

# Management Accounting Practices of Manufacturing Companies in Bangladesh: A Study on Selected Manufacturing Companies Enlisted in Dhaka Stock Exchange

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**Abstract:** The study aims to evaluate the application and practices of Management Accounting in the manufacturing companies in Bangladesh. This paper is the output of the evaluation on Management Accounting practices of Fifteen (15) Manufacturing Companies from Four (4) different sectors listed in Dhaka Stock Exchange on the year of 2021. The primary data was collected using a structured questionnaire from 124 respondents of fifteen manufacturing companies of different four sectors and it is found that the highest mean score was 4.7214 on Management accounting information is essential for making managerial decision and lowest mean score was 4.3120 for Management accounting helps to differentiate planned and actual outcome of manufacturing companies. And the average mean score was 4.466 in the scale of 5. Moreover 75.8% (94) have given their perception on Management accounting information is essential for making managerial decision and Management accounting helps to produce information for capital budgeting decisions. Almost 71% respondents told that they have separate management accounting department.

**Key Word:** Management Accounting, Manufacturing companies, CVP analysis, Practices, Perception, ABC method, Bangladesh

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## I. Introduction

Management Accounting is an integral part of manufacturing companies in Bangladesh. The term management accounting is composed of 'management' and 'accounting'[1]. The word 'Management' here does not convey only the work of the upper management but the entire employees who help to operate an enterprise. Usually Manufacturing Companies uses different techniques of Management Accounting like cost Volume Profit (CVP) relationship analysis, Budgetary Control, and Break Even Point (BEP) analysis. The companies use these techniques for planning, directing, controlling and achieving profitability. According to the Institute of Management Accountants (IMA): "Management accounting is a profession that involves partnering in management decision making, devising planning and performance management systems, and providing expertise in financial reporting and control to assist management in the formulation and implementation of an organization's strategy"[2]

Management Accounting helps to create organizational value through better decision making and management of the organization. The development of management accounting is responsive to the demand for management and the environment (McWatter, Morse, & Zimmerman, 2001).

## II. Literature review

Management accounting practices plays an important role in the manufacturing companies but research and development activities in the field of accounting is not as enough as required. Considering this issues, the researcher initiated to make a study on the evaluation of management accounting practices in manufacturing companies in Bangladesh.

An evaluation of Management accounting practices in the UK manufacturing industry on 123 accountants and divided the period of management accounting into four stages. The first stage which was in pre-1950 which includes determination and controlling of cost. The second stage starts in 1965 which focused on planning and controlling. In the third stage, less wastage of resources in the business process was focused. The final stage starts in 1995 which related to appropriate resources. The more management accounting approach has used in early 1980 just in time (JIT), total quality management (TQM), Process Reengineering and theory of constraints (Garrison & Norren, 2003).[3]

Management Accounting is also known as the process of identifying, assessing, accumulating, analyzing, organizing, interpreting and communicating information that helps managers fulfill organizational objectives (Hongren, Sundem, & Stratton, 2002). [4]

There are three parts of management accounting including functional, radical & interpretative. Management Accounting helps to develop the knowledge and understanding of management accounting which helps decision making of manufacturing companies (Myrelid, 2013). [5]

A study on manufacturing companies in Kenya has occurred in 2013. Primary data were collected from 46 manufacturing companies and the study results the functions of management which influence the performance for improvements (Gichaaga, 2013). [6]

Another study named the status of using management accounting practices in a manufacturing firm in Bangladesh showed the impact of management accounting in decision making, analysis and development, of normative accounting roles (Biswas, Akterujjaman, & Yasmin, 2014) [7]

Another study about MAP in Greece 2015 stated that the before and after the Economic crisis of MAP in Greece. However, the effect of ERP software & advanced MAP in Turkey (Eker&Aytac, 2016) [8]

In the Malaysian context, Al Amosh and Mansor (2018) the most of the manufacturing SMEs organization are still used in traditional MAPs while the factors affecting MAP in Malaysia. It is noted that, Here sample is collected for knowing MAP of companies in Pakistan (Shahzadi, Khan, Toor, &ulHaq, 2018) [9]

Based on the above literature review, the information provided by the authors about management practices in manufacturing company is not sufficient. Till now, management accounting practices in manufacturing companies is very poor in the developing county like Bangladesh. So researcher has got interest to make a study on management accounting practices of manufacturing companies in Bangladesh.

### III. Objectives of the study

- To evaluate the management accounting practices of manufacturing companies in Bangladesh.
- To provide some recommendations toward management accounting practices of manufacturing companies in Bangladesh

### IV. Methodology of the study

This portion describes selection of sample, selection periods, respondents and data source.

#### Sample section:

The data was collected from fifteen manufacturing companies listed in Dhaka stock exchange to conduct the study.

|    | Sectors         | Companies  |
|----|-----------------|--|
| 1. | Cement          | 1. Confidence Cement Limited<br>2. Premier Cement Mill Ltd.<br>3. Aramit Cement Ltd.<br>4. Meghna Cement Mill Ltd.     |
| 2. | Foods           | 1. Aman food ltd.<br>2. Fu Wang Food Ltd<br>3. Meghna Pet Industries Ltd<br>4. Bangas Ltd.                             |
| 3. | Pharmaceuticals | 1. Beacon Pharma Ltd<br>2. Orion Pharma Ltd.<br>3. Silico Pharma Ltd.  |
| 4. | Textile         | 1. Rahim Textile Mills Ltd.<br>2. Al-Haj Textile Mills Limited<br>3. Paramount Textile Ltd.<br>4. Beximco Textile Ltd. |
|    | Total 4 sectors | Total 15 companies   |

**Table 1:** Sample of Manufacturing Companies

#### Selection of Respondents:

For research purpose, the researcher collected perceptions from the respondents of the selected companies. The targeted respondents was one hundred and fifty (150) from 15 companies. i.e. (15\*10) =150. But a total of 124 respondents' perception was collected successfully. Some respondents felt nervous to response the questionnaire about the disclosure of their financial position. So the researcher failed to collect the target perception from the survey. Total Thirty four (34) respondents from the cement sectors, thirty (30) from the food sectors, twenty four (24) from the Pharmaceuticals sector, and thirty six (36) from the textile sectors collected from the targeted respondents.

#### Data sources

Total 124 respondents have provided their data as per questionnaire. The data sources are shown in table

| Sectors         |                                 | Respondents | % of Company | % of Sectors |
|-----------------|---------------------------------|-------------|--------------|--------------|
| Cement          | 1. Confidence Cement Limited    | 8           | 6.45%        | 27.42%       |
|                 | 2. Premier Cement Mill Ltd.     | 9           | 7.26%        |              |
|                 | 3. Aramit Cement Ltd.           | 9           | 7.26%        |              |
|                 | 4. Meghna Cement Mill Ltd.      | 8           | 6.45%        |              |
| Foods           | 1. Aman food ltd.               | 7           | 5.64%        | 24.19%       |
|                 | 2. Fu Wang Food Ltd             | 8           | 6.45%        |              |
|                 | 3. Meghna Pet Industries Ltd    | 6           | 4.84%        |              |
|                 | 4. Bangas Ltd.                  | 9           | 7.26%        |              |
| Pharmaceuticals | 1. Beacon Pharma Ltd            | 8           | 6.45%        | 19.35%       |
|                 | 2. Orion Pharma Ltd.            | 8           | 6.45%        |              |
|                 | 3. Silico Pharma Ltd.           | 8           | 6.45%        |              |
| Textile         | 1. Rahim Textile Mills Ltd.     | 9           | 7.26%        | 29.04%       |
|                 | 2. Al-Haj Textile Mills Limited | 9           | 7.26%        |              |
|                 | 3. Paramount Textile Ltd.       | 9           | 7.26%        |              |
|                 | 4. Beximco Textile Ltd.         | 9           | 7.26%        |              |
|                 |                                 | 124         |              | 100%         |

**Table 2:** Targeted respondents

**Data Collection:**

For this study, Purposive and non-probabilistic sampling techniques have been used. For collecting data, a structured questionnaire (dichotomous and 5 point scale) has been used. The primary data have been collected from AGM, Manager, and Accountants of various departments of manufacturing companies through questionnaire. Descriptive statistics have been used in the analysis part to measure the perception of respondents in 5 point Likert scale.

**V. Analysis and Discussion**

In this part, the questionnaire has been prepared and collected information from 124 respondents of selected 15 manufacturing companies of Dhaka Stock Exchange and data has been analyzed.

**Management Accounting Practices in Manufacturing Companies Bases on Respondents' Perceptions**

1. Do you have separate Management Department?

|       |       | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------|-----------|---------|---------------|--------------------|
| Valid | No    | 36        | 29      | 29            | 29                 |
|       | Yes   | 88        | 71      | 71            | 100                |
|       | Total | 124       | 100     | 100           |                    |

2. Do you think the organization is getting benefited from the management accounting function?

|       |       | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------|-----------|---------|---------------|--------------------|
| Valid | No    | 28        | 22.6    | 22.6          | 22.6               |
|       | Yes   | 96        | 77.4    | 77.4          | 100                |
|       | Total | 124       | 100     | 100           |                    |

3. Do you think management accounting helps in formulating planning and controlling strategy for management?

|       |       | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------|-----------|---------|---------------|--------------------|
| Valid | No    | 24        | 19.3    | 19.3          | 19.3               |
|       | Yes   | 100       | 80.7    | 81.7          | 100                |
|       | Total | 124       | 100     | 100           |                    |

4. Does management accounting provide competitive advantage for an organization?

|       |       | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------|-----------|---------|---------------|--------------------|
| Valid | No    | 11        | 8.9     | 8.9           | 8.9                |
|       | Yes   | 113       | 91.1    | 91.1          | 100                |
|       | Total | 124       | 100     | 100           |                    |

5. Does the company follow quality of conformance?

|       |       | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------|-----------|---------|---------------|--------------------|
| Valid | No    | 44        | 35.5    | 35.5          | 35.5               |
|       | Yes   | 80        | 64.5    | 64.5          | 100                |
|       | Total | 124       | 100     | 100           |                    |

6. Does the company follow ISO -9000 standard?

|       |       | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------|-----------|---------|---------------|--------------------|
| Valid | No    | 48        | 38.7    | 38.7          | 38.7               |
|       | Yes   | 76        | 61.3    | 61.3          | 100                |
|       | Total | 124       | 100     | 100           |                    |

7. Does company use CVP analysis for taking managerial decision?

|  |  | Frequency | Percent | Valid Percent | Cumulative Percent |
|--|--|-----------|---------|---------------|--------------------|
|  |  |           |         |               |                    |

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|       |       |     |      |      |     |
|-------|-------|-----|------|------|-----|
| Valid | No    | 7   | 5.6  | 5.6  | 5.6 |
|       | Yes   | 117 | 94.4 | 94.4 | 100 |
|       | Total | 124 | 100  | 100  |     |

8. Does pricing method used by management accounting techniques help in taking decision to achieve the organizational objectives?

|       |       |           |         |               |                    |
|-------|-------|-----------|---------|---------------|--------------------|
| Valid |       | Frequency | Percent | Valid Percent | Cumulative Percent |
|       | No    | 3         | 2.4     | 2.4           | 2.4                |
|       | Yes   | 121       | 97.6    | 97.6          | 100                |
|       | Total | 124       | 100     | 100           |                    |

9. Does ABC help to maintain strategic costing system?

|       |       |           |         |               |                    |
|-------|-------|-----------|---------|---------------|--------------------|
| Valid |       | Frequency | Percent | Valid Percent | Cumulative Percent |
|       | No    | 7         | 5.6     | 5.6           | 5.6                |
|       | Yes   | 117       | 94.4    | 94.4          | 100                |
|       | Total | 124       | 100     | 100           |                    |

10. Is the information provided in sufficient detail and on time to enable carrying out decision making efficiently?

|       |       |           |         |               |                    |
|-------|-------|-----------|---------|---------------|--------------------|
| Valid |       | Frequency | Percent | Valid Percent | Cumulative Percent |
|       | No    | 16        | 12.9    | 12.9          | 12.9               |
|       | Yes   | 108       | 87.1    | 87.1          | 100                |
|       | Total | 124       | 100     | 100           |                    |

11. Do you receive the management accounting reports on performance relative to establish objectives?

|       |       |           |         |               |                    |
|-------|-------|-----------|---------|---------------|--------------------|
| Valid |       | Frequency | Percent | Valid Percent | Cumulative Percent |
|       | No    | 28        | 22.6    | 22.6          | 22.6               |
|       | Yes   | 96        | 77.4    | 77.4          | 100                |
|       | Total | 124       | 100     | 100           |                    |

12. Is management accounting department essential for manufacturing companies?

|       |       |           |         |               |                    |
|-------|-------|-----------|---------|---------------|--------------------|
| Valid |       | Frequency | Percent | Valid Percent | Cumulative Percent |
|       | No    | 3         | 2.4     | 2.4           | 2.4                |
|       | Yes   | 121       | 97.6    | 97.6          | 100                |
|       | Total | 124       | 100     | 100           |                    |

13. Does your organization receive information which is collected from management accounting techniques as a strategic decision?

|       |       |           |         |               |                    |
|-------|-------|-----------|---------|---------------|--------------------|
| Valid |       | Frequency | Percent | Valid Percent | Cumulative Percent |
|       | No    | 13        | 10.5    | 10.5          | 10.5               |
|       | Yes   | 111       | 89.5    | 89.5          | 100                |
|       | Total | 124       | 100     | 100           |                    |

Table 3: Management Accounting Practices of sample enterprises

On the basis of organizational perceptions, the above discussion shows the frequency distribution. It is noted that the statements (8 & 12) “Does pricing method used by management accounting techniques help in taking decision to achieve the organizational objectives?” & “Is management accounting department essential for manufacturing companies?” from the above statement show the highest 97.6% positive answer, and the second highest 94.4% on the statement (9) “Does ABC help to maintain strategic costing system?” In last, the lowest 61.3% positive response is received from the statement “Does the company follow ISO -9000 standard?”

**Outcome of Management Accounting Practices based of Respondents’ Perception**

|    | Descriptive Statistics   | N   | Mean   | Std. deviation |
|----|--|-----|--------|----------------|
|    |  |     |        |                |
| 2. | In a manufacturing company, a management accountants analyze the cost behavior to predict the cost.                                  | 124 | 4.5912 | .69166         |
| 3. | Management accounting helps to produce information for capital budgeting decisions.  | 124 | 4.7214 | .52735         |
| 4. | Activity Based Costing (ABC) in management accounting assists in manufacturing companies.  | 124 | 4.3135 | .68638         |
| 5. | Absorption costing and variable costing are used for managerial decision making in manufacturing organization.                       | 124 | 4.4350 | .71355         |
| 6. | The practice of management accounting increases profitability in manufacturing companies.  | 124 | 4.3135 | .68638         |
| 7. | CVP analysis is used in management accounting to know the relationship among cost, volume and profit of the manufacturing companies. | 124 | 4.3590 | .48597         |
| 8. | Management accounting helps to differentiate planned and actual outcome of manufacturing companies.                                  | 124 | 4.3120 | .70116         |
| 9. | To formulate strategic planning, management accounting is used in manufacturing companies.   | 124 | 4.3708 | .63557         |

|     |   |     |        |        |
|-----|---|-----|--------|--------|
| 10. | Pricing product using management accounting is essential for manufacturing companies. | 124 | 4.5222 | .72337 |
|     | Average mean score  |     | 4.466  |        |

Table 4: Respondents Perception

The above table shows the outcome of management accounting techniques based on the perception of respondents. Here 5 point scale is used to collect the data. The table shows highest mean score in the statement no 1 & 3 is “Management accounting information is essential for making managerial decision” and “Management accounting helps to produce information for capital budgeting decisions.” The mean score for both statement is 4.7214 whereas the lowest mean score is 4.3120 for the statement of “Management accounting helps to differentiate planned and actual outcome of manufacturing companies.”

#### Ranking of Perceptions Based on Statements of Management Accounting Practices

| Rank | Statement  | Percent |
|------|--|---------|
| 1    | Management accounting information is essential for making managerial decision  | 75.8%   |
| 1    | Management accounting helps to produce information for capital budgeting decisions.  | 75.8%   |
| 2    | In a manufacturing company, a management accountants analyze the cost behavior to predict the cost.                                  | 67.7%   |
| 3    | CVP analysis is used in management accounting to know the relationship among cost, volume and profit of the manufacturing companies. | 64.5%   |
| 4    | Activity Based Costing (ABC) in management accounting assists in manufacturing companies.  | 59.7%   |
| 4    | The practice of management accounting increases profitability in manufacturing companies.  | 59.7%   |
| 5    | Absorption costing and variable costing are used for managerial decision making in manufacturing organization.                       | 56.5%   |
| 5    | To formulate strategic planning, management accounting is used in manufacturing companies.   | 56.5%   |
| 6    | Management accounting helps to differentiate planned and actual outcome of manufacturing companies.                                  | 53.2%   |
| 6    | Pricing product using management accounting is essential for manufacturing companies.  | 53.2%   |

Table 5: Ranking of the Statement

The above table shows the highest 75.8% perception in the two statements “Management accounting information is essential for making managerial decision” and “Management accounting helps to produce information for capital budgeting decisions.” And the lowest 53.2% perception is in two statement “Management accounting helps to differentiate planned and actual outcome of manufacturing companies” and “Pricing product using management accounting is essential for manufacturing companies.”

#### Major Findings

The study is concerned with Management Accounting practices of manufacturing companies listed in DSE in Bangladesh. For this purpose, the researcher has considered 124 respondents from 15 manufacturing companies of different four sectors which are listed in DSE. The researcher raised (10) indicative questions to the respondents to get the status of management accounting practices where the highest mean score was 4.7214 on Management accounting information is essential for making managerial decision and lowest mean score was 4.3120 for Management accounting helps to differentiate planned and actual outcome of manufacturing companies. And the average mean score was 4.466 in the scale of 5. The majority portion of respondents (94.4%) express their perception on CVP analysis and ABC methods are very effective for the manufacturing companies. Moreover 75.8% (94) have given their perception on Management accounting information is essential for making managerial decision and Management accounting helps to produce information for capital budgeting decisions. Almost 71% respondents told that they have separate management accounting department.

#### VI. Recommendation and Conclusions

Practices of management accounting is very essential for manufacturing companies in Bangladesh and new innovative management accounting techniques are also essential for the formulation of strategic planning. This study shows that 38.7% respondents believe that the organization is not maintaining ISO-900 standard and 47% respondents believe that that organization is not following costing and pricing product policy. Manufacturing companies should focus on absorption costing and capital budgeting. Manufacturing companies should arrange training program on accounting software as nowadays accounting practices are based on software.

In fine, the study revealed that management accountings plays an important role in the manufacturing companies of Bangladesh. Manufacturing companies in Bangladesh is recently using management accounting techniques to determine strategic decision, perform managerial activities and capital budgeting.

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### Appendix 1: Confidential

**Questionnaire**

General Information:

Name of Respondent:

Designation:

Name of Organization:

Type of organization: (Textile/ Cement/ Food/ Parma/ Miscellaneous)

Year of organization Establishment:

Specific Information:

**Part One (Management Accounting practices of manufacturing organization)**

1. Do you have separate Management accounting department/section?  
 Yes  No
2. Do you think the organization is benefiting from the Management accounting function?  
 Yes  No
3. Do you think management accounting assists management in formulating policies and in planning and control of operation of the undertaking?  
 Yes  No
4. Does management accounting provide competitive advantage for an organization?  
 Yes  No
5. Does the company follow quality of conformance?  
 Yes  No
6. Does the company maintain ISO -9000 standard?  
 Yes  No
7. Does company use CVP analysis for taking decision?  
 Yes  No
8. Does ABC help to maintain strategic costing system?  
 Yes  No
9. Does pricing method used by management accounting techniques help in taking decision to achieve the organizational objectives?  
 Yes  No
10. Do you receive the management accounting reports on performance relative to establish objectives?  
 Yes  No

**Part Two (Respondent perception of management accounting practices)**

Here is given the following scale with five responses (Strongly Agree=5, Agree=4, Neutral=3, Disagree=2, strongly disagree=1) Put a tick mark in the following level of agreement

#### Appendix 1: Respondents perception

| Statements   | 5 | 4 | 3 | 2 | 1 |
|--|---|---|---|---|---|
| Management accounting information is essential for making managerial decision                                  |   |   |   |   |   |
| In a manufacturing company, a management accountants analyze the cost behavior to predict the cost.            |   |   |   |   |   |
| Management accounting helps to produce information for capital budgeting decisions.                            |   |   |   |   |   |
| Activity Based Costing (ABC) in management accounting assists in manufacturing companies.                      |   |   |   |   |   |
| Absorption costing and variable costing are used for managerial decision making in manufacturing organization. |   |   |   |   |   |
| The practice of management accounting increases profitability in manufacturing companies.                      |   |   |   |   |   |

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|  |  |  |  |  |  |
|--|--|--|--|--|--|
| CVP analysis is used in management accounting to know the relationship among cost, volume and profit of the manufacturing companies. |  |  |  |  |  |
| Management accounting helps to differentiate planned and actual outcome of manufacturing companies.                                  |  |  |  |  |  |
| To formulate strategic planning, management accounting is used in manufacturing companies.   |  |  |  |  |  |
| Pricing product using management accounting is essential for manufacturing companies.  |  |  |  |  |  |

Source: Based on literature review

**Appendix 2: Frequency table based on respondents' perception.**

Management accounting information is essential for making managerial decision.

|       |                   | Frequency | Percent | Valid Percent | Cumulative percent |
|-------|-------------------|-----------|---------|---------------|--------------------|
| Valid | Strongly disagree | 0         | 0       | 0             | 0                  |
|       | Disagree          | 3         | 2.4     | 2.4           | 2.4                |
|       | Neutral           | 5         | 4.1     | 4.1           | 6.5                |
|       | Agree             | 22        | 17.7    | 17.7          | 24.2               |
|       | Strongly agree    | 94        | 75.8    | 75.8          | 100                |
|       | Total             | 124       | 100     | 100           |                    |

In a manufacturing company, a management accountants analyze the cost behavior to predict the cost.

|       |                | Frequency | Percent | Valid Percent | Cumulative percent |
|-------|----------------|-----------|---------|---------------|--------------------|
| Valid | Disagree       | 3         | 2.4     | 2.4           | 2.4                |
|       | Neutral        | 3         | 2.4     | 2.4           | 4.8                |
|       | Agree          | 34        | 27.5    | 27.5          | 32.3               |
|       | Strongly agree | 84        | 67.7    | 67.7          | 100                |
|       |                | Total     | 124     | 100           | 100                |

Management accounting helps to produce information for capital budgeting decisions.

|       |                | Frequency | Percent | Valid Percent | Cumulative percent |
|-------|----------------|-----------|---------|---------------|--------------------|
| Valid | Neutral        | 4         | 3.2     | 3.2           | 3.2                |
|       | Agree          | 26        | 21      | 21            | 24.2               |
|       | Strongly agree | 94        | 75.8    | 75.8          | 100                |
|       |                | Total     | 124     | 100           | 100                |

Activity Based Costing (ABC) in management accounting assists in manufacturing companies.

|       |                | Frequency | Percent | Valid Percent | Cumulative percent |
|-------|----------------|-----------|---------|---------------|--------------------|
| Valid | Neutral        | 16        | 12.9    | 12.9          | 12.9               |
|       | Agree          | 34        | 27.4    | 27.4          | 40.3               |
|       | Strongly agree | 74        | 59.7    | 59.7          | 100                |
|       |                | Total     | 124     | 100           | 100                |

Absorption costing and variable costing are used for managerial decision making in manufacturing organization.

|       |                | Frequency | Percent | Valid Percent | Cumulative percent |
|-------|----------------|-----------|---------|---------------|--------------------|
| Valid | Disagree       | 4         | 3.2     | 3.2           | 3.2                |
|       | Neutral        | 9         | 7.3     | 7.3           | 10.5               |
|       | Agree          | 41        | 33      | 33            | 43.5               |
|       | Strongly agree | 70        | 56.5    | 56.5          | 100                |
|       |                | Total     | 124     | 100           | 100                |

The practice of management accounting increases profitability in manufacturing companies.

|       |                | Frequency | Percent | Valid Percent | Cumulative percent |
|-------|----------------|-----------|---------|---------------|--------------------|
| Valid | Neutral        | 16        | 12.9    | 12.9          | 12.9               |
|       | Agree          | 34        | 27.4    | 27.4          | 40.3               |
|       | Strongly agree | 74        | 59.7    | 59.7          | 100                |
|       |                | Total     | 124     | 100           | 100                |

CVP analysis is used in management accounting to know the relationship among cost, volume and profit

|       |                | Frequency | Percent | Valid Percent | Cumulative percent |
|-------|----------------|-----------|---------|---------------|--------------------|
| Valid | Agree          | 89        | 64.5    | 64.5          | 64.5               |
|       | Strongly agree | 44        | 35.5    | 35.5          | 100                |
|       |                | Total     | 124     | 100           | 100                |

Management accounting helps to differentiate planned and actual outcome of manufacturing companies.

|       |         | Frequency | Percent | Valid Percent | Cumulative percent |
|-------|---------|-----------|---------|---------------|--------------------|
| Valid | Neutral | 14        | 11.3    | 11.3          | 11.3               |
|       | Agree   | 44        | 35.5    | 35.5          | 46.8               |

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|  |                |     |      |      |     |
|--|----------------|-----|------|------|-----|
|  | Strongly agree | 66  | 53.2 | 53.2 | 100 |
|  | Total          | 124 | 100  | 100  |     |

To formulate strategic planning, management accounting is used in manufacturing companies.

|       |                | Frequency | Percent | Valid Percent | Cumulative percent |
|-------|----------------|-----------|---------|---------------|--------------------|
| Valid | Neutral        | 4         | 3.2     | 3.2           | 3.2                |
|       | Agree          | 70        | 56.5    | 56.5          | 59.7               |
|       | Strongly agree | 50        | 40.3    | 40.3          | 100                |
|       | Total          | 124       | 100     | 100           |                    |

Pricing product using management accounting is essential for manufacturing companies.

|       |                | Frequency | Percent | Valid Percent | Cumulative percent |
|-------|----------------|-----------|---------|---------------|--------------------|
| Valid | Neutral        | 14        | 11.3    | 11.3          | 11.3               |
|       | Agree          | 44        | 35.5    | 35.5          | 46.8               |
|       | Strongly agree | 66        | 53.2    | 53.2          | 100                |
|       | Total          | 124       | 100     | 100           |                    |

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