On How to Strengthen the Application of Management Accounting in Enterprises

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Supported by Research on How to Build a Measure of Internal Governance Efficiency Indicators (416183).

Received 17 September 2016; accepted 20 November 2016
Published online 26 December 2016

Abstract
The accounting object of management accounting is the current and future financial movement of the enterprise. The accounting body is the each responsibility center within the enterprise. The accounting background is the external social environment. Conduct rational, scientific and flexible application through the mathematical model, the management theory, the decision theory and the accounting theory, so as to control, forecast, planning, decision-making for enterprises business activities and to improve the economic efficiency of enterprises. Modern management accounting is obvious predictive and forward-looking, which can provide a corresponding reference to enterprise management decision-making. This paper first compares the differences between management accounting and financial accounting from different aspects of accounting subject, different working objectives, different job functions and different working methods. Secondly, it discusses the corresponding measures of promoting the application of management accounting in enterprises, including: It has a certain reference value to establish the concept of application management accounting, the macro market environment optimize and improve the management of accounting staff capacity and quality.

Key words: Management accounting; Enterprise; Application

INTRODUCTION
Modern management accounting began in the late 1920s, and its predecessor was cost accounting, also known as “internal reporting accounting” and “management accounting.” The accounting object of management accounting is the current and future financial movement of the enterprise. The accounting body is the each responsibility center within the enterprise. The accounting background is the external social environment. Conduct rational, scientific and flexible application through the mathematical model, the management theory, the decision theory and the accounting theory, so as to control, forecast, planning, decision-making for enterprises business activities and to improve the economic efficiency of enterprises. Modern management accounting is obvious predictive and forward-looking, which can provide a corresponding reference to enterprise management decision-making. If break down the management accounting, management accounting usually includes three main contents, namely, responsibility accounting, planning control accounting and forecast decision accounting. Responsibility accounting refers to the management of the staff to fulfill their duties to assess the situation in order to be able to reflect all of its real performance, and then mobilize all employees work initiative and enthusiasm; responsibility accounting, including the production and business activities adjustment, the implementation of the responsibility budget, the determination of the responsibility center, the control of production and business activities, the compilation of performance reports, the comparative analysis of the implementation and the record of the actual results; planning and control accounting is to ensure the smooth implementation of the business goals, planning control accounting, including cost control, budget management. Predictive decision-making accounting mainly includes long-term investment decision-making, short-term business decision-making, business forecasting, it is both the key link of modern
management accounting, and also the core of modern management accounting.

With the increasingly fierce market competition, modern management accounting must also be integrated into modern information technology, advancing with the times, be pioneering and innovative. In order to better promote the application and development of management accounting in the enterprise, the Ministry of Finance has issued regulations in recent years. The Ministry of Finance issued the Enterprise Product Cost Accounting System in January 2014, it was the main path for management accounting system overall establishment; In March 2014, the National Finance Department from the Central University of Finance and Economics, Renmin University of China, Peking University and other colleges and universities openly selected a large number of experienced experts and scholars to specialize in modern management accounting; in May 2014, the Financial Secretary of the Ministry of Finance issued an important speech to comprehensively build the management accounting system as one of the seven major tasks of the National Finance Department in 2014. In 2015, the State Ministry of Finance, the State Administration for Industry and Commerce, the State Administration of Taxation put up a paper. The paper analyzes the importance and status of the modern management accounting in the development of the enterprise, and puts forward that the main trend of the future accounting service is the modern management accounting. It can be seen that the application of management accounting in the enterprise is very important. This article explores on how to strengthen the management accounting applications in the enterprise.

1. COMPARISON BETWEEN MANAGEMENT ACCOUNTING AND FINANCIAL ACCOUNTING

1.1 Different Accounting Subject

The main body of financial accounting is the selection of the entire enterprise, and management accounting is not the case, it is not cold to just for the enterprise as the main body, but highlight the “people-oriented”, the main body of the work is the various grass-roots units, these grass-roots units constitute responsible subject.

The scope of the main body of management accounting is very broad, it can be a combination of a number of enterprises, as well as a single enterprise, but also can be within the enterprise at all grass-roots units. From the present point of view, the competition between enterprises and enterprises is becoming more and more intense, and the economic development state also shows more obvious “diversification” and “complexity”, which makes it difficult to define the main body of management accounting in practice. The Shanghai stock market and Shenzhen stock market listed companies tend to have a number of subsidiaries, and these subsidiaries will have a number of subordinate enterprises, associates, affiliated enterprises, their existence become the main body of the possibility of accounting management. At the same time, with the increasing popularity of Internet technology, there are many “no entity” will be through the network will be a number of individuals linked to work, working hours in accordance with the actual business to decide, to be completed after the business, then these individuals will be disbanded. It is noteworthy that, because management accounting does not need to comply with the “Accounting Standards for Business Enterprises - Basic Guidelines”, “People’s Republic of China Accounting Law” and other laws and regulations and accounting standards, only need to their own business management and management information related to the internal accounting report, so the main body of management accounting showed a more obvious flexibility and level. It can be seen that, compared with the financial accounting, the accounting subject of the management accounting will be more confusing, and will be more difficult to grasp, different forms of business often produce different management accounting subject.

1.2 Different Specific Work Objectives

Modern management accounting mainly focuses on the provision of appropriate management services for the sustainable development of enterprises. As we all know, the market economy environment can be described as rapidly changing, enterprises to thrive, to achieve sustainable development, then it must be timely collection of relevant management information, and management accounting for business management can provide a variety of useful information, including: Whether the enterprise can effectively use the existing resources, whether the enterprise assets can be safe, market share and market sales forecast for the enterprise in the next 1 year. Management accounting upholds the “overall” concept, not only pay attention to pre-analysis, pre-forecast, but also attach importance to analysis of the results, to solve the problem. Management accounting throughout the control of the production and operation of the business, to maximize the production of each business operations, each production and management aspects can be the overall strategic objectives of the enterprise linked to each other.

The financial accounting mainly focuses on providing a series of accounting information services, such as operating results, cash flow and financial status, so as to disclose the real financial information of the enterprise, so that the public, investors, government departments, Government regulators, creditors, etc. to obtain real and accurate financial information. The main objectives of financial accounting are generally three points: first, through financial accounting for government departments,
government regulators to provide the required accounting information; second, through financial accounting for the public, investors provide an in-depth, real understanding of business efficiency, financial management of the way; third, through financial accounting to meet the requirements of the majority of enterprise management

1.3 Different Job Function
Modern management accounting is a typical business accounting, mainly responsible for the five major functions, namely, assessment, control, forecasting, planning, and decision-making. The basic contents of modern management accounting include performance evaluation, responsibility accounting, cost control, forecast analysis, decision analysis, and comprehensive budget and so on. Management accounting usually includes three items, namely, responsibility accounting, planning control accounting and forecast decision accounting, the three interact, complement each other, but they form a relatively independent individual; which, planning control accounting, including cost control and comprehensive budget, Predictive decision-making accounting includes decision analysis, forecast analysis. 

And financial accounting is a typical reimbursable accounting, the main commitment to the current business and the future period of time the financial situation, the results of the business report and the true reflection of the role of its work function can be divided into the following aspects:

(a) Accounting Supervision. Accounting supervision has comprehensive, three-dimensional characteristics, the main link is to monitor the corporate funds of the expenditure, scheduling, raising and other links, to avoid unreasonable expenses or investment, accounting supervision is the focus of corporate financial accounting work, which is sure to be paid with high attention.

(b) Financial accounting. Financial accounting is the starting point of accounting, financial accounting is one of the most fundamental content of enterprise financial accounting work, whether it is the traditional financial accounting “three functions”, or financial accounting emerging “five functions”, financial accounting is always regarded as the first meaning, through the accounting, the actual situation of corporate financial accounting work will be integrity, objective, accurate and timely reflected.

(c) The relationship between accounting and finance will be straightened out. Based on the work content, there is a big difference between accounting and finance. The definition of finance is to coordinate the financial relations involved in all aspects. The definition of accounting is to record, record and confirm the financial affairs of the enterprise with the reports. From the current point of view, only a small number of enterprises will account and financial separately set to different departments, will be reflected in their different functions; and the vast majority of enterprises will be accounting and financial integration, only set up a separate financial sector, and will not set the accounting department.

(d) Monitor corporate assets. Accounting results for enterprises to predict the future production and operation status, economic analysis to provide important data and basis for the production and operation of the whole process to have a true reflection, and to do this, then it cannot do without financial accounting, including the calculation of product profit margins, production costs, labor productivity, cost control and so on.

In short, whether it is involved in enterprise production and management decision-making, or for the production and operation of business decision-making to provide the appropriate basis, then only rely on financial accounting is difficult to achieve, be sure to financial accounting and modern management accounting combined to be able to achieve business continuous development.

1.4 Different Work Basis
Management accounting does not need to follow the Accounting Standards for Business Enterprises—Basic Guidelines, Accounting Law of the People’s Republic of China and other laws and regulations and accounting standards, but the benefit analysis method as a mean to do cost control work, especially in the analysis of cost-effective process, management accounting is often only concerned about two points, namely cost evaluation and cost control. Based on this, companies must be on the original concept of financial management to be updated, the value of advanced knowledge added to the cost of evaluation and cost control, whether it is cost evaluation, or cost assessment, or cost control, can be properly introduced “Economic value maximization” concept, so that the development of enterprises and cost evaluation, cost control organically combined together, for the sustainable development of enterprise strategic objectives.

Generally speaking, financial accounting mainly based on the five principle of historical cost, income realization, proportionality, realization of power and responsibility, and soundness to record the corresponding production and business activities. First, the principle of historical cost. The principle of historical cost refers to the enterprise should be based on the actual or pre-purchase and construction costs to the various assets are accounted for, and will not change with the market economy changes in asset value. Second, the principle of realization of power and responsibility. The realization of the principle of power and responsibility refers to the enterprises in the production and operation of the process there have been two ways to confirm the income, namely, payment and implementation system, accrual system. Third, the ratio of the principle. Proportion of the principle refers to the enterprise in order to be able to a certain period of accounting profit and loss to be accurately calculated, and this period of time the actual costs incurred by enterprises and income ratio. Fourth,
the principle of income realization. The presupposition of the principle of income realization is the accounting staging hypothesis, which is scientifically and reasonably divided for the accounting period of the income so as to be accurately confirmed in the future. Fifth, the principle of conservatism. The principle of conservatism refers to the enterprise in order to be able to become increasingly competitive in the “white-hot” market economy to avoid the risk of uncertainty, and will choose a cautious attitude to deal with its production and management decisions.

2. THE CORRESPONDING MEASURES OF PROMOTING MANAGEMENT ACCOUNTING IN THE ENTERPRISE

2.1 Establish the Concept of Application Management Accounting

In order to better strengthen the application of management accounting in the enterprise, and then there is an urgent need to solve the problem of corporate management ideas. A considerable number of business managers are not aware of the importance of management accounting to improve the efficiency of enterprise production and operation and achieve sustainable development of enterprises, often make major decisions in the “racking their brains”, with experience in the stage. In view of this, first of all, we should strengthen the enterprise management application management accounting concept, the organization of professionals to carry out a series of training for them, so that these business managers for modern management accounting knowledge systematically; To establish a management accounting constraint mechanism, for example, in the enterprise management for major investment project decision-making, we should adhere to the “management accounting one vote veto system”.

2.2 Optimize the Macro Market Environment

The rationalization of corporate governance structure, clarity of enterprise property rights and the maturity of market economy are the basic prerequisites for the promotion and application of management accounting in enterprises. Only after optimization of macro market environment has formed a “trustworthy”, “open” and “fair” market Economic atmosphere, companies will voluntarily produce the application management accounting will. And to do this, it is necessary for the relevant government agencies to improve the existing laws and regulations to improve the sound, do a good job, “law”, “law to follow” the work, to create a strong legal environment to ensure that business managers can get useful and relevant business decision-making information.

2.3 Improve the Management Accounting Staff Capacity and Quality

With the increasingly fierce market competition, improve the ability and quality of enterprise management accounting staff is particularly important. As we all know, the establishment of modern management accounting system is a strong arduous, innovative, long-term, systematic work, only through continuous education, continuous training, to be able to train a number of rich professional background, high comprehensive quality, strong business ability of the talent team to escort the sustainable development of enterprises.

CONCLUSION

In addition, combine the actual situation of enterprises to manage the accounting staff rationally use for incentive mechanism, which can guide the management of accounting personnel to work in accordance with the established goals of the enterprise to ensure that the successful completion of work of for the enterprise. At the same time, the use of incentive mechanism can also guide the management accounting personnel correct world outlook, values, outlook on life, and it can simultaneously improve their business skills, professional knowledge and ideological quality to fulfill their duties to do their work. As we all know, everyone has the hope to pursue the goal, and to achieve these goals, then need to have enough power, and incentive mechanism happens to be the main source of motivation, incentives are to meet their individual needs to guide them in their daily work behavior, to improve their work initiative, enthusiasm, the key is to meet the management of accounting personnel in the emotional, interest, psychological, physical and other needs, so that the potential can be fully tapped and to add motivation for the personnel.

REFERENCES