
MANAGEMENT ACCOUNTING FOR
MARKETING FUNCTIONS:
SOME KEY ISSUES AND PROBLEMS

A FINAL DRAFT FOR THE PROJECT PAPER SUBMITTED
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PREFACE

This research paper is prepared as part of the requirement of Advanced Diploma In Accountancy in their fourth semester.

The writer has chosen the topic "**Management Accounting for Marketing Functions: Some Key issues and problems**" as the subject of his research paper. The writer has discussed a few problems and issues encountered by accounting systems and those involved in treating marketing activities and marketing costs.

Most of these informations were supplied by the accountants, accounts executives, marketing managers and marketing executives (whoever available as suggested by the personnel manager). In order for the accountants to perform effectively in their job, they must identify and understand the requirements of other operational departments (particularly marketing department in this matter) and provide them the relevent informations and assistance for making sound marketing decisions.

As this research paper is prepared in partial fulfilment of the Advanced Diploma In Accountancy course, it would not be suitable for the use of the public. This paper is meant for the perusal of the students and lecturers of the School of Accountancy.

INTRODUCTION

1. Accounting and Marketing in Business

Organisations.

Accounting and Marketing are two very important activities in a business. Financial Accounting deals with accurate recording of transactions and providing the relevant financial information to the people outside and inside the business, in terms of Balance Sheet, Profit & Loss Account, Statement of Sources of Application of Funds, and Value Added Statement complied with the relevant accounting standards. Management Accounting deals with analysing, planning and controlling the financial utilisation of the business and at the same time providing the relevant informations to the management for decision making purposes.

Among the financial decisions that are to be made includes those dealt with the financial aspects of Marketing. Marketing deals with identifying customer needs, developing good product, and pricing, distributing, and promoting them effectively. In other words, it is that part of management thinking that concerns with making decisions against the market place. Marketing have become a very important activity for a business to be competitive in today's business environment. In most industries, especially involved in consumer goods, total marketing expenditure now represents a greater proportion of sales revenue than