



Research on the Application of Management Accounting in Enterprises and the Realization of High-quality Economic Development

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Abstract: Management accounting plays an increasingly important role in the management and development of an enterprise because it helps with improving the production efficiency and production economic effects and economic benefits of the enterprise, reducing the cost of the enterprise, and providing useful information for the business decision-making, thus promoting the sustainable development of enterprises. So the application of management accounting in the business management in China is an inevitable trend of enterprise development. The analysis in this research is mainly based on the previous studies about management accounting and theories related to management accounting and high-quality economic development. Besides, the problems with the application process of management accounting in Chinese enterprises are summarized, including the problems with the application environment, management philosophy, and management accounting talents. At last, some feasible solutions to the problems are provided in accordance with the working experiences of the author, including learning from foreign advanced management accounting theory systems to promote the construction of my country's enterprise management accounting theory system, thus enhancing the propaganda of management accounting among enterprise managers, especially for state-owned enterprises. Moreover, it shall construct an effective management accounting information system to create an advantageous environment to apply management accounting, and build a team of high-quality corporate management accounting talents and others, which will promote the breadth, depth and flexibility of management accounting applications. Those suggestions are expected to help Chinese enterprises make the best of management accounting to increase competitiveness of enterprises in the market while increasing the economic benefits of enterprises. Hence, this thesis could provide useful suggestions about how to make the best of management accounting to ensure managers' accurate decision-making, and the sustainable development of the enterprise in the future.

Key words: Management Accounting; Enterprise; Application; High-quality Economic Development

1. Introduction

Management accounting plays a key role in management and development of enterprises because it casts deep influence on the production efficiency, economic benefits, cost control, business decision-making information, and healthy and sustainable development of the enterprise. So it is necessary to make researches on the application of management accounting in enterprises so as to ensure high-quality economic development under the new situation. In that case, accounting staffs in enterprise could discover all the factors that hinder the role of management accounting in time, and propose relevant solutions^[1]. In that case, enterprise could make the best of management accounting to promote business management and high-quality economic development.

2. Role of management accounting in management and economic development of enterprises

The roles of management accounting in management and development of enterprises will be analyzed from the following perspectives: First, it helps redefine corporate financial management functions, whose definition is changed from the traditional accounting function to the dual functions of accounting and management; Second, management accounting helps improve the standard of corporate financial management. In view of management accounting, financial management does not only include traditional financial management, accounting, tax filing, salary and allowance payment, accounting information disclosure and supervision and others. It also covers the realization of profit, budgeting, decision execution, cost control, capital guarantee and the realization of corporate strategic goals, etc. Third, management accounting helps make more reasonable plans for the development of company in the future. Management accounting is the combination of multidisciplinary knowledge, so it is helpful for accounting staffs to analyze the internal relationship of business operations, thus reducing the problems encountered in the development of the enterprise. Besides, management accounting carries out the function of forecasting, analysis and decision-making. It helps accounting personnel to analyze and evaluate product market prospects, income, etc., so that they could make a reasonable plan for development of enterprises in the future. Fourth, management accounting helps optimize enterprise resource allocation because various qualitative and quantitative analysis methods are employed to evaluate the utilization of various enterprise resources and expenditure returns so as to help with the optimal allocation of corporate resources; Fifth, management accounting helps improve business performance because it supervise the performance of various departments, urging the staffs at various positions to improve business performance of the whole enterprises; Sixth, management accounting helps reduce corporate investment risks because it helps make full use of the investment portfolio model to reduce comprehensive investment risks; Seventh, it helps increase the enthusiasm of employees. Management accounting helps with efficient supervision and management of corporate employees and the humanistic care for employees so it will help maximize the enthusiasm of employees.

3. Problems existing in the application of management accounting in enterprises

3.1 Lack of a sound management accounting theoretical system

The theoretical system of management accounting is composed of theories about diversified issues so the complexity and external related factors makes it difficult to complete the construction of theoretical system of management accounting. Since management accounting is introduced into China for limited time, there are some conflicts between the foreign management accounting theories and the actual situation of Chinese enterprises. After the 1980s, Chinese scholars have conducted relatively in-depth research on it for several decades, so Chinese scholars have made important achievements in their theoretical research. However, there are still some problems with the accounting and management of Chinese enterprises, which has caused many problems in the actual application of management accounting in enterprises. In addition, scholars in different countries have different definitions of management accounting, but the more authoritative accounting theory system has not yet been established in accordance with Chinese enterprises development in reality. In addition, the legal system that restricts management accounting is not yet perfect, which makes corporate managers and related personnel fail to pay attention to the application of management accounting, and the imperfection of management accounting theory system itself also hinders its good application in business management^[2].

3.2 Lack of advantageous environment of application

At this stage, Chinese economy is still facing important changes, which makes the market environment extremely complicated. Moreover, Chinese economic environment is quite different from that of foreign countries because the

stability of Chinese social and economic environment needs to be further improved. In addition, the legal documents related to management accounting are not complete, so their authority is relatively low. All those problems have affected the development of management accounting in the enterprise, so it is difficult for Chinese enterprises to make the best of management accounting to accurately predict the development of the enterprise in the future.

3.3 Limited application of management accounting

First of all, in terms of the breadth of application, management accounting has only been applied into some large enterprises, state-owned enterprises, listed companies and foreign-funded enterprises so far. The staffs in many small and medium-sized enterprises have not obtained adequate knowledge about management accounting, failing to realize its importance to business management and future development due to lack of corresponding research and application for management accounting; Secondly, the application of management accounting in enterprises is relatively simplified. At this stage, most enterprises in China are only apply the fundamental parts of management accounting, and fail to fully integrate management accounting into all aspects of their management. The theories related to improving the level of internal control and microeconomic benefits in management accounting have not been fully applied. That is a big obstacle in the comprehensive application of management accounting in enterprises. At last, the application of management accounting by enterprises is not flexible enough. Although many aspects of management accounting have been initially applied in enterprises, but its application is not adapted in accordance with unique situation of various enterprises. The application is not unified enough. Actually, the major parts of enterprises management to apply management accounting merely include accounting, cost control, and performance management. Besides, there is no connection between various fields to apply management accounting. Hence, it is necessary to construct a unified and integrated management accounting information management system.

3.4 Shortage of professional management accounting talents

The comprehensive competence of corporate management accounting personnel directly influences the application of management accounting. At present, most corporate managers in Chinese enterprises have not learned all the modern management-related knowledge and relevant theories. Some managers do not know anything about management accounting. In addition, the aged corporate accounting staffs have even more difficulties to learn or to apply modern scientific management knowledge into their actual management. It is even more difficult to master the complex theoretical system of management accounting, the frequent changes of the information technologies such as the Internet, big data and artificial intelligence. In that case, those aged personnel can barely integrate the theoretical knowledge about management accounting with their daily accounting work, which makes it difficult to increase their work efficiency.

4. Strategies of management accounting to promote high-quality development of enterprise economy

4.1 Emphasizing construction of management accounting system

Management accounting is a crucial part of modern accounting reform proposed by the Ministry of Finance in China in 2013. The management accounting system has been established in China to train management accounting personnel and to increase the proficiency of those personnel. In 2014, the Ministry of Finance releases their opinions to guide the overall advancement of the management accounting system. In that document, the importance of construction of management accounting system and the policies to reform the present accounting system development are introduced. In addition, the documents provide plans for how to effectively strengthen management accounting, and how to promote the development of management accounting. With the guidance of that document, enterprise leaders should make more effort to stimulate their accounting staffs to learn management accounting theory and to apply those theories into

practice. At present, the competition in Chinese market is getting fiercer and fiercer, which increases the risks faced by enterprises. Therefore, it is necessary to construct management accounting theory system in accordance with the development of Chinese enterprises, which should be paid more attention by the managers in Chinese enterprises.

4.2 Stimulating managers and accounting personnel to renew management accounting concept

Enterprise managers should emphasize the training about management accounting to ensure that all accounting personnel should obtain comprehensive understanding of management accounting theories. In that case, they could construct an advantageous environment for the smooth application of management accounting in the enterprise; On the other hand, enterprise managers should formulate corresponding document regulations, and others. Such regulations could encourage management accountants to actively learn knowledge about management accounting and to ensure appropriate application of such knowledge. Besides, the regulations provide criteria for regular assessments. Based on such assessment, managers could provide rewards to the personnel with excellent performance and provide penalties for those staffs with poor performance. Such policies will increase the enthusiasm of corporate management accountants to learn management accounting knowledge. In addition, companies can also hire experts with high proficiency in management accounting like corporate consultants to obtain professional and scientific guidance to corporate management accounting personnel, which will help business managers and accountants establish new management accounting concepts.

4.3 Promote the breadth, depth and flexibility of management accounting applications

First of all, based on management accounting policies of the Ministry of Finance, the small and medium-sized enterprises in China should actively organize the training courses about management accounting and apply such accounting into wide range of their accounting works, so as to improve the economic benefits of most enterprises and promote the development of Chinese enterprises. Secondly, in the application of management accounting, each enterprise should keep alert to the possible problems, actively solve problems, and summarize the experience of application of management accounting, so as to continuously refine management accounting in enterprise applications to ensure better application. At last, relevant government departments can incorporate management accounting knowledge into the content of the accounting qualification examination, so as to enhance the national accounting workers' understanding of management accounting knowledge and improve their proficiency, thus ensuring flexible application of management accounting in enterprises.

4.4 Strengthen the construction of management accounting information management system

Strengthening the construction of management accounting information management system is the most effective measure to promote the development of management accounting in China. First of all, enterprises should pay more attention to the construction of management accounting information system and change the traditional accounting management concept by learning modern information technologies from time to time, including the Internet, big data and artificial intelligence. The relevant personnel should aware of importance of modern information technology in enterprise applications, and further promote the construction of management accounting information. That will help with the improvement of work efficiency and reduction of workload to a large extent. Besides, it provides clues on how to adapt to changes in the market economy in order to promote the development of the enterprise. In addition, enterprises should incorporate the construction of management accounting information system into their overall planning of enterprise development plans in accordance with their own development status. They could continuously improve various management systems within the company and provide new inspiration for the informatization, so as to make the best of management accounting application to promote enterprise development.

4.5 Build a high-quality enterprise management and accounting talent team

The rapid economic development requires that the transformation from corporate financial accounting to

management accounting should depend on the team of high-quality management accounting talents. Without such team, the transformation and rapid development will be difficult. The team of talents with high proficiency in enterprise management and accounting requires that managers should do the following two things: first, it is necessary to train the existing management accounting personnel of the enterprise. Managers should regularly or irregularly organize training courses about management accounting knowledge, relevant skills and modern information technology. Such training courses could help accounting personnel to completely change its traditional management concepts, to establish modern management ideas and become highly proficient in accounting management to apply new technologies such as big data to complete management functions such as analysis of management accounting, analysis of business results, etc. Second, enterprise managers should recruit suitable numbers of management accounting talents with high comprehensive literacy in time. They are required to obtain adequate experiences in accounting, to grasp adequate management accounting knowledge, to be familiar with modern business management methods of enterprises and modern information technology and to be competent of efficient communication. Such talents will help accelerate the transformation of corporate financial accounting and the development of entrepreneurial economy.

5. Conclusion

In summary, as a very important part of business management, management accounting should be paid with full attention so that relevant staff can understand its theoretical knowledge and have the ability to apply the theoretical knowledge into practice. In that case, they could constantly discover its shortcomings in practice and then formulate effective solutions in time to enhance corporate culture. As a result, the development of the enterprise could be accelerated and the enterprise could contribute to the comprehensive economic development in China. Due to the comprehensiveness of the management accounting, there are still some issues ignored in the analysis of the application of management accounting in enterprises, which is not conducive to the development of Chinese economy. Therefore, it is still necessary to make more thorough analysis of the application of management accounting in the future.

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