

# Institute of management accounting

Finance



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Essay Which is more interesting; Finance or Financial Accounting? Institute of Management Accounting June 27, Which is more interesting: Financial or Management Accounting?

Upon reviewing IMA WEBSITE (n. d.), I was surprised at the magnitude and importance of Management Accounting in business. While Financial Accounting is equally important, its relevance is for outsiders as it provides a structured and uniform way of reporting to investors, lenders, government agencies, and financial analysts. I consider Management Accounting as more interesting because it deals with the internal operations of the business from its take-off up to its finish. It tackles all of the segments of operations needed in the business. Reports in Management Accounting are free form and support the organization's strategies. Financial Accounting supports GAAP standardized form, its information are customized for a specific purpose to outsiders only and the FS does not give much of the information on internal operations. Data provided by the MA is more relevant to the operation as it provides information for decision making. FA is historical and relates to what happens in a period that leads to profit or loss. FA is more or less concerned in corporate debt and equity and reporting is an obligation to the its shareholders and to the government after the required period or fiscal year, while MA is how to create profit, focusing on different segments of the business and to develop information that will support its operations. For instance budgeting, costing, and pricing are basic information of MA before a specific project is started. Budgeting is internal control and is needed to manage costs in operations. It is specifically done before a fiscal year opens, while costing and pricing are information provided by MA in making decisions particularly in launching of a new business or product brands. MA ensures

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that the operation of the organization is properly guided; long-term sustainability is properly planned and the interests of the stakeholders and the organization are safeguarded. When all is done in the business, FA now takes hold of the responsibility of reporting.

#### Reference

IMA –The Association of Accountants & Professionals in Business. “ About IMA”. Retrieved from [http://www.imanet.org/about\\_ima/our\\_mission.aspx](http://www.imanet.org/about_ima/our_mission.aspx)