

# Managerial Accounting



## HOW TO CONTACT

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## RULES AND REGULATIONS

- All students **MUST** attend the class more than 80% (>3 times absence without proper reason, please contact One-Stop Service to withdraw)
- All students **MUST** apply to the uniform standard rules and regulations all times when in university

## MEANS OF EVALUATION

- |   |     |
|---|-----|
| ○ Ethics and morals( Attendance, Punctuality, Honesty, Conscience etc.) | 10% |
| ○ Midterm   | 20% |
| ○ Final   | 30% |
| ○ Group assignment  | 30% |
| ○ Quizzes   | 10% |

## This lecture will cover:

- Overview of Managerial Accounting
- The different between Financial Accounting and Managerial Accounting
- The Changing Business Environment
- Competitive challenges in HRM



## WORK OF MANAGEMENT



### FINANCIAL ACCOUNTING

- Financial accounting serves external decision makers:
  - Stockholders
  - Suppliers
  - Banks
  - Government agencies


### COMPARING MANAGERIAL AND FINANCIAL ACCOUNTING

<p><b>Financial Accounting</b></p> <ul style="list-style-type: none"> <li>Provides information to stockholders, creditors, government agencies, customers</li> </ul>  <p>External Users</p>	<p><b>Managerial Accounting</b></p> <ul style="list-style-type: none"> <li>Provides information for managers and other internal users</li> <li>Aids planning and controlling operations</li> </ul>  <p>Internal Users</p>
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### Compared to Financial Accounting, How Does Managerial Accounting Differ?

**Managerial Accounting is.....**

- More flexible
- Not GAAP --- Doesn't have to meet requirements of SEC, GAAP, IRS
- Forward-looking rather than backward emphasis
- More timely, may sacrifice accuracy
- Emphasizes segments and products of an organization rather than the company as a whole
- Emphasizes both quantitative and qualitative considerations



### COMPARISON OF FINANCIAL AND MANAGERIAL ACCOUNTING

	Financial Accounting	Managerial Accounting
1. Users	External persons who make financial decisions	Managers who plan for and control an organization
2. Time focus	Historical perspective	Future emphasis
3. Verifiability versus relevance	Emphasis on verifiability	Emphasis on relevance for planning and control
4. Precision versus timeliness	Emphasis on precision	Emphasis on timeliness
5. Subject	Primary focus is on the whole organization	Focuses on segments of an organization
6. GAAP	Must follow GAAP and prescribed formats	Need not follow GAAP or any prescribed format
7. Requirement	Mandatory for external reports	Not Mandatory

### GOAL OF MANAGERIAL ACCOUNTING


**Primary goal**  
To provide information for internal decision making

**Tools to achieve the goal**



### PLANNING - A MANAGERIAL ACCOUNTING TOOL

- The communication of a company's goals
- Guides decisions
- Financial plans are called 'Budgets'
- Identifies sources and uses of resources



## CHANGING ROLES OF MANAGEMENT ACCOUNTANTS

- Impact of technology
- Ensuring accurate financial records
- Planning, analyzing, and interpreting accounting data
- Providing decision support

## REQUIRED SKILLS OF MANAGERIAL ACCOUNTANTS

- Knowledge of financial and managerial accounting
- Analytical skills (critical thinking)
- Knowledge of how a business functions
- Ability to work on a team
- Oral and written communications skills

### EXERCISE 1

- 1) Explain the term of Marketing, Supply Chain Management and Human Resource Management related to Planning Controlling and Decision Management
- 2) How is Managerial Accounting important to Question 1)