

	Financial Accounting	Management Accounting
Format:	Financial accounts are supposed to be in accordance with a specific format by IAS so that financial accounts of different organizations can be easily compared.	No specific format is designed for management accounting systems.
Planning and control:	Financial accounting helps in making investment decision, in credit rating.	Management Accounting helps management to record, plan and control activities to aid decision-making process.
External Vs. Internal:	A financial accounting system produces information that is used by parties external to the organization, such as shareholders, bank and creditors.	A management accounting system produces information that is used within an organization, by managers and employees.
Focus:	Financial accounting focuses on history.	Management accounting focuses on future.
Users:	Financial accounting reports are primarily used by external users, such as shareholders, bank and creditors.	Management accounting reports are exclusively used by internal users viz. managers and employees.
department:	preparing financial accounting is the work of finance department.	managerial accounting is not specific task of particular department. coordination of all department creates management accounting.
report frequency:	well defined - annually, semi-annually	whenever needed - daily, weekly, monthly.
Mandatory Vs. optional:	Preparing financial accounting reports are mandatory especially for limited companies.	There are no legal requirements to prepare reports on management accounting.
Time span:	Financial accounting statements are required to be produced for the period of 12 months.	No specific time span is fixed for producing financial statements.
Monetary Vs. non-monetary:	Most financial accounting information is of a monetary nature.	Management accounting information may be monetary or alternatively non monetary.

Objectives:	The main objectives of financial accounting are :i)to disclose the end results of the business, and ii) to depict the financial condition of the business on a particular date.	The main objectives of Management Accounting are to help management by providing information that used by management to plan, evaluate, and control.
Legal/rules:	Drafted according to GAAP - General Accepted Accounting Procedure .	Drafted according to management suitability.
Accounting process:	Follows a full process of recording, classifying, and summarizing for the purpose of analysis and interpretation of the financial information.	Cost accounts are not preserved under Management Accounting but analyses necessary data from financial statements and cost ledgers.
Center of importance:	the financial accounting , the origin of preservation of knowledge gives emphasis on recording keeping on a whole firm basis for the purpose of decisions by all the users of accounting information, both external and internal.	Management accounting uses cost data for provision of information for strategic management decisions. It is mainly concerned with the provision of help to the managers to asses them in the process of decision making and design business strategies.
segment reporting:	Describe whole organization.	Only covered part of organization (dept) - production department.