



**EUROPEAN  
INTERNATIONAL  
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## **Introduction**

Regardless of your business profile, you can use some simple accounting strategies to manage your company's finances. One of the areas of work that must be mastered from the start of business is finance and accounting (Drury, 2018). Early in this journey, the right time to manage all business finances is at hand. A key factor in the steady growth of small businesses worldwide is a well-planned and implemented accounting strategy (Drury, 2018). As a business owner, you need to systematically track your income, expenses, and profits from the start of your business (Rikhardsson & Yigitbasioglu, 2018).

To avoid issues like lack of tax detail or messy bookkeeping, it's wise to plan your accounting strategy in advance. Here are some finance and accounting strategies for small businesses that can help you manage your work operations and plan ahead to achieve your business goals. Regardless of your business profile, you can use some simple accounting strategies to manage your company's finances (Rikhardsson & Yigitbasioglu, 2018). One of the areas of work that must be mastered from the start of business is finance and accounting. Early in this journey, the right time to manage all business finances is at hand. A key factor in the steady growth of small businesses worldwide is a well-planned and implemented accounting strategy. As a business owner, you need to systematically track your income, expenses, and profits from the start of your business.

To avoid issues like lack of tax detail or messy bookkeeping, it's wise to plan your accounting strategy in advance. Here are some finance and accounting strategies for small businesses that can help you manage your work operations and plan ahead to achieve your business goals.

Perhaps the well-publicised mistake made by private companies is causing their own consumption. Every time you start another business, you must have a different record of the funds associated with your business. Having an elite trading account makes the whole thing smooth and makes it easy to keep up with every important record. It is always wise to try not to make any

private deliveries through your business registration or otherwise. Keeping records only for trading speculation is the first step towards an effective accounting system.

One of the key variables to keep pace with business background and bookkeeping is an accomplished bookkeeper. No matter how new you are to the business, you should really consider hiring an expert to handle your account. Accounting is a fundamental part of any business association and must be mastered. Find a bookkeeper who can help you identify your cash, control your costs, and plan a viable financial arrangement. Remember that your business progress is often based on precise financial monitoring methods.

### *Body of content*

#### **Profit Statement**

**For the month of February, 28**

<b>Particular</b>	<b>Amount in Pound</b>
<b>Sales (11500*22)</b>	253,000
<b><u>Less: Cost of Sales</u></b>	
Direct Labour	19,000
Variable Production Overhead	7,300
Fixed Manufactruing Overhead	28,600
<b>Total Manufacturing Cost</b>	<b><u>83,900</u></b>
Cost of goods available for sale	<u>83,900</u>
Less: Ending Inventory (1000*6.71)	<u>(6,710)</u>
<b>Cost of goods sold</b>	<b><u>(77,190)</u></b>
<b>Gross Profit</b>	<b>175,810</b>
Less: Total Selling and Administrative Expenses	(44,500)
<b>Net Income</b>	<b><u>131,310</u></b>

#### **Computation of Ending Inventorv**

Beginning Inventory	Nil
Units Produced	12,500
Less: Units Sold	(11,500)
<b>Ending Inventory</b>	<b><u>1,000</u></b>

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**Computation of Product Cost**

Direct Labour	19,000
Variable Production overhead	7,300
Fixed Production overhead	28,600
<b>Total Manufacturing overhead</b>	<b>83,900</b>
Divided by Units Produced	12,500
<b>Product Cost</b>	<b>6.71</b>

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## SWIPE 50 LIMITED

### Profit Statement

For the month of March 21

Particular	Amount in Pound
<b>Sales (15500*22)</b>	341,000
<b>Less: Cost of Sales</b>	
Direct Material	
Direct Labour	22,000
Variable Production Overhead	8,500
Fixed Manufacturing Overhead	28,600
<b>Total Manufacturing Cost</b>	<b>92,350</b>
Beginning Inventory (1000*6.71)	6,710
Cost of goods available for sale	99,060
Less: Ending Inventory	
<b>Cost of goods sold</b>	<b>(99,060)</b>
<b>Gross Profit</b>	<b>241,940</b>
Less: Total Selling and Administrative Expenses	(57,100)
<b>Net Income</b>	<b>184,840</b>

### Computation of Ending Inventory

Beginning Inventory	1,000
Units Produced	14,500
Less: Units Sold	(15,500)
<b>Ending Inventory</b>	<b>-</b>

Direct Material	29,000
Direct Labour	19,000
Variable Production overhead	7,300
Fixed Production overhead	28,600
<b>Total Manufacturing overhead</b>	<b>83,900</b>
Divided by Units Produced	12,500
<b>Product Cost</b>	<b>6.71</b>

**SWIPE 50 LIMITED****Profit Statement (Under Variable Costing)**

For the month of February, 28

Particular	Amount in Pound	
<b>Sales (11500*22)</b>		
<b>Variable Cost:</b>		
Direct Material		253,000
Direct Labour (19,000*11,500/12,500)	17,480	
Variable Manufacturing Overhead	6,716	
Variable selling and administrative expenses	36,225	87,101
<b>Contribution Margin</b>		<b>165,899</b>
<b>Less: Fixed Costs</b>		
Fixed Production Overhead	28,600	
Fixed selling and administrative expenses	8,275	36,875
<b>Net Income</b>		<b>129,024</b>

**Computation of Ending Inventory**

Beginning Inventory	Nil
Units Produced	
Less: Units Sold	(11,500)
<b>Ending Inventory</b>	<b>1,000</b>

**Computation of Product Cost**

Direct Labour	19,000
Variable Production overhead	7,300
Fixed Production overhead	28,600
<b>Total Manufacturing overhead</b>	<b>83,900</b>
Divided by Units Produced	12,500
<b>Product Cost</b>	<b>6.71</b>

**High and Low Method to separate mixed cost**

Variable selling and administrative expenses	Amount in Pound
VSAE Per Unit	57100-44500
	15500-11500
VSAE Per Unit	12,600
	4,000
<b>VSAE Per Unit</b>	<b>3.15</b>

**Fixed Selling and Administrative Expenses**

Fixed Selling and Administrative Expenses	Amount in Pound
FSAE	44500-(11500*3.15)
<b>FSAE</b>	<b>8,275</b>

**SWIPE 50 LIMITED**

Profit Reconciliation



Net Income In Absorption	184,838
Fixed Overhead Beginning	2,288
	<hr/>
	187,126
<b>Net Income Variable</b>	<b>187,126</b>

## SWIPE 50 LIMITED

### Profit Statement (Under Variable Costing) For the month of March 31

Particular	Amount in Pound	
Sales		341,000
<b><u>Variable Cost:</u></b>		
Direct Material	33,520	
Direct Labour	23,520	
Variable Manufacturing Overhead	11,134	
Variable selling and administrative expenses	48,825	116,999
<b>Contribution Margin</b>		<b>224,001</b>
<b>Less: Fixed Costs</b>		
Fixed Production Overhead	28,600	
Fixed selling and administrative expenses	8,275	36,875
<b>Net Income</b>		<b>187,126</b>

### Computation of Ending Inventory:

Beginning Inventory	Nil
Units Produced	12,500
Less: Units Sold	(11,500)
<hr/>	
<b>Ending Inventory</b>	<b>1,000</b>

Direct Material	29,000
Direct Labour	19,000
Variable Production overhead	7,300
Fixed Production overhead	28,600
<hr/>	
<b>Total Manufacturing overhead</b>	<b>83,900</b>
Divided by Units Produced	12,500
<hr/>	
<b>Product Cost</b>	<b>6.71</b>

**High and Low Method to separate mixed cost      Amount in Pound**  
**Variable selling and administrative expenses**

VSAE Per Unit	57100-44500
	15500-11500
VSAE Per Unit	12,600
	4,000
<hr/>	
<b>VSAE Per Unit</b>	<b>3.15</b>

**Fixed Selling and Administrative Expenses      Amount in Pound**

FSAE	44500-(11500*3.15)
<hr/>	
<b>FSAE</b>	<b>8,275</b>

### Profit Reconciliation

Add: Fixed Production Overhead in Beg Inventory	----- -
<b>Total</b>	<b>131,310</b>
Less: Fixed Production Overhead in Ending Inventory	(2,286)
<b>Net Income Under Variable Costing</b>	<b>129,024</b>

### *Differences between Absorption and Marginal Costing*

The process of submitting costs. Only the variable cost of inventory is considered in marginal costing, but both the variable cost and the fixed overhead expenses are considered in absorption costing. Profitability. When employing marginal costing, the profit on each individual sale appears to be higher, whereas when using absorption costing, the profit appears to be lower (Abdusalomova, 2019). Measurement. Profits are computed using the contribution margin in marginal costing, which does not account for applied overhead, whereas profits are calculated using the gross margin in absorption costing, which does account for applied overhead (Abdusalomova, 2019).

Retention costing is also known as full costing. Public s should use a retention cost strategy in their COGS' board cost accounting. Many private companies also use this technique because it is GAAP compliant, but factor costing is not (Abdusalomova, 2019).

Ingest costing includes specifying each direct cost associated with item assembly in COGS. This includes any elemental costs directly related to assembly, such as,

- Cost of natural substances
- Hourly work rate
- Compensation for assembly workers

- Variable energy costs for running the plant in assembly mode

This also includes any direct fixed costs such as,

- Mortgage charges for the structure used for installation
- Protect installation properties
- Aging of the assembly machine

Depending on the simplicity of the , a compensation presentation using retained costs might split factor direct costs and fixed direct costs into two parts, or combine them to report a comprehensive cost of goods sold (Abdusalomova, 2019). However, variable direct expenses and fixed direct expenses are deducted from revenue to be reflected in net income (Maheshwari, 2021).

Using the ingest cost technique will generate cost of goods sold and subsequently lower net profit per unit delivered (Maheshwari, 2021). This means that the will have higher unit creation breakeven costs. It also means customers will face higher retail costs. Additionally, this means that the may exhibit lower total net income (Maheshwari, 2021).

The impact of carrying costs will depend on the business. For example, an must consistently pay its assembly title contract installments, whether it produces 1,000 units of product or none at all. A company's net profit may increase after taking out a mortgage loan or completing a deteriorating program for a piece of assembly equipment (Johanson & Madsen, 2019). These are considerations that cost bookkeepers must carefully monitor when using consumption costs.

Cost assimilation techniques are generally standard in most s with COGS. It is expected to be consistent with GAAP (Johanson & Madsen, 2019). Reviewers and financial partners will require it for external announcements. Depending on the type of business structure, private companies can also expect to use costs to calculate their expense breakdowns.

The resulting benefit is compared to which costing technique is relied upon. This is because absorption cost strategies include a fixed cost of creation of outcomes, whereas marginal cost techniques do not. Absorption costs also cause fluctuations in planned and actual levels, as correct overhead continues as before regardless of the outcome level (Johanson & Madsen, 2019). Both can be used, depending on the element's inclination and action plan.

Absorption costing uses unit net income while marginal costing uses unit contribution. Since absorption costing uses a fixed method to determine costs, your profits will suffer. On the other hand, the marginal cost-benefit-volume ratio is used to measure benefits. Absorption costing uses fixed and variable costs and takes them into account. Whereas marginal cost only uses variable cost and takes it into account.

Absorption costing uses the overhead recovery method. But marginal cost calculates the contribution of each unit. Absorption costing uses GAAP claims. But marginal doesn't use it

Some may decide to use variable costing techniques. With variable costing, all variable direct costs are recalled to COGS. Fixed direct costs are waived in cost of work rather than COGS. 1 Whether an uses intake or variable costs, the types of fixed direct costs are similar:

- Mortgage charges for assembled structures
- Protect installation properties
- Aging of the assembly machine

Variable costing will result in a lower breakeven cost per unit using COGS. This can make it more difficult to determine the best rating for an item. The net benefit from variable costing will be higher. Therefore, this results in a slightly higher total net income compared to absorption costs. Keep in mind that an using a currency strategy shouldn't take a portion of its costs as fast as variable costs, as they are not related to revenue recognition (Mekonnen & Lemech, 2021).

Depending on the simplicity of the , compensation interpretation using assimilated costs may split factor direct costs and fixed direct costs into two parts, or combine them to report a comprehensive COGS. Regardless, both variable direct expenses and fixed direct expenses are deducted from income to show in net income.

Using a carrying cost strategy will incur cost of goods sold, thereby reducing net profit per unit delivered. This means that the will have higher unit creation breakeven costs. It also means customers will face slightly higher retail costs (Hiebl, 2018). Additionally, this means that the may show lower net income.

The impact of carrying costs will depend on the business. For example, an must consistently pay its assembly title contract installments, whether it produces 1,000 units of product or none at all. A company's net profit may increase after it takes over a mortgage or completes a program to degrade a piece of installed hardware. These are considerations that cost bookkeepers should carefully monitor when using assimilated costs.

Retention cost strategies are generally standard for most organizations with COGS. It is expected to be consistent with GAAP. Evaluators and financial partners will require it for outdoor advertising. Depending on the type of business structure, private companies can also expect to use ingest costs for their detailed work. Variable costing will result in a lower breakeven cost per unit using COGS. This can make it more difficult to determine the best rating for an item. The net benefit from variable costing will be higher. So this results in a slightly higher net income compared to assimilation costs (Maheshwari, 2022).

Keep in mind that s using monetary technology should not quickly collect some of the costs through variable costing, as they are not relevant for revenue recognition. This could be a benefit (Maheshwari, 2022). The executives can utilize both costing techniques to pursue

fabricating choices. Both can likewise be utilized to esteem work in process and completed products stock for interior bookkeeping purposes. The overall contrast between retention costing and variable costing alludes to how they address the in general fixed cost of assembling.

Remember that associations utilizing money related innovation shouldn't rapidly gather a portion of the costs through factor costing, as they are not significant for income acknowledgment. This could be an advantage.

Absorption costing helps the businesses to assess and to examine their profitability, however, the marginal costing helps the businesses to determine the product cost. Marginal costing shall help the company to know the variable cost per unit.

### ***3 Ways That Help the Company to Improve Its Accounting System***

Many entrepreneurs with no trace of an accounting system just look at their bank balances to determine their available assets (Hiebl, 2018). The limitation of this technique is that it does not reflect exchanges that have not been processed, including special checks, stores, pre-approved instalments, etc. This can lead to unnecessary overdraft fees and fee rejections, which can be a surprisingly negative review (and the hassle of managing payees, banks, etc.), which helps prevent unapproved and erroneous exchanges. Accounting programming also applies to the bank commitment process, allowing you to confirm that each bank change has been made accordingly, ensuring that your records are complete (Maheshwari, 2022). As long as you have a system in place to keep track of all your financial transactions, the sum of assets accessible in your records is readily available and appropriate decisions can be made.

Knowing your accounts receivable balances from your careful records—for example, what a customer owes you at some random point in time—is a key part of a decent accounting system. Whether or not you only have a small percentage of your customers paying by credit card, it makes sense to know how much assets you can expect to have with each payment and make sure the instalments match the invoice amount (Weetman, 2019). Your business may be generating significant income, but if you haven't been paid, it could have a detrimental and worrying effect on temporary income. Also, there's no denying that it's undeniably more attractive to collect a customer's delinquent accounts receivable sooner rather than later than months after labor and product are delivered, and can help pay down dire debts. Finally, accounting programming can help you create joints that can be easily shipped to customers consistently, saving time and reducing errors.

Tracking your bills can help you optimize your cash flow and avoid unpleasant surprises. Making sure you only pay your bills when they are due frees up funds for other purposes (Banerjee, 2021). It also allows you to save money by taking advantage of discounts that are sometimes offered for paying early. Additionally, you can create a history of amounts paid to suppliers, which can be helpful when renegotiating terms, preparing an annual budget, or finding new suppliers. Any accounting system will allow you to track your personal expenses so that you can quickly identify expenses in different categories such as labor, rent, supplies, raw materials, etc. Tracking your expenses in an Excel sheet doesn't allow you to view history and compare (Banerjee, 2021). After you enter expense data, you can analyze it by category (in the income statement), or view expenses by vendor or by type of item purchased. When creating and modifying your chart of accounts, it is up to you to decide how detailed you want this list to be. For example, if you're a kimchi maker, you may need a separate account for cucumbers to assess costs, which may give



you some advantage with your supplier in the future if you can demonstrate how much you actually spent.

Many entrepreneurs join their s, especially in the early stages, either through the purchase of shares/stocks or through credit that is repaid after the business generates sufficient income (Schuster, 2021). Your accounting system will help you track the amount you add to your business by collecting it into an investor or value advance account (Eldenburg, 2020). You can also determine your value gain by dividing the company's net profit by the amount of value contributed. Your (or company's) value gain helps you determine if putting resources into the business will yield better returns than putting resources into other businesses such as land or the stock market. Achieving your revenue profile is critical to the resilience of any business (Eldenburg, 2020). An income shortfall that cannot be filled could spell an almost certain fate for a generally effective effort. Some s can be profitable, however, they may generate negative revenue due to high accounts receivable records (customers owe money), hardware interest, excess inventory, etc. (Hiebl, 2018). Most accounting software will tell you exactly how much money you currently have and give you planning tools so you can evaluate future positions.

For s that assemble and sell items, choosing an accounting plan that can handle inventory (for example, characteristic measures that describe available inventory, cost levels, etc.) can greatly affect how you manage your inventory needs, your customers, and allow you to control how much you Inventory owned at any random time (Eldenburg, 2020). There is a fee for both low inventory and excess inventory. You should have the option to understand your inventory needs, irregularities, supplier lead times, and some other relevant measurements.

- By increasing Sales
- By Declining Variable Expenses

- By Declining Fixed Expenses
- Be timely with reconciliation
- Put cutoff policies in place and stick to them
- Research is not a waste of time, ever
- Pay your taxes
- Align reporting within accounting
- Do accounting in the cloud
- Don't treat accounting like it's just compliance

In general, and especially for new s, all things considered, your most memorable spending plans will be out of date. There are industry fees and deviations you didn't expect that make it difficult to focus on the financial plan you've developed. Rather than creating an annual financial plan and making it firm, conduct ongoing reviews and evaluations to help you dial in whenever you want.

Create your most memorable spending plan and do your best to achieve your goals. Then, at this point, review and differentiate ways in which the campaign and cycle can be improved to help you benefit from here. Details must be present consistently. At the same time, it is wise to consistently evaluate actual results to distinguish differences between results and ideal spending planning experiments.

Finding these holes can improve your understanding. Just because it doesn't fit into your draft most memorable spending plan doesn't mean you failed (Eldenburger, 2020). Ultimately, these planning and accounting data can be used to improve the system. Enter while taking advantage of the emptiness, distinguish the real place. Then form a monetary system to meet the needs of your business enterprise. Reliable costs are rare or variable, meaning that in some cases it can take up

to a year to recognize the subtleties of planning (Eldenbug, 2020). Continuous tracking gives you more and more data to help you differentiate what you're looking for right away.

### ***Why Managing Accounting Jobs Are Important In a Manufacturing Company***

Management accounting provides owners of small businesses with the information they need to select which products they should initially get into the habit of creating. The decision of whether or not to construct a product from scratch or to buy some components of the product already constructed is frequently left up to the discretion of the manufacturing company.

SMEs, especially those in the early stages of development, need quick and viable options to further increase their revenue and their seriousness in the market. Therefore, managers must understand all parts of the business task before deciding on other activities. Dashboard accounting provides financial and performance information, allowing managers to develop additional game plans based on accessible data. To truly understand the importance of boardroom accounting, we wanted to delve into the subtleties.

Many entrepreneurs join their s, especially in the early stages, either through the purchase of shares/stocks or through credit that is repaid after the business generates sufficient income. Your accounting system will help you track the amount you add to your business by collecting it into an investor or value advance account. You can also determine your value gain by dividing the company's net profit by the amount of value contributed. Your (or company's) value gain helps you determine if putting resources into the business will yield better returns than putting resources into other businesses such as land or the stock market.

Obviously, a management accountant needs to have a strong accounting background, including financial accounting and management accounting, but apart from accounting skills, what makes a good management accountant?

- They have to understand the business they are in. Business awareness is knowing how a business operates, how it is affected by the external environment, and knowing and understanding the general industry in which the business operates.
- Collaboration, including working in cross-functional teams and earning the trust and respect of colleagues to accomplish tasks, is critical to advancing management accounting talent. They must be "team members".
- Management accountants must possess effective communication skills that allow them to convey accounting information in written and oral form in a way that is understandable by their target audience. Being able to collect data quickly and accurately is important, but data is meaningless if it's not presented in an intuitive way that your audience can understand.
- Strong technical skills are also essential. These skills include not only accounting and reporting software, but other programs that help automate processes, increase efficiency, and add value to the company. For many businesses, their financial and management accounting functions often require additional software and supporting technology. For example, Enterprise Resource Planning (ERP) systems often play an important role in creating a complete accounting system. This additional support is often provided by third-party vendors such as Hyperion, Cognos, Sage, SAP, PeopleSoft, and Oracle.

Achieving your revenue profile is critical to the resilience of any business. An income shortfall that cannot be filled could spell an almost certain fate for a generally effective effort. Some organizations can be profitable, however, they may generate negative revenue due to high

accounts receivable records (customers owe money), hardware interest, excess inventory, etc. Most accounting software will tell you exactly how much money you currently have and give you planning tools so you can evaluate future positions.

For organizations that assemble and sell items, choosing an accounting plan that can handle inventory (for example, characteristic measures that describe available inventory, cost levels, etc.) can greatly affect how you manage your inventory needs, your customers, and allow you to control how much you Inventory owned at any random time. There is a fee for both low inventory and excess inventory. You should have the option to understand your inventory needs, irregularities, supplier lead times, and some other relevant measurements.

Management accountants must possess broad analytical skills. They must regularly work with financial analysts and executives to find ways to reduce expenses and analyze budgets. These skills include the ability to imagine, express, conceptualize or solve multifaceted and simplistic problems by making meaningful decisions given information.

A management accountant must have ethics and values. They should be role models for others and encourage them to follow internal control practices and procedures. Ethics is discussed in more detail in describing the role of the Institute of Management Accountants and the use of ethical standards. Managers at all levels make many different types of decisions every day, but to make most decisions, they need specific information. Some information is readily available, some not. Managers don't always know what information they need or have access to, they need to know whether the decisions they make have the desired outcome and meet specific goals.

So far, we have described management accounting as a process. The following definition considers it an occupation. A management accountant is someone who helps management process this information. The Institute of Management Accountants (IMA) defines management

accounting as "a profession that engages in collaboration in making management decisions, designing planning and performance management systems, and providing financial reporting and control expertise to assist management in formulating and implementing an organization's strategy."

Most companies have an org chart showing configuration and delegation of authority in the decision-making process ((graph)). This structure helps define roles and responsibilities. Organizational charts provide guidance to employees and other stakeholders by outlining the official reporting affiliations that guide workflow within the organization. It also includes contact information in the graph if the company is particularly efficient. This is a handy directory to spread among employees. It can help them find a specific person in a specific position, or identify who to discuss a specific area within the company with, or even identify a specific person's supervisor to report positive or negative work behavior.

## Conclusion

The shareholders of the company are the owners; however, they elect a board of directors to run the company for them. The Board selects officers to implement the policies and strategic objectives established by the Board. The Chief Executive Officer (CEO) is an officer of the company and has overall responsibility for the management of the company. The person who oversees all accounting and financial affairs is the Chief Financial Officer (CFO). This person is responsible for the organisation's financial planning and record keeping and reports to the CEO. The controller is responsible for the accounting aspects of the business (accounting records, financial statements, tax returns and internal reporting) and reports to the Chief Financial Officer. The treasurer also reports to the CFO, who controls the financial aspects of the business (cash position, company funds). Another area that is sometimes controlled by CFOs is internal auditors. Internal auditors provide independent assurance that a company's internal control processes are effective. However, there is strong support for keeping internal auditors outside the CFO due to potential conflicts of interest.

After all, machines are machines and not people, so there is always the possibility of system failure, misuse of information, or any other event that could happen with stored information. Therefore, it is obvious that you must continuously back up your accounting documents and important accounting information to ensure that essential information related to your funds is not lost during a particularly idiosyncratic power failure. For extra security, always keep at least a few copies of your accounting information.

Finance is the backbone of any business association. Regardless of your business profile, you should try to incorporate the above techniques into your training to avoid discrepancies later. Accounting in a private company isn't particularly exciting, so assuming you've been following

the right steps, things will be a lot easier for you later on. Remember, proper business funding and accounting procedures can help you defend against any surprises later in your business.



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