

Tanta University
Faculty of Commerce
Accounting Department

Fundamentals of Managerial Accounting

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Faculty of Commerce - Tanta University

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وضعت بالمدخل الرئيسي لكلية القانون بأشهر الجامعات الأمريكية وهي جامعة هارفارد، وقد وصفت كلية القانون هذه الآية الكريمة بأنها أعظم عبارات العدالة والمساواة على الإطلاق التي قيلت عبر كل زمان ومكان

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

"يا أيها الذين آمنوا كونوا قوامين بالقسط شهداء لله ولو على أنفسكم أو الوالدين والأقربين ، إن يكن غنياً أو فقيراً فالله أولى بهما ، فلا تتبعوا الهوى أن تعدلوا ، وإن تلووا أو تعرضوا فإن الله كان بما تعملون خبيراً"

صدق الله العظيم

القرآن الكريم - سورة النساء - الآية ١٣٥

Preface

This is a first course in managerial accounting. The basic course of managerial accounting must cover the essential concepts, principles, and fundamentals. Managerial accounting course must play a much more central role to assist management in the areas of planning, controlling, performance evaluation, and decision making process. The information reproduced by managerial accounting course provide measures about the economic condition of the enterprise such as revenue, cost, and profitability. These managerial accounting information also support both operational and strategic managerial needs on the level of enterprise.

This textbook of managerial accounting was specifically designed to assist business students of English sections in the Egyptian universities in their first steps in the business world. The different topics in this text were written in simple depth with detailed examples to encourage students to study important issues in interesting manner.

This text consists of four chapters. Chapter 1 introduces the definition, scope of managerial accounting, Matching between managerial functions and managerial accounting tools or techniques, and comparison between financial accounting and managerial accounting. Chapter 2 introduces basic cost concepts

and their classifications into different concepts according to their managerial uses in both product costing and decision making process. Also, this chapter builds on cost behavior framework to describe the two methods for mixed cost breaking down. Chapter 3 focuses on different aspects of CVP analysis. Material in this chapter highlights the basics, assumptions, methods of determination, and different applications of break-even point. Chapter 4 illustrates the role of relevant cost in decision making process. This chapter differentiates between differential analysis and marginal analysis. Also, represents a set of decision situations in the short run such as make or buy, accept or reject, add or drop, product mix, and pricing decisions.

Each chapter of the text begins with a set of learning objectives to give students a preview of what material the chapter covers. Also, each chapter ends with a set of questions and exercises to help students to measure the extent of understanding the different aspects of topics.

Finally, I want to express my sincere thanks and appreciation to all business students in the English sections of Tanta University, Alexandria University, Suez Canal University, and King Saud University who were the base for preparing and testing the scientific material of this text book.

The author

The Objective of Managerial Accounting Course

The main objective of Managerial Accounting course is to assist all business students for better understand why managerial accounting is relevant to their future careers, by providing them with the tools and information required for performing managerial functions related to planning, controlling, performance evaluation through decision making process, and by preparing them with the essential requirements for CMA certification.

Brief Contents

- Chapter 1 : Introduction to Managerial Accounting.**
- Chapter 2 : Managerial Accounting & Cost Concepts.**
- Chapter 3 : Cost – Volume – Profit (CVP) Relationships Analysis**
- Chapter 4 : Relevant Cost & Decision Making Process.**
- **Relevant Cost & Cost Concepts for Decision Making.**
 - **Differential Analysis & Marginal Analysis.**
 - **Decision 1 : Make or Buy Decision.**
 - **Decision 2 : Accept or Reject a Special Order Decision**
 - **Decision 3 : Add or Drop a Product Line or Segment Decision.**
 - **Decision 4 : Constrained (Scarce) Resources & Product Mix Decision.**
 - **Decision 5 : Pricing Decision.**

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