

Management accounting critical analysis

[Business](#), [Management](#)



Overall requirement * Explain how management accounting can supply information to assist the management of the organisation. * You are not required to investigate and report on the organisation's actual management accounting system (even if you can find out). * You are to write a 1500 word report as though you were a management consultant writing to the board of directors. * WE DO NOT WANT ANY NUMBERS UNLESS YOU CREATE THEM TO DEMONSTRATE AN IDEA * This is like assessment 1a – you are to imagine and create! This is a report * It has an introduction A main body (see the next slides) * A conclusion How your marks will build up * Background to the organisation showing good reading of appropriate sources 25% * Review of the nature and role of management accounting 10% * An analysis of the organisation, showing its information needs, the management accounting techniques it might use and decisions it could then make. 50% * The strengths and weaknesses of your analysis – for example the additional information you would have liked in order to improve your analysis. 15%

Background to the organisation The reason for this is to introduce your organisation (briefly) and to show what a manager in this organisation will do. Later you will show how m. a. helps. * A manager will make decisions about the organisation's products, processes etc. – therefore your introduction will cover this. * This introduction will reveal the kind of problems that your organisation faces and must overcome. * We do not want the history of the organisation and any information that you will not use later. * Choose your organisation carefully – one that you can understand.

You need to be able to imagine the kinds of decisions that a manager might make. Review of the nature and role of management accounting * A

definition (with reference) * Some idea of what management accounting does and what it does not do. * Some examples of the techniques and methods of m. a. * You have been studying this since week 5 and so it should not be a problem * DO NOT TRY TO BE TOO CLEVER. IN PREVIOUS YEARS STUDENTS HAVE MENTIONED ABC, JUST IN TIME AND THROUGHPUT ACCOUNTING. Do not do this as you probably do not understand these techniques and will only show that this is so.

Keep to what you know! An analysis of the organisation, showing its information needs, the management accounting techniques it might use and decisions it could then make. * This is the hard part that attracts the most marks * You are to link part 1 and part 2 – you organisation's needs to the techniques and methods of management accounting * What does m. a. Do that will help this organisation? * How can it improve processes? * How can it compete better? * How can it choose between products? * How can it use m. a. for pricing? Planning, controlling, motivating, organising etc * Difficult – but you are applying what you have learned to the problems of the organisation. The strengths and weaknesses of your analysis * This was badly done in assessment 1b * WE DO NOT WANT THE S&W OF THE COMPANY * What aspects of your analysis are strong. Where do you feel that your recommendations are strong and secure? Give examples. * Where do you feel your recommendations are weak perhaps due to lack of information about the company or lack of your knowledge and experience of management accounting. Give examples.