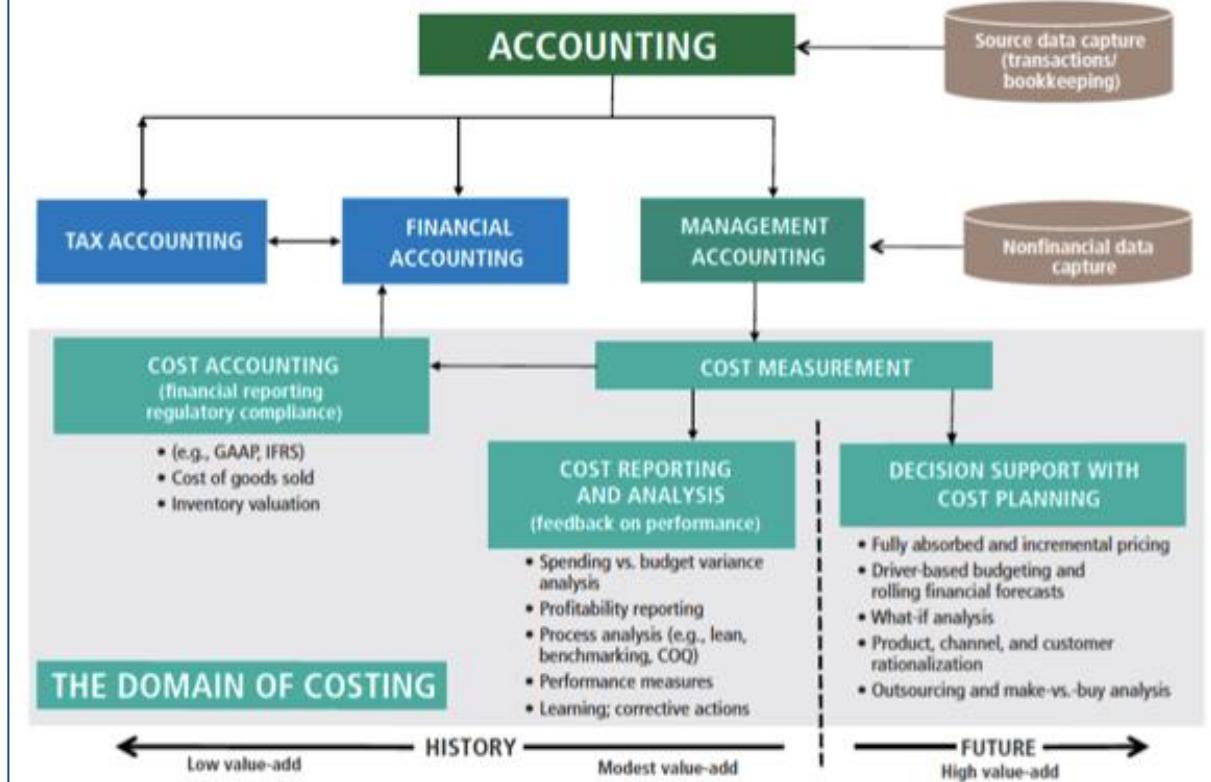


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Intro to Management Accounting pg. 2

Taxonomy of accounting



Role of Management Accounting pg. 2

Management accounting is the process of identifying, collecting and analysing accounting data for the management team to make decisions and to assess organisational efficiencies and effectiveness.



E.g.:

Vision: Be publicly available

Core Competency: Highly technical skilled

Strategy: Place branches in Germany

Plan: Acquire pizza shops in Germany

Actual: Make negotiations with these pizza shops.

Organizational Vision

The core purpose & ideologies that guide an entity's purpose & ideology

Core Competencies

Your advantages, what you are good at.

Both can be ever changing.

Organizational Strategies

- i) Future focused
 - Long term (>12 months, usually 3-5 years)
 - Include organisation structure, financial structure, and long-term resource allocation strategies
 - Investment Appraisal

- ii) Low cost
 - Economies of Scale
 - **Tight cost control**
 - Cost minimization everywhere where possible