

Chapter 17 introduces many of the different purposes and activities supported by managerial accounting. The primary goal is to drive sound management decisions, as revealed by the following outline:

MANAGEMENT DECISIONS

Planning

Strategy

- Core values

- Mission

- Objectives

Positioning

- Cost/volume/profit and scalability

- Global trade and transfer

- Branding/pricing/sensitivity/competition

Budgets

- Operating

- Capital

- Financing

Directing

Costing

- Methods

- Concepts

Production

- Inventory

- Responsibility

Analysis

Controlling

Monitor

- Standard costs

- Variiances

- Flexible tools

Scorecard

- Balance

- Improvement

Review the following descriptions, and match each to one of the elements included in the preceding outline. The first one is done as example on the blank worksheet.

- 1 Concepts of fair play, human dignity, ethics
- 2 How changes in volume impact profitability
- 3 Described as "absorption" and "direct"
- 4 Definition of the anticipated revenues and expenses
- 5 Effective in stimulating correct thought
- 6 To decide on a course of action to reach desired outcomes
- 7 Provide a focal point against which to match ideas and actions
- 8 Actions must be well coordinated and timed
- 9 Research into laws about tariffs, taxes, and shipping
- 10 Popular acronyms like JIT
- 11 Demonstrate why and when additional support may be needed
- 12 Compensate for the operating environment
- 13 Pricing decisions must be balanced
- 14 Costs incurred and deliverables produced by circumscribed areas
- 15 Benchmarks against which actual productive activity is compared
- 16 How costs are captured and assigned to goods and services
- 17 Best practices are implemented
- 18 Culminates in the creation of business value
- 19 Outline the financial plans
- 20 Must include delivery of goods or services
- 21 Draw focus on evaluating elements that are important
- 22 Focus on the exceptions
- 23 Providing leadership for the entire cost and managerial accounting functions
- 24 Establishes a logical basis for making adjustments
- 25 Broad concept and depends on gathering and evaluating
- 26 Whether an investment can be justified
- 27 Definition of core values, mission, and objectives
- 28 Approach to capturing costs is dependent on what is being produced
- 29 Efficiency maximized, while seeking to achieve enhanced output
- 30 Identify and focus on components of performance