

ACCT 102 - Fundamentals of Accounting II

Managerial Acct Concepts and Principles

Financial Accounting

Managerial Accounting

Concerned with reporting historical financial data to the public - focuses on external reporting	More concerned with providing information to management to <i>assist</i> in internal decisions
Focuses on results of operations that have already occurred - Based on the past	Focuses on decisions that will affect the future
Uses a standard set of rules and guidelines (Generally Accepted Accounting Principles or GAAP) to insure that the financial statements objectively and periodically report results of past operations	Data and reports are much more subjective. Historical data is used, but only to <i>assist</i> in making decisions that will affect the future.
Information is prepared based on very explicit requirements	No restrictions set forth by GAAP. There are few rules.
Financial reports are required to be published at least annually: most publish quarterly	Reports are very flexible. They can be generated as needed. No stringent time lines.
Financial data is usually shown for the company as a whole	Management reports vary in scope. Some may be concerned with only one segment, one product, one location. Others may include larger parts of a company.