The Path of Enterprise Financial Accounting to Management Accounting

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ABSTRACT

The competition between enterprises is increasingly fierce, accounting work has a very important impact on the development of enterprises. Therefore, in order to achieve better development, enterprises need to transform their accounting work. At present, many enterprises are traditional financial accounting, and management accounting is obviously better than financial accounting. This article analyzes the significance, problems and effective countermeasures of the transformation from financial accounting to management accounting.

KEYWORDS

Enterprise; financial accounting; management accounting; transformation; path.

INTRODUCTION

Under the influence of the market economy, every industry is constantly exploring new ideas and methods to achieve long-term development. The competition between enterprises is becoming more and fiercer, which makes accounting work more and more important. However, many Chinese enterprises still mainly rely on traditional financial accounting, but management accounting works better. Therefore, the transformation of financial accounting to management accounting is an inevitable trend of the development of the industry. This transformation is of great significance. It can not only promote the efficiency of accounting work, but also can enhance the quality of accounting work. In addition, it is also necessary to promote this transformation.

THE SIGNIFICANCE OF ENTERPRISE FINANCIAL ACCOUNTING TO MANAGEMENT ACCOUNTING

The reduction of financial risk

In its continuous development, China's economy is currently in an important stage of development and also a crucial stage in its economic restructuring. Therefore, under such an era background, in order to achieve better development, enterprises need to strictly require internal financial accounting. Financial accounting is very important. On the one hand, it is necessary to provide enterprise managers with data and information, so that they can effectively manage this information. On the other hand,
the work of financial accounting needs to be added to the overall development plan of the enterprise, in order to ensure that the capital flow of the enterprise is normal. These all need to be grasped in the hands of the enterprise manager [1]. The market is constantly developing and changing, and the market competition is becoming more and fiercer. Improper management can affect the economy of the enterprise and can even affect the normal operation of the enterprise. The data show that there are many enterprises that fail every day, and many enterprises are set up every day, which proves that the development of the market is changing rapidly. Therefore, in order to achieve a long-term and stable development, the enterprise needs to change the financial accounting and make it transmit to the management accounting. In this way, corporate managers can truly grasp the financial information of enterprises. Through the analysis of these information, the future economic situation of the enterprise is effectively predicted. It can not only reduce the financial risk of enterprises, but also help enterprises to achieve sustainable development.

The reduction of enterprise cost

Financial accounting is mainly accounting for the economy of the enterprise. The scope of their work is relatively small. In content, it is also relatively simple. However, management accounting can solve these problems. Its scope of work is even bigger. Financial accounting is included in management accounting. With the continuous development of science and technology, every management of the enterprise needs to be changed. In order to improve the scientific nature of its development, the financial sector in the enterprise needs to be transformed. It is necessary to use advanced management methods and techniques. After the transformation, it can help enterprises to reduce the cost of human resources, improve the effect of management accounting, and reduce the cost of management.

THE PROBLEMS IN THE TRANSFORMATION OF ENTERPRISE FINANCIAL ACCOUNTING TO MANAGEMENT ACCOUNTING

The goal of management accounting is not clear

The goal of corporate management accounting is not clear enough, which is mainly reflected in two aspects. First of all, job responsibilities are not clear enough. Management accounting cannot participate in the company's important decisions. This limits the effectiveness of the decision. In addition, the enterprise will think that the management accounting goals are the same as the financial accounting. Therefore, enterprises should improve operational efficiency, to strengthen their core competitiveness. However, in the process of transformation, the enterprises are still limited to some specific systems and changes in measures. It lacks scientific and reasonable management accounting system.

Formalization of some commonly used management accounting tools

The commonly used tools in the business management accounting include performance assessment, budget management and cost management. In the actual management accounting work, although some enterprises have established the
corresponding system, but it has not manifested its real role. In the overall budget management, many enterprises cannot achieve the participation of all staff in the process of compiling, which leads to a big gap between the compilation and actual operation. It needs to be constantly adjusted in the execution, so that it has no rigid binding force [2]. In terms of performance assessment, most enterprises have established this system. However, it lacks a reasonable index assessment and evaluation system, which restricts the effectiveness of the assessment. The system is not comprehensive enough. After the assessment, the enterprise cannot make full use of it, so that the performance assessment does not play a substantial role. In the process of cost management, some enterprises lack good basic conditions in the process of accounting cost, which makes the accounting content not complete. The cost of the enterprise is distorted, and the effective data cannot be provided, which will affect the scientific decision of the enterprise.

The low level of enterprise information cannot provide a good information basis for the management accounting.

The relevant work functions of the management accounting include the analysis of cost-effectiveness, the implementation and evaluation of the comprehensive budget, and the extraction and processing of the basic data of performance assessment. These all need to rely on effective financial data sharing technology. Therefore, it needs information as a technical support. However, in practice, due to the cost and personnel quality, the internal information construction of enterprises is not perfect enough, which objectively restricts the transformation to management accounting.

THE PATH OF ENTERPRISE FINANCIAL ACCOUNTING TO MANAGEMENT ACCOUNTING

Distinguish between financial accounting and management accounting

Enterprises need to transform from financial accounting to management accounting. To ensure the success of the transformation, the relationship between the two needs to be clear. There are some similarities between them. Many aspects of financial accounting have the characteristics of management accounting. Many of the methods used in management accounting can also be used in financial accounting. Compared to financial accounting, management accounting has a greater scope of work and management. Therefore, many enterprises will divide the functions of financial accounting into management accounting. However, if an enterprise overextends the management accounting function, it will not only play a positive role, but will affect the development of the enterprise. The performance, cost and budget management in the enterprise are all indispensable problems. However, if the emphasis is placed on these management work, the normal development of the enterprise will be limited. There is also interaction between the two. The data and information of management accounting comes from financial accounting. Therefore, financial accounting can help management accounting better run and development [3]. Figure 1 is the difference between financial accounting and management accounting.
Strengthen the management of accounting personnel team building

Management accounting staff is a practitioner of management accounting. Therefore, to ensure an effective transition to management accounting, it not only needs to pay attention to the construction of qualified personnel, but also needs to strengthen the quality and ability of all accountants in the accounting department. Figure 2 is a management accounting capacity model [4]. Many large enterprises in China need a large number of management accounting professionals in the transition. Therefore, in order to ensure the effect of transformation, enterprises need to have professional management accounting personnel to meet the needs of transformation. It is necessary to reform the teaching mode of higher education. In the current teaching, teachers generally pay attention to teaching theoretical knowledge. The organic combination cannot be realized between teaching and practice. Therefore, the students' practical ability is not strong. To change this, teachers need to emphasize practical teaching in teaching, combine theory with practice teaching, enhance students' social practice ability, and improve their application ability in other aspects. In addition, the corporate title examination does not have a sound management accountant exam. Although many tests have been introduced from abroad, they are not in line with the actual situation in China. Its application is limited. Thus, it is necessary for China to establish a suitable and sound examination of management accountants in accordance with the national conditions.
Modern management concept

The transformation of enterprise financial accounting to management accounting is an inevitable trend. The process is not accomplished overnight. It should be long and complex. This requires the active response and support of the accountants. They can change their ideas and accept the transition. Only in this way can the transition work be better implemented [5]. To achieve this goal, the previous financial management ideas need to be changed. Modern management ideas need to be introduced. The importance of accounting management should be derecognized. It can scientifically predict the market and reduce the loss of business in the business. As a result, companies can gain more profits. It not only can promote the realization of management information, but also can effectively improve the efficiency and effect of management work. In practice, modern management methods can be used in the management accounting work. However, financial accounting cannot predict the market, and the previous concept will limit the transition to management accounting. In addition, the managers' consciousness needs to be updated in time and follow the development of the times. Managers need to fully recognize the importance of management accounting transformation, further understand management accounting, change previous accounting concepts, and break the idea of accounting only for capital accounting. The transformation of financial accounting to management accounting is effectively conveyed, and the transformation work can be effectively implemented. Finally, the accountants should actively cooperate with the enterprise accounting transformation. In this way, accountants can really take part in the reform of the accounting management of the enterprises and keep up with the development of this work. After the transformation, they can also adapt to work faster, so as to ensure the normal operation of the enterprise.
Integration of various data flows in the enterprise

In the process of the transformation from financial accounting to management accounting, the data information flow in the enterprise needs to be integrated, which also plays an important role in the transformation work [6]. Managers need to identify the scope of the responsibilities of the financial and other departments, and to find out the connection points. The staff of all departments need to discuss the countermeasures together. Each department and other related departments should come up with appropriate solutions. After that, each solution is compared. The advantages and disadvantages of each program are analyzed, and an integrated idea of data and information integration is made clear. For example, the supply chain and the value chain can be used to connect the data of the two departments. Administrators need to stick to a principle in the process of integration, so that transformation work can be carried out smoothly. The managers can effectively grasp the internal information.

The purpose of financial accounting transformation is to realize sharing

The financial accounting personnel of the enterprise have many tasks. The purpose of transforming financial accounting into management accounting is to realize the shared service [7]. In the past, a lot of human resources are needed in the accounting work. The lack of information construction makes the work efficiency not high. This requires strengthening innovation and transforming the functions of the financial sector. The accounting function is transformed to the decision-making function. The accounting function is separated from the accounting department, so that the financial accounting and management accounting can be responsible for their own functions. In addition to accounting, the enterprise needs to transfer other functions of financial accounting to the external financial sharing center. It relieves the pressure on financial accountants, to better support the transformation effort. Figure 3 is the overall plan of the enterprise financial sharing business.
CONCLUSION

In summary, the transformation of corporate financial accounting to management accounting is an inevitable trend. The market competition is becoming more and fiercer. Accounting work is of great significance to the development of enterprises. In order to achieve sustainable development, enterprises need to take effective measures, to promote the effectiveness of the transformation work.

REFERENCES