

# MANAGEMENT ACCOUNTING

B.Com Hons Part - III

TOPIC - Nature And characteristics of  
Management Accounting

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# Nature And Characteristics of Management Accounting

- ① Technique of Selective Nature :-  
Considered only those data from income statement and Balance Sheet which is relevant and helpful to the management.
- ② Concerned with future :-  
Deal with the forecast with the future. It helps in planning the future. Decisions are always taken for future course of action so it helps in planning the future.
- ③ Providing Accounting Information :-  
It provides necessary information to different levels of management. The collection and classification of data is the primary function of accounting department.
- ④ Taking Important Decisions :-  
It helps in taking various important decisions related to management.
- ⑤ Increase in efficiency :- Accounting information helps in increase efficiency by setting up goals for each department.

⑥ No specific Rules followed :-  
In financial accounting certain rules are followed for preparing different accounting books but no specific rules are followed in management accounting.

⑦ Analysis of Different Variables :-  
To analyse the effect of different variables on the profits and profitability of the concern.

⑧ No set formats for information :-  
It does not provide information in a prescribed proforma like that of financial accounting.

⑨ Provides data and not the decisions :-  
Provides data which is helpful to the management in decision-making.

⑩ Use of special techniques and concepts :-  
Uses special techniques and concepts to make accounting information more useful.

⑪ Achieving objectives :-  
The main objectives of management accounting is to achieving organisational objectives.