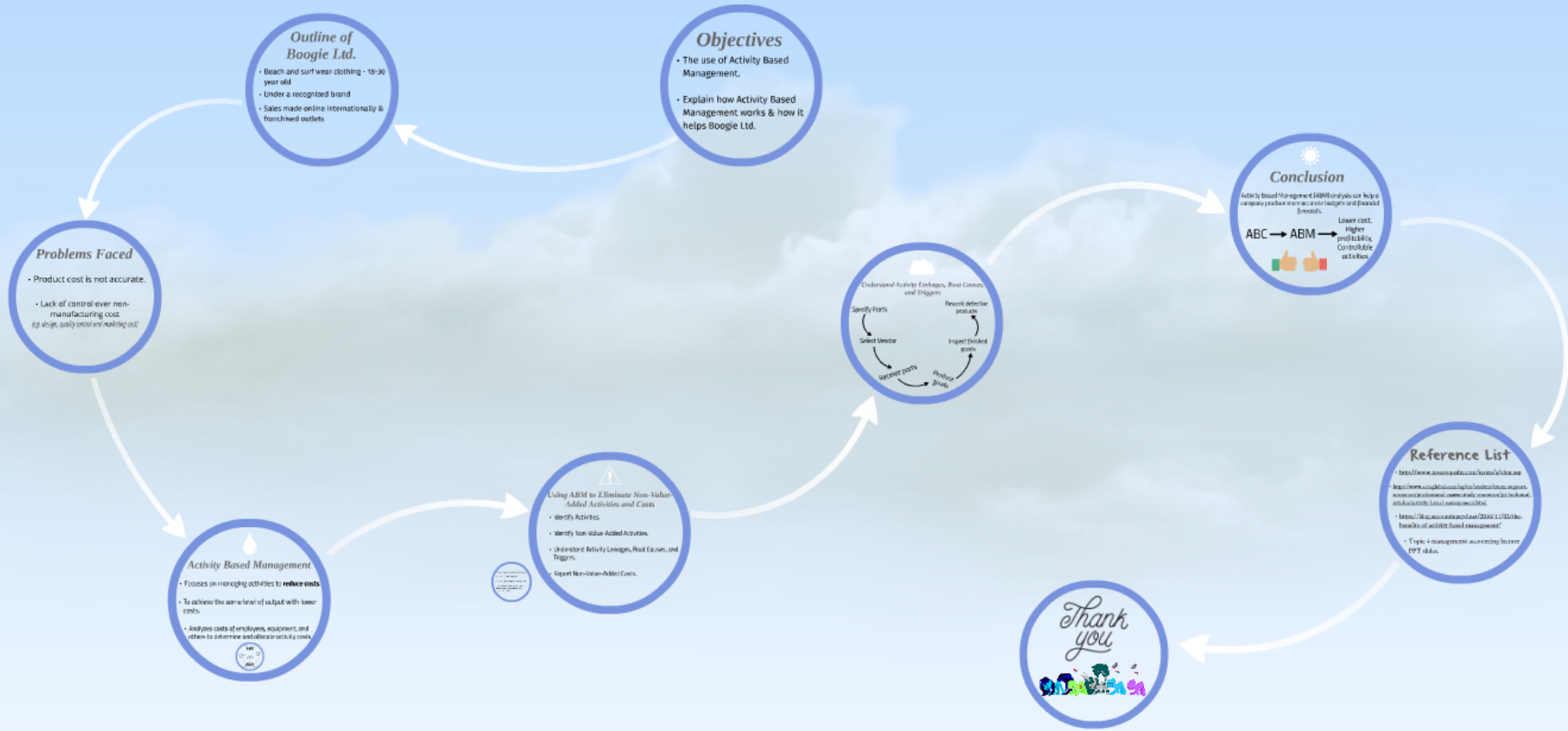


MANAGEMENT ACCOUNTING

Presentation Topic 4 - Activity Based Management

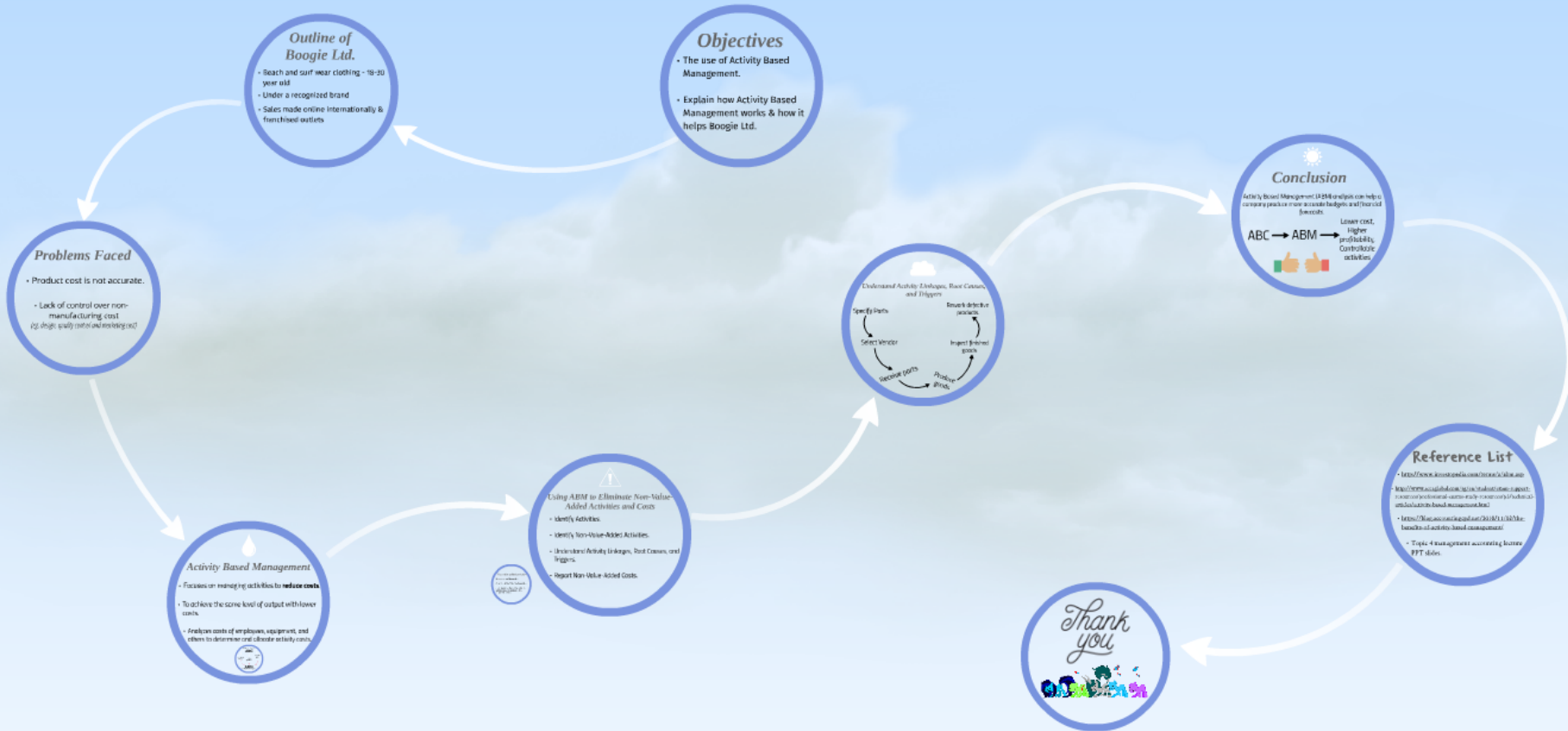


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Jeane Natalia (18391831)

MANAGEMENT ACCOUNTING

Presentation Topic 4 - Activity Based Management



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Jeane Natalia (18391831)

Objectives

- The use of Activity Based Management.
- Explain how Activity Based Management works & how it helps Boogie Ltd.

Outline of Boogie Ltd.

- Beach and surf wear clothing - 18-30 year old
- Under a recognized brand
- Sales made online internationally & franchised outlets

Problems Faced

- Product cost is not accurate.
- Lack of control over non-manufacturing cost
(eg. design, quality control and marketing cost)



Activity Based Management

- Focuses on managing activities to **reduce costs**.
- To achieve the same level of output with lower costs.
- Analyzes costs of employees, equipment, and others to determine and allocate activity costs.



Activity-Based Costing

ABC

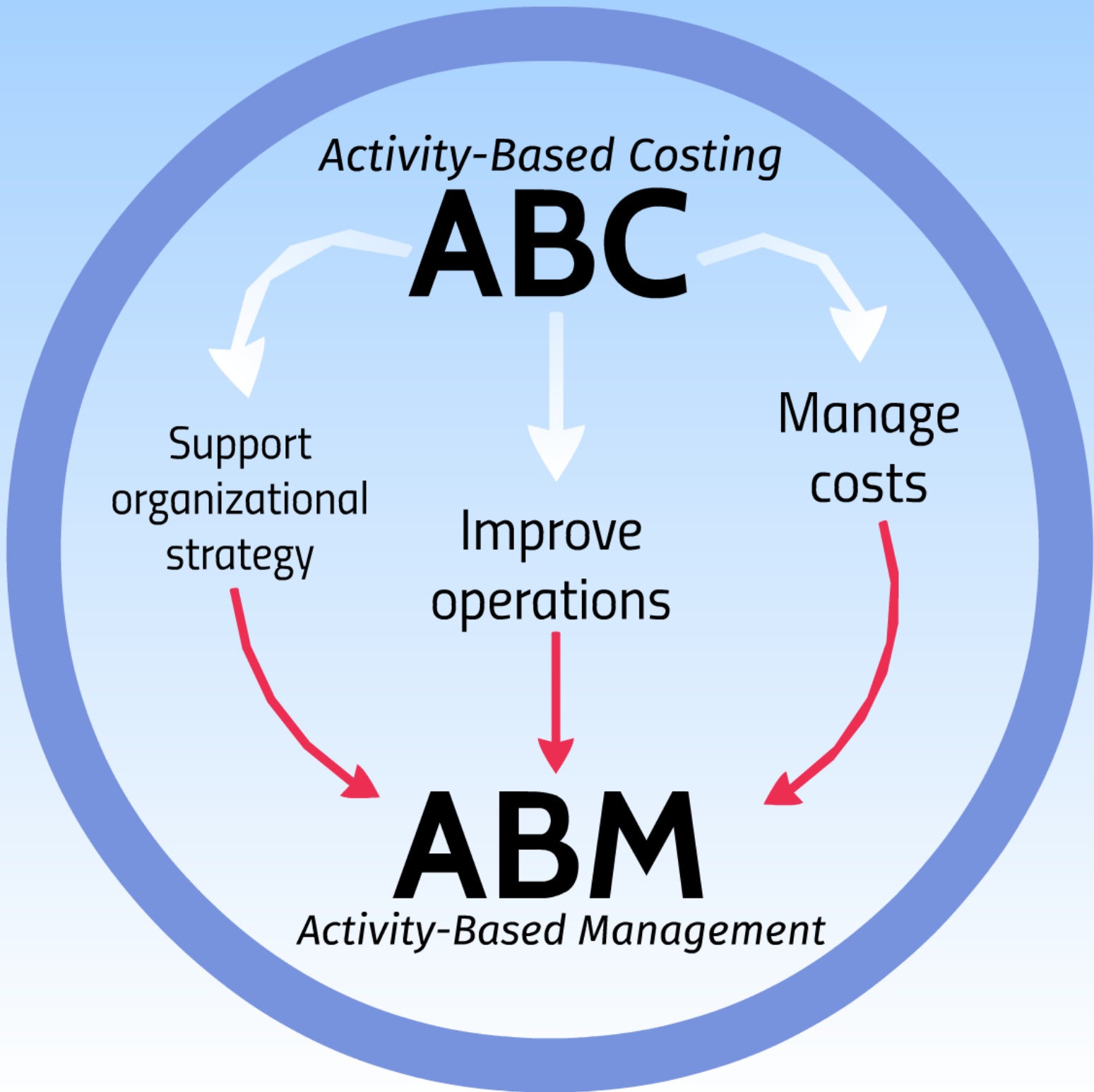
Support
organizational
strategy

Improve
operations

Manage
costs

ABM

Activity-Based Management



Non-value added activities

- Unnecessary and dispensable
- Necessary, but inefficient and improvable
- Costs of activities that can be eliminated **without** worsening product quality, performance or value