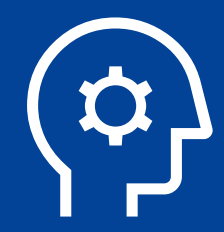


MANAGERIAL ACCOUNTING



FINANCIAL ACCOUNTING



Purpose

Assists management in **planning, controlling** business operations, and **decision-making**.

Records a business's **historical transactions** to reflect its financial performance.



Audience

Internal users: Specifically tailored for the company's decision-makers, management, and business owners.

External users: Primarily shareholders, lenders, regulators, and other stakeholders.



Perspective

Forward-looking: focusing on future planning and strategies.

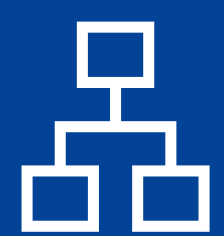
Backward-looking: concentrating on past transactions and performance.



Insights

Provides **strategic insights** to guide internal decision-making.

Offers **analytical insights** based on historical data for external evaluation.



Information Type

Includes **financial and non-financial information**, catering to a broader internal strategy and operations scope.

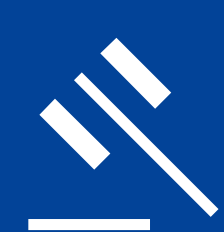
Predominantly **financial information**, focusing on quantifiable data that conforms to accounting standards.



Reporting Standards

No universally recognized standards; practices are adaptable based on internal requirements.

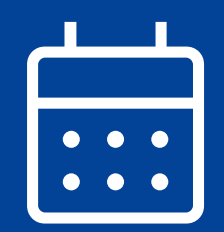
Must adhere to such **recognized standards** as International Financial Reporting Standards (IFRS), US Generally Accepted Accounting Principles (US GAAP), or other local GAAP.



Legal Requirements

There are **no legal mandates** for the preparation of managerial accounting information; practices are determined by internal policy.

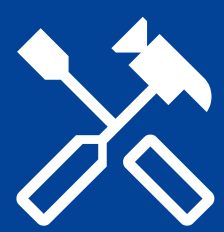
Subject to **legal and regulatory** requirements for preparing and presenting financial statements, varying by jurisdiction.



Reporting Frequency

Flexible and based on the company's needs, it can range from daily to monthly and include ad-hoc reports for specific purposes.

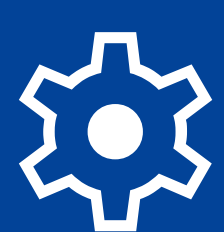
Structured and periodic, typically annually or semi-annually, by regulatory and stakeholder requirements.



Skillset and Education

Requires **analytical thinking, strategic planning skills**, and often an educational background in managerial accounting or business administration.

Requires detailed knowledge of **accounting principles and regulations**, and typically an accounting or finance degree.



Technology and Tools

Utilizes **advanced analytics, budgeting, and forecasting software** to support strategic planning and decision-making.

Relies on **accounting software and systems** that ensure compliance with accounting standards and facilitate efficient financial reporting.



Key Challenges

Adapting to rapidly changing business environments and strategic priorities, providing timely and relevant insights for decision-making.

Keeping up with changes in regulatory standards and ensuring accurate and compliant financial reporting.



Career Path

Can progress **from internal reporting roles to strategic planning positions**, such as Chief Financial Officer (CFO) or strategic advisor.

Can lead to such positions as **a public accountant, audit specialist, or CFO**, with a strong focus on compliance and reporting.