

MEANING AND DEFINATION OF MANAGEMENT ACCOUNTING

Management accounting is a branch of accounting that focuses on providing financial and non-financial information to the management of an organization to support decision-making, planning, and control activities. It involves the analysis of financial data, the development of reports, and the interpretation of information that can help management make informed business decisions.

The primary goal of management accounting is to provide relevant and timely information to internal users, such as managers and executives, to support their decision-making processes. This information may include cost data, budgeting and forecasting, performance measurement, variance analysis, and strategic planning.

In addition to financial information, management accounting also encompasses non-financial data, such as key performance indicators (KPIs), operational metrics, and qualitative information that can provide a comprehensive view of the organization's performance.

Management accountants play a critical role in analyzing and interpreting this information, as well as in designing management accounting systems and controls to ensure that decision-makers have access to accurate and reliable data.

In summary, management accounting can be defined as the process of identifying, measuring, analyzing, interpreting, and communicating financial and non-financial information to internal stakeholders to facilitate managerial decision-making, planning, and control within an organization