

Conventions of Management :-

Management Accounting have no any special conventions like as other subject. It principal will be changes as time to time there are as describe are as follows -

- (i) Convention of Responsibilities.
- (ii) Acceptation convention of management.
As per this convention management focus only on those matter which are important general matter treated as controllable by management.
- (iii) Convention of the key area -
Some operation system are important for because success or failure on depend upon those area, hence accounting principal are those who give information related to management as demand.
- (iv) Convention of flexibility.
- (v) Convention of revolution accounting.
- (vi) Convention of personal contact.
- (vii) Convention of looking approach.
- (viii) Convention of controllable & uncontrollable approach.
- (ix) Convention of appropriation of overhead.
- (x) Convention of integration.

- (21) Convention of appropriate means.
- (22) Convention of return on investment.
- (23) Convention of control at source accounting.
- (24) Convention of utilization of resource.
- (25) Investment capital is always shown in current value.

* Principals of Accounting Management -

The principal of management accounting is like as financial accounting there are describe as follow ->

(i) Principle of Scope -

The scope of management accounting is not exceeds than the authority of person.

(ii) Principle of accuracy & time -

The information & data used in management accounting should always true & fair & its done within the time.

(iii) Principle of punctuality -

The manager of the firm should required to getting all information regarding activities of business so the management required to delivered this information with the punctuality.

(iv) Principal of fairness — The data of business activities is most important for management so the person who submit should be on honest.

(v) Principal of comparison — One information never explain the fact about the object or matter so, management required to compare with another data for result.

(vi) Principal of scale — Management should get information regarding the status of account officer for taking decision & getting business status.

* Importance of Management Accounting.

In the present industries world management accounting has become an integral part of management because management not satisfied only with present & past information of the business they want to use future information for increase the chance of better planning they advice management act at every step. Management Accounting not only increase efficiency of the management but it also

the efficiency of employees.

The main advantage of management accounting are discuss as follows:-

- (i) Determining of aim — Management Accounting is helpful to determination of aim, they tried to find out the route through the goal.
- (ii) Helpful in the preparation of plan — Present is on planning management complete their work after good planning & before taking any plan the manager must studied the present & future of business.
- (iii) Easy to take judgement — Management Accounting provide a base for determine policy & plan for taking any decision.
- (iv) It increase the work efficiency of business.
- (v) Management Accounting provide effective management control —

The tools & techniques of management accounting are helpful to the management in planning, controlling & coordinating activities of business.

- (vi) It provide better service to consumer.
- (vii) Management of performance — Management

Accounting is a technique of budgeting control & standard costing enable the management of performance.

(iii) Maximum profit can be obtained with the help of management accounting increase the chance of maximize profit.

* Concept of Management Accounting.

Concept of management accounting is a science but not an exact science most of the conclusion derived depend upon the intelligent interpretation of data.

Some of the important concepts of convention of management accounting are discuss below —

- (i) Conservation convention.
- (ii) Cost concept.
- (iii) Concept of dual aspect.
- (iv) Capital concept.
- (v) Going - concern concept.
- (vi) Intelligibility concept.
- (vii) Money measurement concept.
- (viii) Verification & evidence concept.
- (ix) Concept of effort & accomplishment.
- (x) Concept of measurement consideration.
- (xi) Concept of accounting period.