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[Contabilidad De Costos 12 Edicion Horngren Solucionario](#)

CHAPTER 1 THE ACCOUNTANT'S ROLE IN THE ORGANIZATION

See the front matter of this Solutions Manual for suggestions regarding your choices of assignment material for each chapter.

1-1 *Management accounting* measures, analyzes and reports financial and nonfinancial information that helps managers make decisions to fulfill the goals of an organization. It focuses on internal reporting and is not restricted by generally accepted accounting principles (GAAP).

Financial accounting focuses on reporting to external parties such as investors, government agencies, and banks. It measures and records business transactions and provides financial statements that are based on generally accepted accounting principles (GAAP).

Other differences include (1) management accounting emphasizes the future (not the past), and (2) management accounting influences the behavior of managers and other employees (rather than primarily reporting economic events).

1-2 Financial accounting is constrained by generally accepted accounting principles. Management accounting is not restricted to these principles. The result is that

- management accounting allows managers to charge interest on owners' capital to help judge a division's performance, even though such a charge is not allowed under GAAP,
- management accounting can include assets or liabilities (such as "brand names" developed internally) not recognized under GAAP, and
- management accounting can use asset or liability measurement rules (such as present values or resale prices) not permitted under GAAP.

1-3 Management accountants can help to formulate strategy by providing information about the sources of competitive advantage—for example, the cost, productivity, or efficiency advantage of their company relative to competitors or the premium prices a company can charge relative to the costs of adding features that make its products or services distinctive.

1-4 The business functions in the value chain are

- **Research and development**—generating and experimenting with ideas related to new products, services, or processes.
- **Design of products, services, and processes**—the detailed planning and engineering of products, services, or processes.
- **Production**—acquiring, coordinating, and assembling resources to produce a product or deliver a service.
- **Marketing**—promoting and selling products or services to customers or prospective customers.
- **Distribution**—delivering products or services to customers.
- **Customer service**—providing after-sale support to customers.



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