-line sales of books, music, and other goods. b. American Red Cross: 1. To raise funds from the general public sufficient to have resources available to meet any disaster that may occur. 2. To provide assistance to people who are victims of a disaster anywhere in the country on short notice. . General Motors: 1. To earn sufficient income to provide a good return on the investment of the company's stockholders. 2. To provide the highest-quality product possible. d. Wal-Mart: 1. To penetrate the retail market in virtually every location in the United States. 2. To grow over time in terms of number of retail locations, total assets, and earnings. e. City of Seattle: 1. 2. f. To maintain an urbanenvironmentas free ofpollutionas possible. To provide public safety, police, and fire protection to the city's citizens. Hertz: 1. 2. To be a recognizable household name associated with rental car services.

To provide reliable and economical transportation services to the company's customers. 1-3. The following are the four basic management activities: a. Decision-making: as its name states, it implies deciding which is the best way, among the alternatives available, to accomplish the goal of the company. b. Planning: this activity involves developing a detailed financial and operational description of anticipated operations. c. Directing operational activities: this is defined as running the organization on a day-to-day basis. d. Controlling: ensuring that the organization operates in the intended manner and achieves its goals. -4. Examples of the four primary management activities in the context of a national fast-foodchain such as Burger King. A common growth objective for a company like this is to attract new customers while maintaining the current ones. To achieve this, they would have to decide which alternative better goes with other goals like order individualization and fast service. a. Decision-making In order to keep theloyaltyof current customers, the company could decide to keep the original product offering and expand the menu options, which is a good way to attract new customers.

They could also redesign the display of the menus and the general appearance of their restaurants. b. Planning Expanding the menu involves training personnel and improving designs means that substantial investment may be required. The costs and revenues should be projected to determine the feasibility of the plan. c. Directing operational activities Now that the restaurants have been redesigned and the menu has been established and produced, management has to decide how much and which ingredients are needed on a daily basis and establish an ordering system based on this. . Controlling An analysis of performance is needed at this stage. They would have to make sure that the plans are being followed as established and that the goal of customer base growth is being achieved. They would use statistic and sales reports to determine this. 1-5. Examples of how each of the objectives of managerial accounting activity is important in an airline company: Providing information and participating as part of the management team in order to make decisions like establishing new flight routes and price determination.

Assisting managers in directing and controlling activities, such as passenger registering, baggage check-in, and baggage claim processes. Motivating managers and other employees toward the organization’s goals. Using term evaluations for measuring the performance of activities, subunits, managers, and other employees within the organization. a. b. c. d. e. Assessing the organization’s competitive position with customer satisfaction and price reports. References: Hilton, R. W. , (2008), Managerial Accounting: Creating Value in a Dynamic Business Environment, 8th ed. , McGraw Hill Irwin.