TOPIC: THE ROLE OF A MANAGER

Planning, Directing, and Controlling

- **Managerial Accounting** focuses on improving future performance through 3 types of actions.

	Planning	Directing	Controlling
Goal	Set objectives Establish plans	Oversee operations Adjust strategies	Evaluate results Adjust Plans
Concepts	________________ _________ Asset Planning	Cost-________-Profit Strategic ___________	___________ Costs Performance _________

EXAMPLE

Bryan Clothing's CEO takes the following actions. Categorize each of them as planning, directing, or controlling by writing P, D, or C next to each action.

_____ Analyzing the success of a new marketing campaign by comparing sales to budgeted sales.

_____ Using information on costs to set prices.

_____ Setting a goal of increasing sales by 10%.

_____ Moving production to a new factory.

_____ Reviewing sales reports to determine future staffing needs.

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PRACTICE

When a manager creates their budget for the upcoming fiscal year, they are engaging in which activity?

a) Planning.
b) Directing.
c) Controlling.
d) None of the above

PRACTICE

When a manager reviews the budget for the past fiscal year, they observe that the company is spending substantially more on electricity than expected. Using this data to address the issue would be an example of which common management activity?

a) Planning.
b) Directing.
c) Controlling.
d) None of the above.