**ASSIGNMENT: WEEK 1 – INTRODUCTION TO MANAGEMENT ACCOUNTING**

**Instructions:**

Answer the following application questions thoroughly. Each response should demonstrate a clear understanding of management accounting principles and their practical applications. Use examples wherever possible to support your answers.

# Management Accounting vs. Financial Accounting

Explain the key differences between management accounting and financial accounting. How can management accounting provide value to an organization’s decision-making process? Provide a real-world example to illustrate your points.

# Role of Management Accounting in Strategic Planning

Imagine you are a management accountant in a manufacturing company. Discuss how you would use management accounting tools to assist in formulating a strategy to reduce production costs while maintaining product quality.

# Ethics in Management Accounting

You are tasked with preparing a cost report for a new project. The company’s director suggests inflating the projected profit figures to make the project more attractive to investors. How would you handle this situation while adhering to ethical principles in management accounting?

# Cost Classification and Decision-Making

A small retail business is trying to decide whether to expand its product line. Discuss how you would classify costs (fixed, variable, direct, and indirect) and use this information to guide the decision-making process.

# Budgeting and Performance Measurement

Assume your organization is preparing its annual budget. Describe how you would use a budget as a tool for planning and control. How would you measure and report performance against the budget throughout the year?

**Submission Guidelines:**

* Provide well-structured answers, including examples or diagrams where applicable.
* Cite relevant references if external resources are used.  Submit your assignment by Sunday, January 26, 2025.

**Grading Criteria:**

* Understanding and application of concepts: 40%
* Depth of analysis and use of examples: 30%
* Clarity and organization: 20%
* Adherence to ethical considerations: 10%