

Sri Bhagwan Mahaveer Jain Evening  
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**MANAGEMENT ACCOUNTING**

6<sup>TH</sup> Semester B.com

Management Reporting

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# Management Reporting



## Meaning



Reporting to management is part of an overall management information and control system. It is a formal system whereby relevant information is continuously fed to the management through reports.



# Requisites of good reporting system

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- **Good form and content**
- **Promptness**
- **Accuracy**
- **Comparision**
- **Simplicity**
- **Needs of different levels of management**
- **Controllabiltiy**





# Reporting to different levels of management



## ☞ Top Management Level

The top level management comprises Board of Directors, Managing Director or General Manager, Assistant general manager or any other chief executive by whatever name called.

Top level management are concerned with the formulation of business policies and evolving plans than in the day to day functioning of the business.



# Report for the top management include the following



- ❧ Master Budget
- ❧ Capital Budget
- ❧ Reports on research and development activities
- ❧ Management Ratios
- ❧ Plant utilisation reports
- ❧ Periodical profit and loss account and Balance sheet



# Middle Management level



✧ This comprises the heads of various departments such as sales manager production manager etc.

**Reports for middle or coordination level include the following:**

- Report on materials price and usage variances
- Report on labour rate and efficiency variances
- Overhead variance reports
- Idle time report
- Report on production



# Junior or Operating Management Level



✧ This comprises supervisors, formen, section chiefs etc. They are concerned with the day to day operations or the various sections of the business.

Example of such reports are

- Material usage variance report
- Materail spoilage report
- Idel time report
- Labour productivity report



# Methods of Reporting



## Oral Reporting

It is a face to face communication. Is is comparatively informal and time saving. It is simple and easy to present.







# Written Reporting



It is relatively more formal and provides a record for future references. Presentation of report in written statement is called written reporting.





# Types of report form



☞ Descriptive form

☞ Tabular form

☞ Graphical form



# Structure of Report

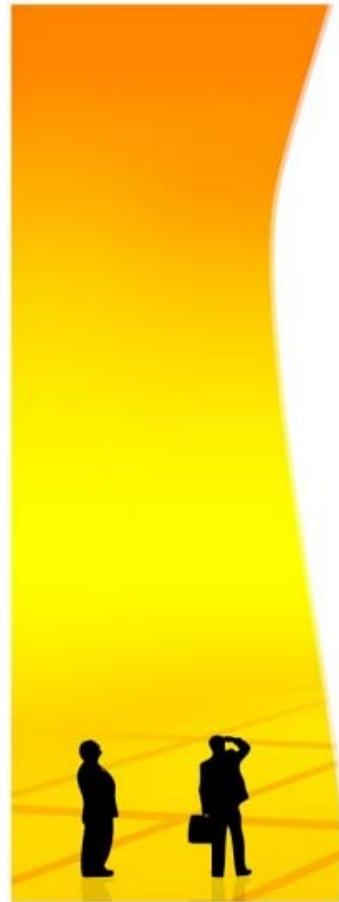


- ❧ **Heading** : The heading or title is given to indicate the subject matter of the report.
- ❧ **Address**: The report must state the person/body of persons and the status and address to whom the report is being addressed.
- ❧ **Subject**: If heading of the report is not given, then subject of the report must be mentioned after the address of the person for whom the report is being prepared.



**Body of Report:** This is the most important part of the report which given brief description of the problem, facts and data and also the analysis of data are presented by way of recommendation and action to be taken to solve the problem under study.

**Signature and Date:** A report is signed by the person who prepares and presents it. If a report is prepared by a committee, the chairman of the committee should sign it.



*Thank you*