

Subject: E-Content (M.Com Sem-4)
Financial Accounting and Analysis.

Paper - 1

Unit - 1 : Management Reporting

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Management Reporting

The term Reporting means -

- (a) Narrating some facts
- (b) Reviewing certain matters with its merits and demerits and offering comments
- (c) furnishing data at regular intervals in standardised forms
- (d) Submitting specific information for a particular purpose upon specific request instructions.

The term report normally refers to a formal communication which move upwards i.e. lower level of authority to higher level. but some reports move downwards to explain the management decisions for lower level of employees for day to day operations.

Reports may be in form of brief, informal letter, memos, formal manuscript etc

Reports are essentially a management tool. organisations use them to provide a formal, verifiable link among people, places and time.

characteristics of Good management report

① Proper format :-

The report should be in proper format. The style, layout, tabulations etc of report will depend upon the needs of individual who, will use the same.

② Proper Time :-

Reports are meant for action so promptness is important in reporting. Information delayed is information denied.

③ Flexibility :-

The system should be capable of being adjusted according to the requirements of user.

user.

④ Accuracy :-

- The report should be truthful. For it, it should
- describe facts or events in concrete terms
 - report all relevant facts
 - provide valid evidence and supporting conclusions
 - keep personal biases on check.

⑤ Economy :-

There is a cost of rendering information and such cost should be compared to benefits derived from the report or cost of not having it. Economy of information is to be considered while developing a reporting system.