**Financial Accounting**  
 Financial Accounting is based on a systematic method of recording transactions of any business according to the accounting principles. It is the original form of the accounting process. The main purpose of financial accounting is to calculate the profit or loss of a business during a period and to provide an accurate picture of the financial position of the business as on a particular date. The Trial Balances, Profit & Loss Accounts and Balance Sheets of a company are based on an application of financial accounting.

**Cost Accounting**  
 accounting deals with evaluating the cost of a product or service offered. It calculates the cost by considering all factors that contribute to the production of the output, both manufacturing and administrative factors. The objective of cost accounting is to help the management in fixing the prices and controlling the cost of production. It also pin points any wastages, leakages and defects during manufacturing and marketing processes.

[**Management Accounting**](https://efinancemanagement.com/financial-accounting/management-accounting)  
 This branch of accounting provides information to management for better administration of the business. It helps in making important decisions and controlling of various activities of the business. The management is able to take decisions efficiently with the help of various Management Information Systems such as Budgets, Projected Cash Flow and Fund Flow Statements, [Variance Analysis](https://efinancemanagement.com/budgeting/variance-analysis) reports, Cost-Volume-Profit Analysis reports, Break-Even-Point calculation, etc.

* **Auditing** is a branch of accounting where an external certified public accountant known as Auditor inspects and certifies the accounts of a business for their accuracy and consistency. Sometimes internal auditing is also practiced where an employee of the same company audits the accounts on the regular basis and aids the management in keeping accurate records for audit purpose.

**Tax Accounting** deals with taxation matters. Its functions include preparation and filing of various tax returns and dealing with their legal