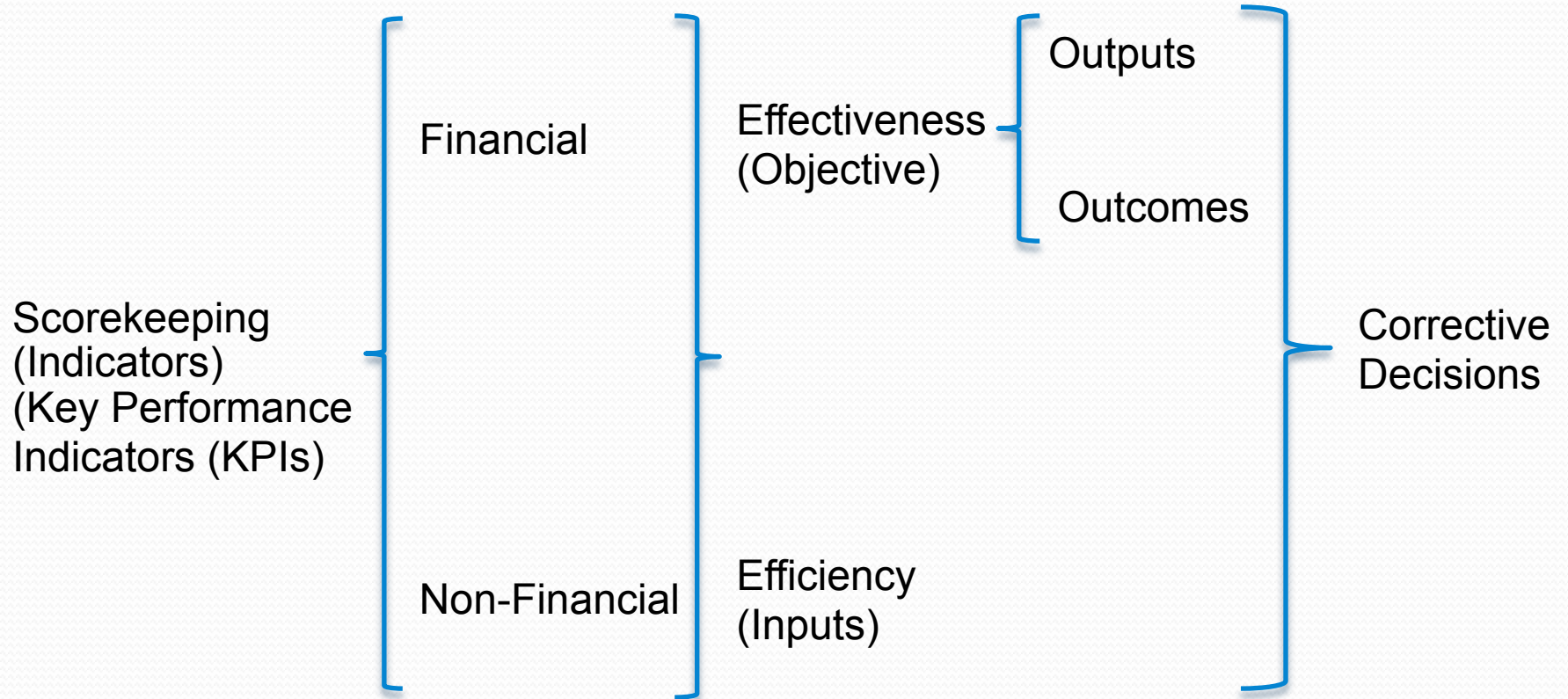
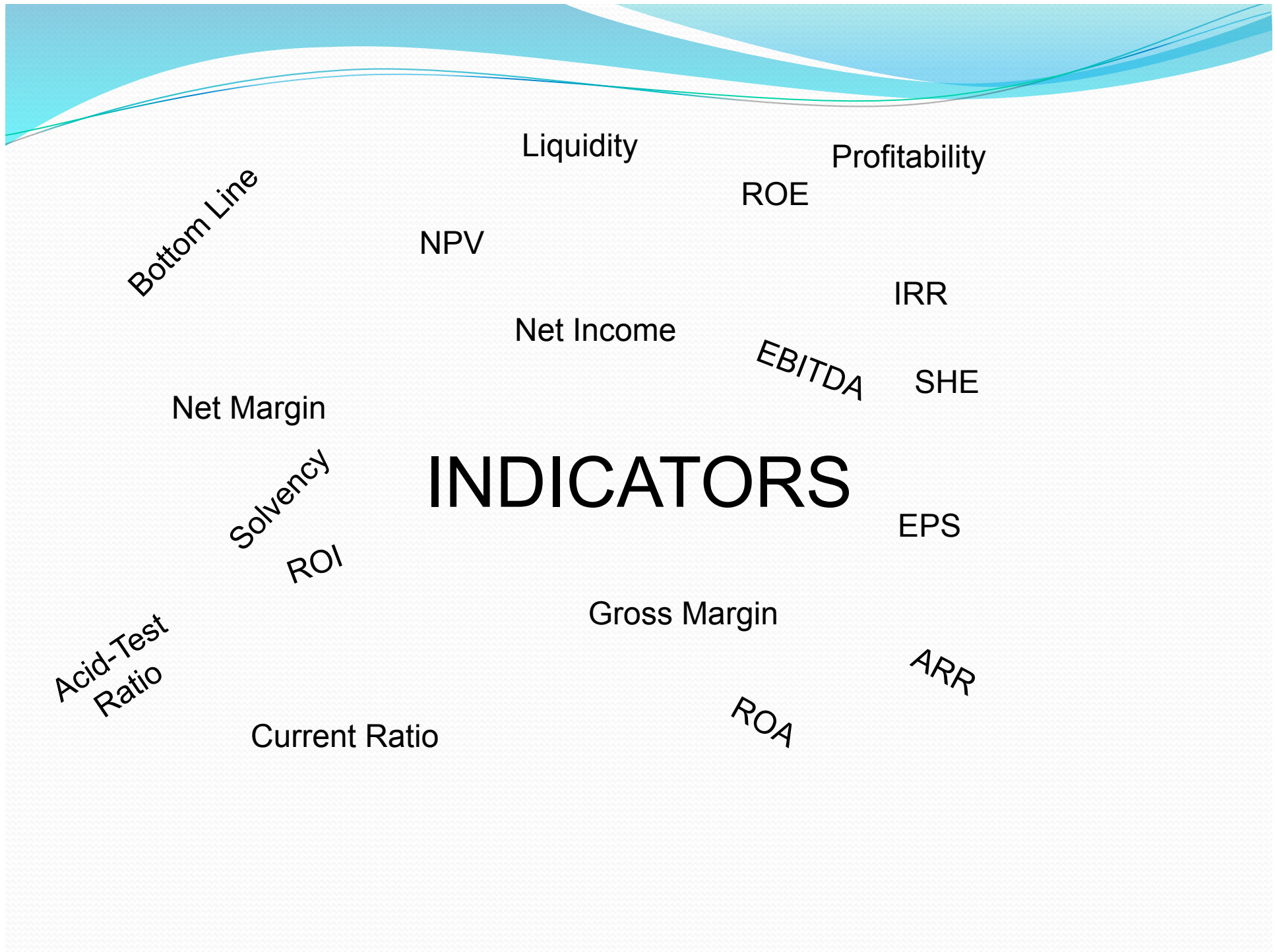


CHAPTER 1

The Accountant's Role in the Organization

Accounting





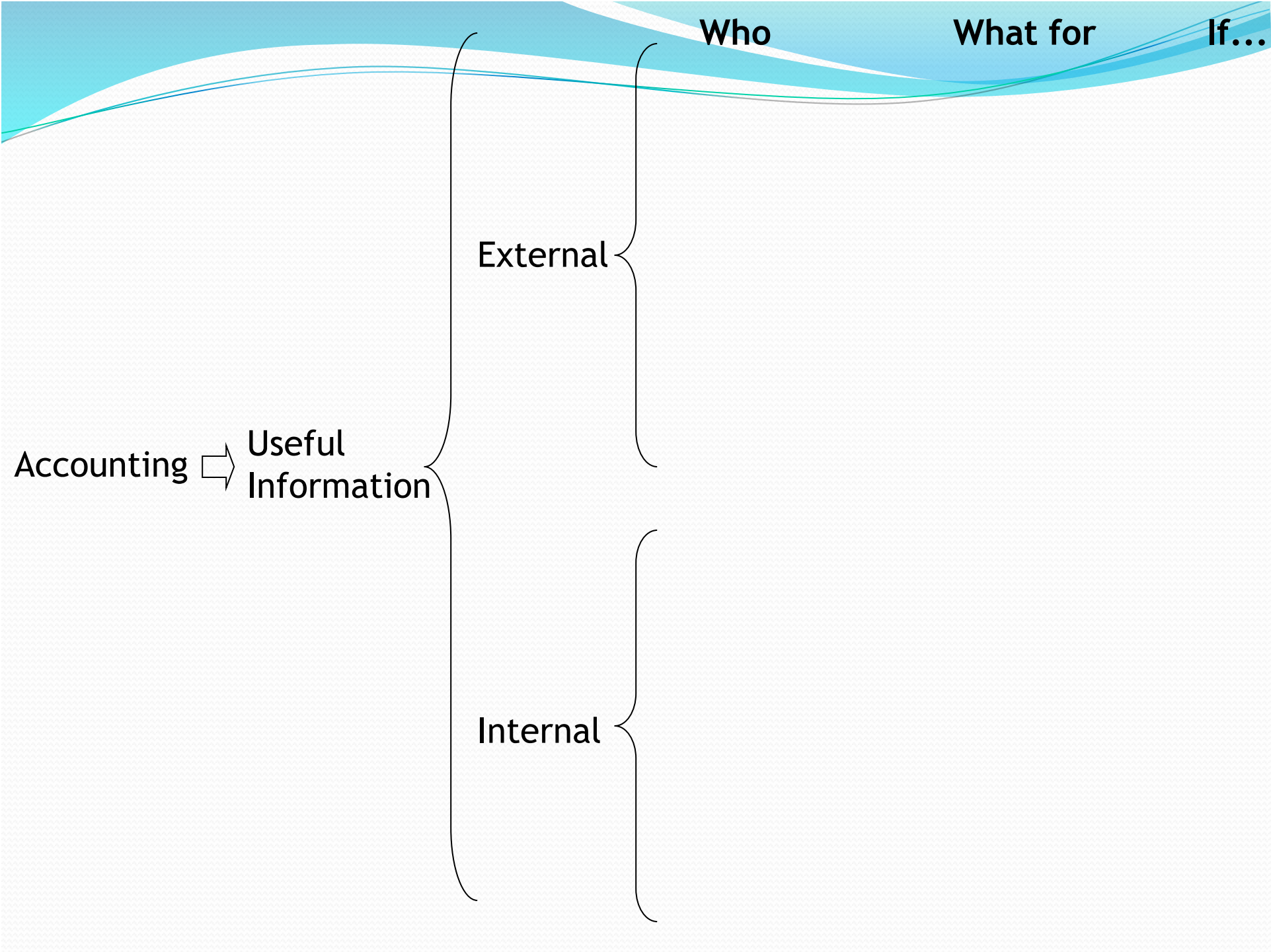
Accounting
(Information without
which no sound
business decision
may be made)

External Reporting
Financial Accounting

Look your best, or
the way you want to
be looked like

Internal Reporting
Managerial Accounting

Look at yourself
in the mirror
(face reality)



Who

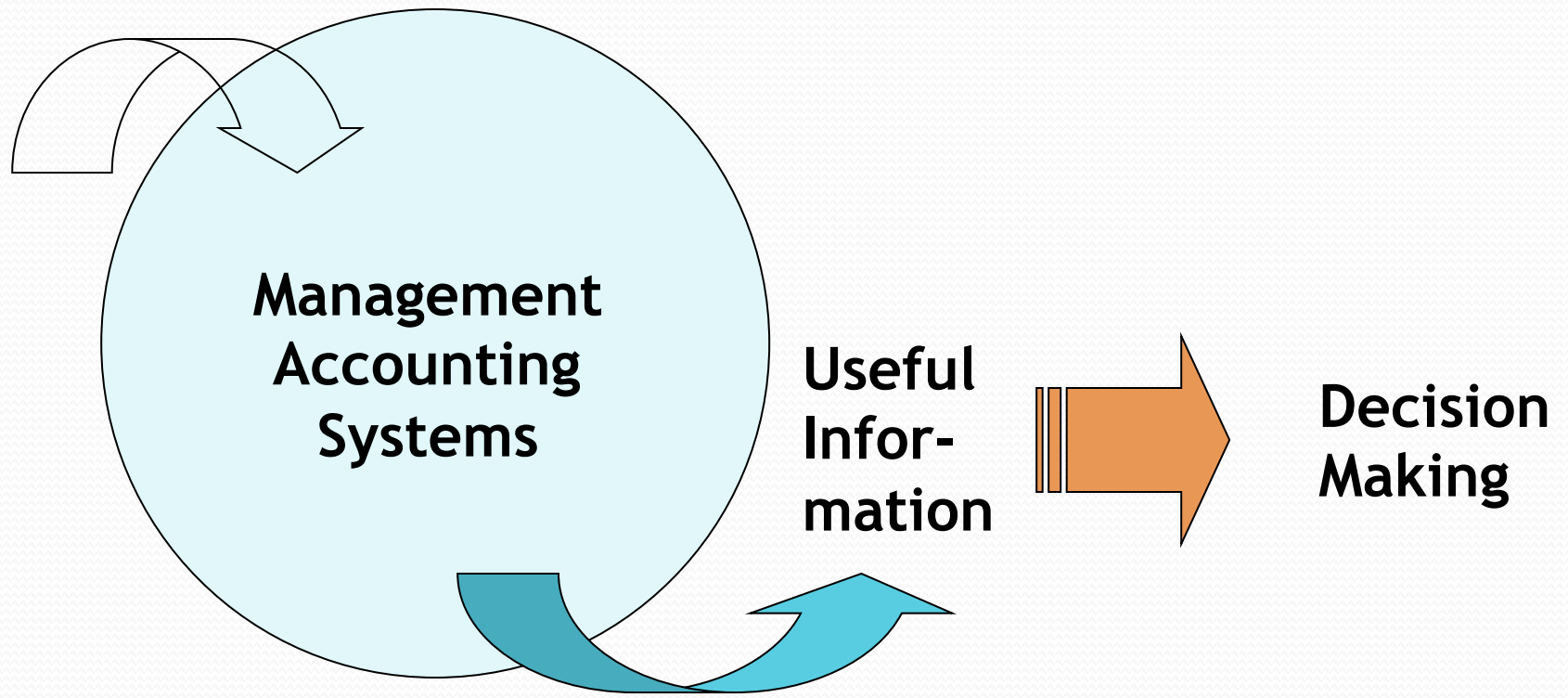
What for

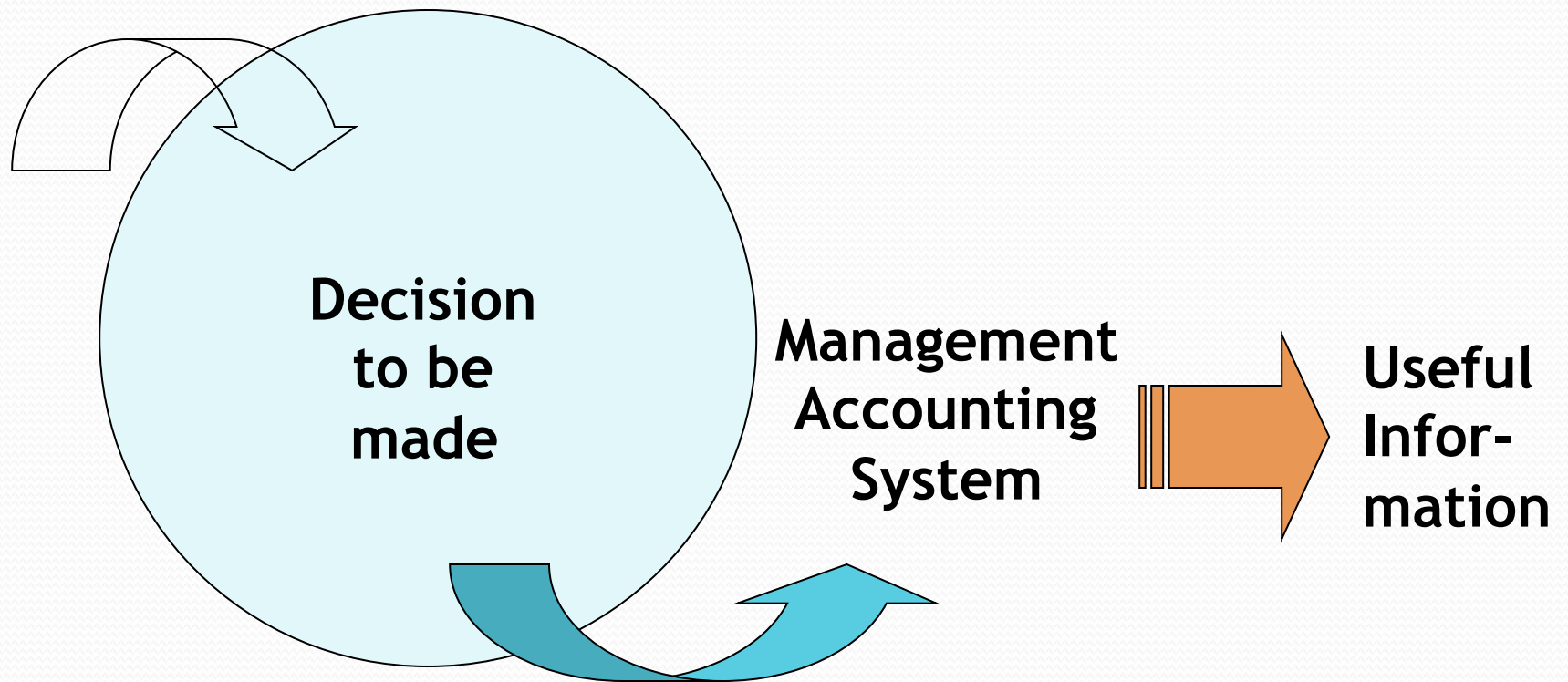
If...

Accounting ⇒ Useful Information

External

Internal

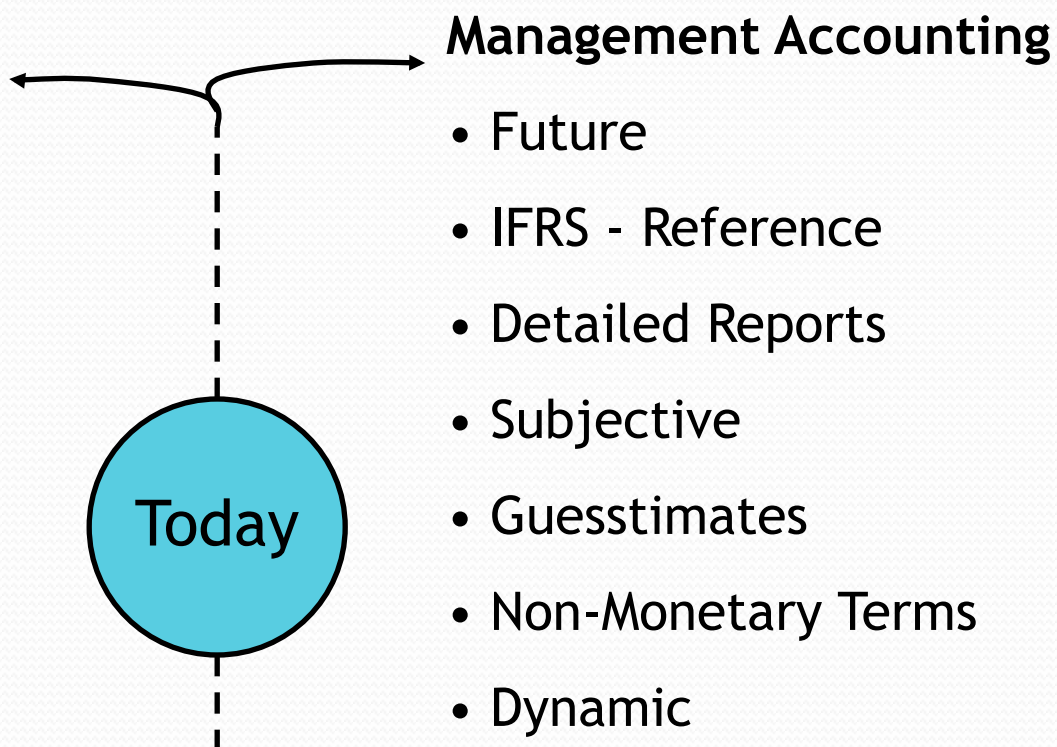




Financial and Management Accounting: A Comparison

Financial Accounting

- Past
- IFRS - Mandatory
- Global Reports
- Objective
- Precise
- Monetary Terms
- Static



Management Accounting

- Future
- IFRS - Reference
- Detailed Reports
- Subjective
- Guesstimates
- Non-Monetary Terms
- Dynamic



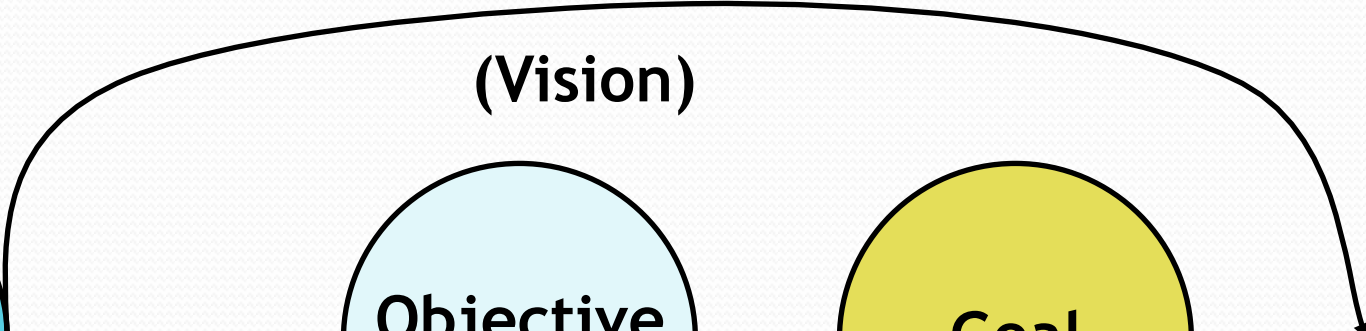
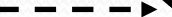
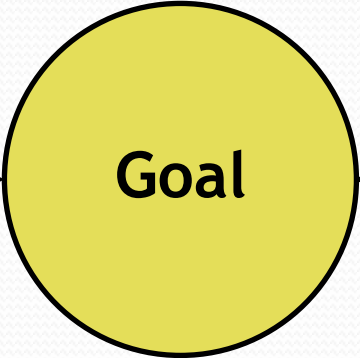
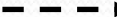
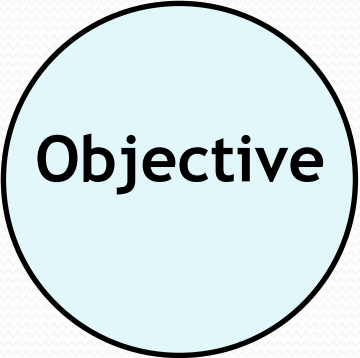
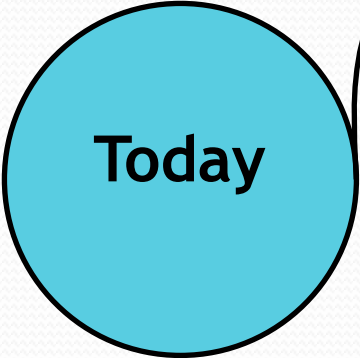
Strategy & Management Accounting

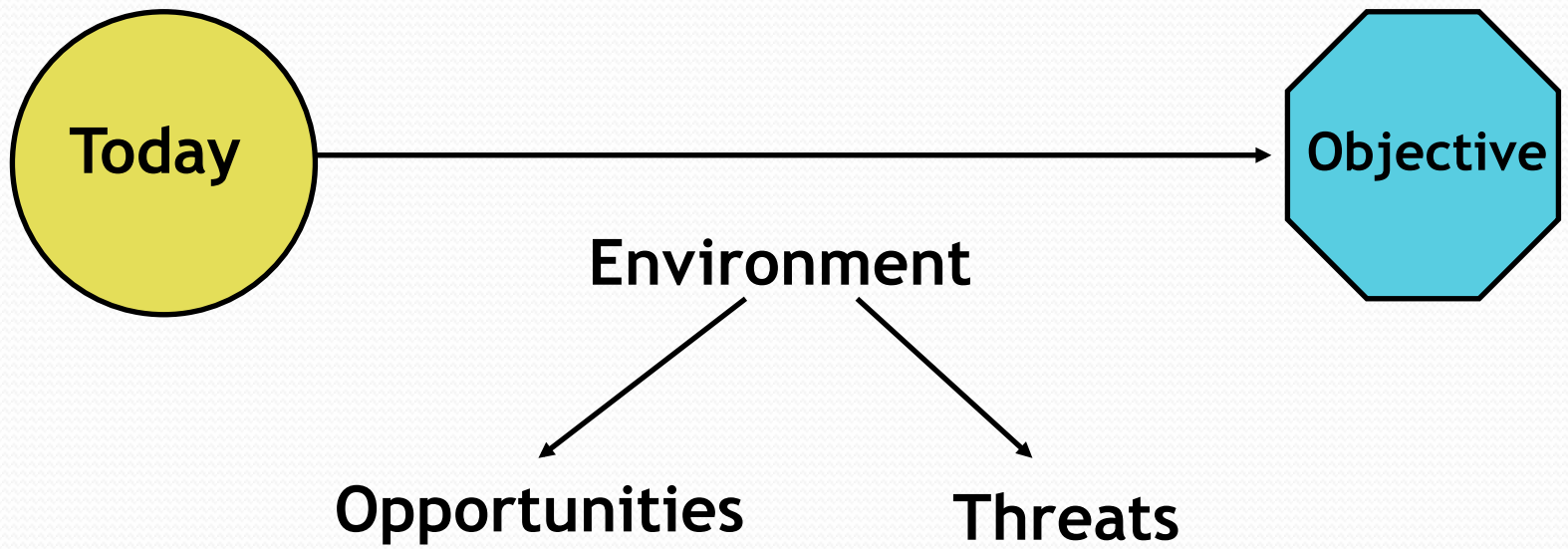
- Strategy – specifies how an organization matches its own capabilities with the opportunities in the marketplace to accomplish its objectives
- Strategic Cost Management – focuses specifically on the cost dimension within a firm’s overall strategy



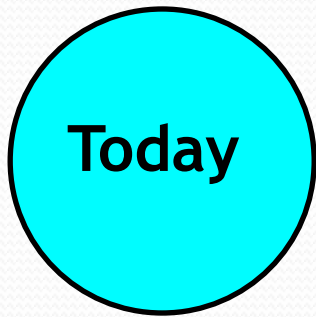
Mission

(Vision)





	One Year	1 - 3 Years	+ 3 Years
Macro-trends	* Better educated consumers	* Baby boomers	* Brain Implants
	* Aging population	* Alternative Medicine	(micro-chips increased brain power)
	* Information Technology	* No cure for Cancer	* Life Expectancy 100 to 120 years
	* Service Economy	* Regenerative Medicine	* Human genome
	* Baby boomers	* Therapeutic Cloning	* No cure for Cancer
		* Stem cells	* Cure for AIDS
		Automobile Industry:	* Human cloning
		* Anti-collision	* Human Genes Manipulation
		* Line Crossing Warning	Automobile Industry:
		* Intelligent Cruise Control	* Personalization On Demand (POD)
			* Trans humanism
Micro-trends	* E-Commerce	* Competitors' Strategies	
	* Competitors' Strategies	* Tourism Industry	
	* Tourism Industry		



Today

Implementation

Implementation



Objective

(action)

(action)

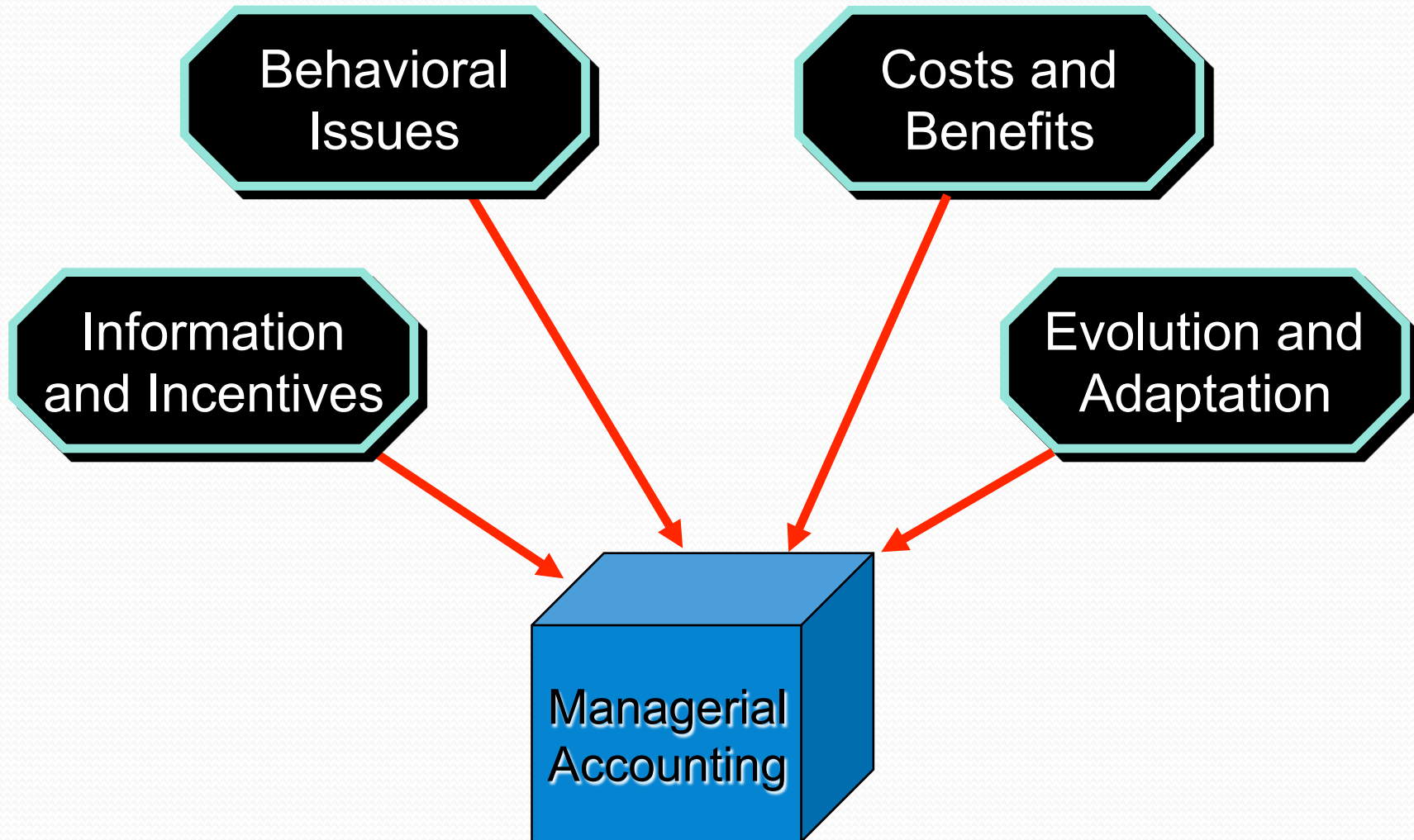


Control
Feedback
(Corrective Action)

Control
Feedback
(Corrective Action)



Major Themes in Managerial Accounting



Evolution and Adaptation in Managerial Accounting

E-Business

Service vs.
Manufacturing Firms

Emergence of New
Industries

Global Competition

Focus on the Customer

Cross-Functional Teams

Product Life Cycles

Time-Based
Competition

Information and
Communication
Technology

Just-in-Time Inventory

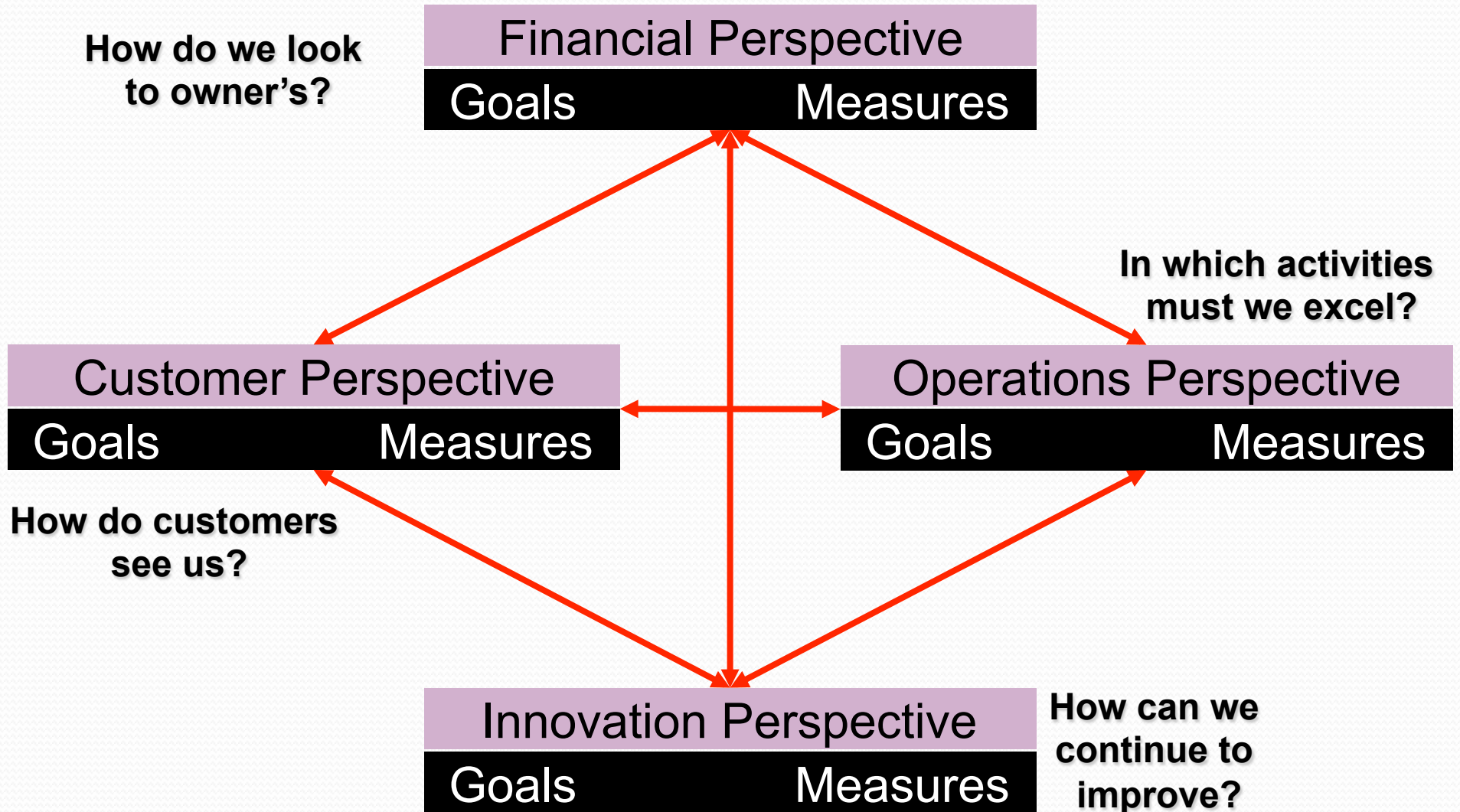
Total Quality Management

Continuous Improvement

Change

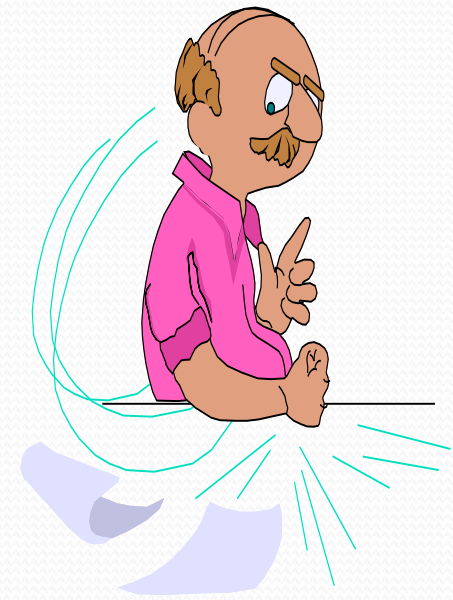


The Balanced Scorecard



Accounting Information is a function of the Decision Maker

- Who is the decision maker?
- What kinds of decisions does s/he make?
- What kind of information does s/he need?
 - Characteristics of the information based on the decision maker.



The General Hospital

Consider the operation of a hospital. Identify critical performance indicators, one for effectiveness, and one for efficiency, assuming that you are:

- a) The manager of a patient unit, where patients stay while being treated for illness or while recuperating from an operation:
- b) The manager of the radiology department, where patients obtain X rays;
- c) The Chief Executive Officer of the Hospital.