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# How to use management accounting in strategic decision-making?

### **Identify Strategic Options**







### **Assess Financial Implications**

Provides insights into the financial impact of strategies.

Halan in evaluation and adaption the

Helps in exploring and selecting the best strategic paths.





### **Monitor Strategy Implementation**

Tracks progress and ensures strategies are executed as planned.

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### Allocate Resources Effectively

Ensures resources are used optimally for strategic goals.

### Which type of cost is being analyzed?

#### Fixed Costs

## Variable Costs Vary directly with production level

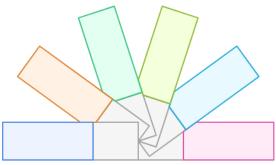
### Remain constant regardless of production level

## Indirect Costs Not easily traced, often

Not easily traced, often overhead or administrative

### **Direct Costs**

Easily traced to a specific product or service



#### **Product Costs**

Associated with production of goods or services

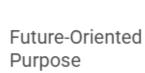
#### **Period Costs**

Expensed in the period incurred, not production-related

### **Comparing Management and Financial Accounting**



Internal User





Flexible Rules



Detailed Reporting



Short-Term to **♣**4 Long-Term



Relevance Over Verifiability



External User



Past-Oriented Purpose



Standardized



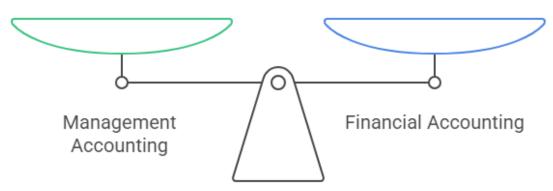
Summarized Reporting



Annual or Quarterly



Verifiability Over Relevance



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### **Management Accounting Overview**



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