

PREFACE

Management Accounting has emerged as an exciting area, both for the students and for the managers. It deals and encompasses planning, control and decision-making process involved in an organization. Management Accounting focuses on the analysis of accounting information for internal uses. The practice of management accounting is greatly influenced by the competitive environment in which the managers have to operate and perform. In order to face the challenges of growth and competition, the managers have to plan their operations, have to control their performance and have to take right decision at the right time. Management Accounting deals with development and uses of accounting information for the purpose of planning, control and decision-making.

The purpose of this book is to understand what kind of information the managers need, wherefrom this information can be obtained, and how this information can be used to carryout the three essential functions mentioned above. This book is designed for use by students who have already completed a basic course in cost accounting. Cost Accounting generates information while Management Accounting uses this information. This book aims to meet the student's need to understand the basic concepts to use this information. To ensure this, different topics have been discussed in enough depth without, however, sacrificing the emphasis on explanation of the basic concepts.

Fundamentals of 'Management Accounting' has been written keeping in view particularly the students preparing for B.Com. (H.) Vth-Semester/Annual Mode, University of Delhi. It will also be useful for students of other Under-graduate courses of other Indian Universities and several other management institutes.

As a student of accounting and finance, and now as a teacher, I have gone through a vast amount of literature available on the subject. I feel indebted to several authors, researchers and my teachers who have helped me a lot in understanding various concepts in management accounting. I am also grateful to my students who have provided the stimulus for writing this book. Ideas and suggestions have been received from my colleagues at Shri Ram College of Commerce and faculty members at other colleges and management institutes.

Particular care has been taken to ensure the correctness of equations, formulae and solved illustrations. Still, there might have been some unintended errors.

Further comments and suggestions for improving the contents and quality of the book are welcomed and will be gratefully acknowledged.

Last but not the least, the publisher of the book, deserves a special mention for taking special interest to release the book well in time.

DR. R.P. RUSTAGI