

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:



**SPREADSHEET
TOOL:
Search
function**

MANAGEMENT DECISIONS

Planning

Strategy

- Core values
- Mission
- Objectives
- Sustainability

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
- Variances
- Flexible tools

Scorecard

- Balance
- Improvement

Review the following descriptions, and match each to one of the elements included in the preceding outline.

- (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
- (31) Development without depletion of natural resources or negative effects on the environment