

# Financial Accounting

Financial accounting concerns the preparation of financial statements for use by shareholders and the general public. The preparation of financial accounting statements is overseen by the Financial Accounting Standards Board (FASB) and these financial statements must meet strict guidelines as set down by FASB. If the company is publicly traded, the Securities and Exchange Commission (SEC) also has strict rules governing the dissemination of financial accounting statements.

The other form of accounting is managerial accounting. Managerial accounting statements are meant mainly for only a relatively few individuals (i.e. "managers") within the company. These financial statements are meant to be used to make very important policy decisions. The product of managerial accounting is usually much more detailed and contains much more useful and sensitive information than the results of financial accounting.