

Abstract

The aim of this study is to identify the efficiency and effectiveness of financial accounting standards and principles in order to keep abreast of modern developments in modern cost management tools, as well as the relationship between management accounting with its tools, and financial accounting with its standards and principles.

The study was applied to the pharmaceutical companies that implement the modern cost management tools in the Arab Republic of Egypt. The study society is represented in the staff of the financial accounting and cost accounting departments, both the financial and the finance director. It was applied academically to the members of the teaching staff and their assistants in the public universities.

The size of the community was 2500 individuals, while the study sample was 333. The study was based on the survey list as a data collection tool. The study reached several results which were:

1. There is no consensus between financial accounting principles and standards and modern cost management tools.
2. Financial accounting standards and principles are moving in a divergent direction towards the evolution of cost management tools.
3. There is a relationship between financial accounting and its principles and standards and managerial accounting and standards.