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| Management accounting differs from financial accounting in many ways. Indicate with an “X” in the appropriate column whether each of the following characteristics relates to financial accounting, management accounting, or neither.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Financial Accounting** | **Management Accounting** | **Neither** |
| Primary Users: |  |  |  |
| Owners, stockholders, lenders, customers, governmental agencies |  |  |  |
| Managers, lenders |  |  |  |
| Managers, employees |  |  |  |
| Report Format and Frequency: |  |  |  |
| In conformance with GAAP whenever needed |  |  |  |
| Flexible, driven by user’s needs |  |  |  |
| In conformance with GAAP on a periodic basis |  |  |  |
| Nature and Purpose of Reports: |  |  |  |
| Objective and verifiable; reports on past performance |  |  |  |
| Objective and verifiable for decision making; subjective for planning |  |  |  |
| Subjective and verifiable; reports on past performance |  |  |  |
| Units of Measure: |  |  |  |
| Dollars at historical, market, or projected values; physical measures of time or number of objects |  |  |  |
| Dollars at historical values only |  |  |  |
| Dollars at historical and market values |  |  |  |

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