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Com 317

**Reflection #1**

1) How has your understanding of the role of the management accountant changed since the beginning of this course?

I guess I never gave it enough thought before, but I assumed that accounting was mostly for external purposes and that managers worked off the same information that external stakeholders would have. Now I understand that the management accountant has access to much more information and can therefore use different methods for making decisions and informing other managers.

2) What insights have you gained about how different types of costs behave and how it affects a company's decision-making process?

One big takeaway for me is that sunk costs shouldn’t be considered when making decisions about future investments. Sometimes when I make decisions in my daily life I think “well, I already invested time or money into this and it would be a shame for that to be wasted” when in fact if there is a better opportunity available, then I should just choose that opportunity.

Seeing CVP analysis also gave perspective about how decisions are made in relation to costs. It’s interesting to see that a company with high variable costs has less operating leverage than a company with high fixed costs, but that leverage can be a double-edged sword. Although an oversimplification, I like to imagine variable costs are a way for a company to manage the risk associated with fluctuations in sales.

3) What role do you think a managerial accountant has in promoting ethical behaviour within an organization and how can they ensure that their actions align with ethical standards and principles?

Given that managerial accountants play a large role in the decisions a that a company makes, they also play a large role in assuring that a company upholds corporate social responsibility. The accountant can help provide information and make decisions while weighing both the monetary costs and the environmental, social and other ethical costs associated with making a decision.

A managerial accountant also plays a large part in a company’s work culture and company image. The accountant may help guide policy around external incentives and enforce certain company policies. Beyond policy, a managerial accountant should consider all stakeholders and make informed decisions to ethically serve these stakeholders.