

Problems and Solutions in the Development of Management Accounting Theory in China

Yanhong Ma

Tianjin Maritime College, Tianjin 300350, China

Email: blueredzzzl@eyou.com

Keywords: Management Accounting; Theory Development; Problems; Countermeasure

Abstract: With the development of social economy and the progress of science and technology, the internationalization of management accounting in China has been accelerated obviously. However, at present, the level of management accounting in China needs to be improved, and most enterprises are still in the initial stage. Although management accounting has been used in large and medium-sized enterprises, it has not been applied in most small enterprises and business service enterprises. Management accounting is an accounting branch developed from the management needs of enterprises themselves to meet the needs of enterprise managers in analyzing management performance and making decisions on enterprise behavior. The development of management accounting theory plays a significant role in optimizing the execution of internal accounting reports and promoting the scientific management of enterprises. For the optimization of the enterprise's own development, management efficiency has a significant role in promoting. Based on the practical experience of enterprise management, this paper explores the problems existing in the development of China's management accounting theory, and then discusses the main strategies of optimizing China's management accounting with the practical results of the problem exploration.

1. Introduction

Management accounting mainly refers to the use of financial and other accounting information provided by financial accounting to collate and report through a series of special methods in order to improve the economic benefits of enterprises. An accounting branch that enables managers at all levels of an enterprise to plan and control daily economic activities and to help decision makers make specialized decisions [1-3]. The effective development of management accounting has significant practical significance for the high efficiency and scientific management of enterprises. According to the needs of management accounting, on the basis of the development of financial accounting theory, management accounting integrates the basic contents of enterprise management and mathematical statistics, and then forms its own accounting theory through long-term practice [4-5]. But at present, with the acceleration of enterprise development and the change of enterprise operation environment, the development of management accounting theory in China is relatively lagging behind, and the related problems are constantly emerging [6-7]. Therefore, in the process of the development of management accounting theory at this stage, relevant researchers should actively explore the problems in its development. And timely explore effective countermeasures to promote the re-optimization and development of management accounting theory, and provide more effective means and tools for scientific decision-making of enterprises. This paper finds out the problems of management accounting in China, and then finds the appropriate solutions.

2. Problems in the Development of Management Accounting Theory

2.1 Defects in the development of theoretical system

The comparison between management accounting and financial accounting in the whole accounting system, management accounting and financial accounting are two important fields. They are interdependent, restrictive, complementary, infiltrating and influencing each other. They are

inextricably linked. As a management system of enterprises, management accounting is a tool for managers to predict and make decisions. It focuses on serving internal users of enterprises and serving management decisions [8]. Financial accounting originated from the separation of the two powers, which reflects the presentation and reflection of business results by managers under the condition of the performance of fiduciary responsibility, with more emphasis on the feedback to external investors. The comparative analysis is as follows Table 1:

Table 1 Management accounting and financial accounting analysis

Comparative content	management accounting	Financial accounting
Service object	Internal report	External report
Key points of work	Planning and decision-making, control and performance evaluation	Accounting, accounting, reporting
Constraint condition	Not subject to strict requirements of accounting standards and systems	Compliance with accounting standards and systems
Time span	Great time elasticity	No time elasticity
Accounting entity	Responsible unit	Entire enterprise
Accounting procedure	No fixed format	Having a fixed format

Defects in the development of management accounting theory system are the main problems in management accounting theory at present. Through the analysis, we find that the problems of the theoretical system are mainly reflected in two aspects: the first is that the adaptability of the theoretical system to China's national conditions is weak. As the theory of management accounting originated from western capitalist society, its adaptability to solving practical problems is relatively weak. Second, there is a big contradiction between the development of theoretical system and the current economic development in China. At present, China has made rapid development in the market economy system, and enterprises have made certain progress both in management level and financial level. At this time, management accounting theory should be consistent with social development in order to ensure its role, but from the current situation, there is a lag in the theoretical system of management accounting.

2.2 Problems in the standardization of management accounting

The normative problems of management accounting are also the main problems facing its theoretical development at present. To further develop the theoretical system of management accounting, we must standardize and unify it. But at present, there are not only regional differences and industry differences in the theory of management accounting, but also great differences in the practical operation of management accounting. The existence of these differences hinders the theoretical development of management accounting.

2.3 The development of management accounting theory and practice are disjointed

The disconnection between the development of management accounting theory and practice is mainly manifested in the fact that the development of management accounting theory lags behind the level of social practice. From the practical application of management accounting, it is found that its theory is deficient in comprehensiveness and details. For example, in enterprise management, management accounting theory is needed to improve management, but the theory of management accounting has defects or lags behind, which can not meet the actual needs of enterprise management, which will reduce the utilization efficiency of management accounting [9-10]. Moreover, in the management of some details, management accounting is also difficult to play a corresponding role. In a word, the matching of management accounting theory and practice is not perfect, which leads to the disconnection between the practical application of theory construction.

3. Optimizing the Development of Management Accounting Theory by Theoretical Research and Practice

According to the analysis before the article, there are some problems in the development of

management accounting theory, such as imperfect theoretical system, unclear definition of disciplines, inadequate connection between theory and practice, which have caused serious obstacles to the development of its own theoretical system. Therefore, based on the previous analysis, this section explores the basic countermeasures to optimize the development of management accounting theory. The problems existing in the application of management accounting theory to work are shown in Figure 1.

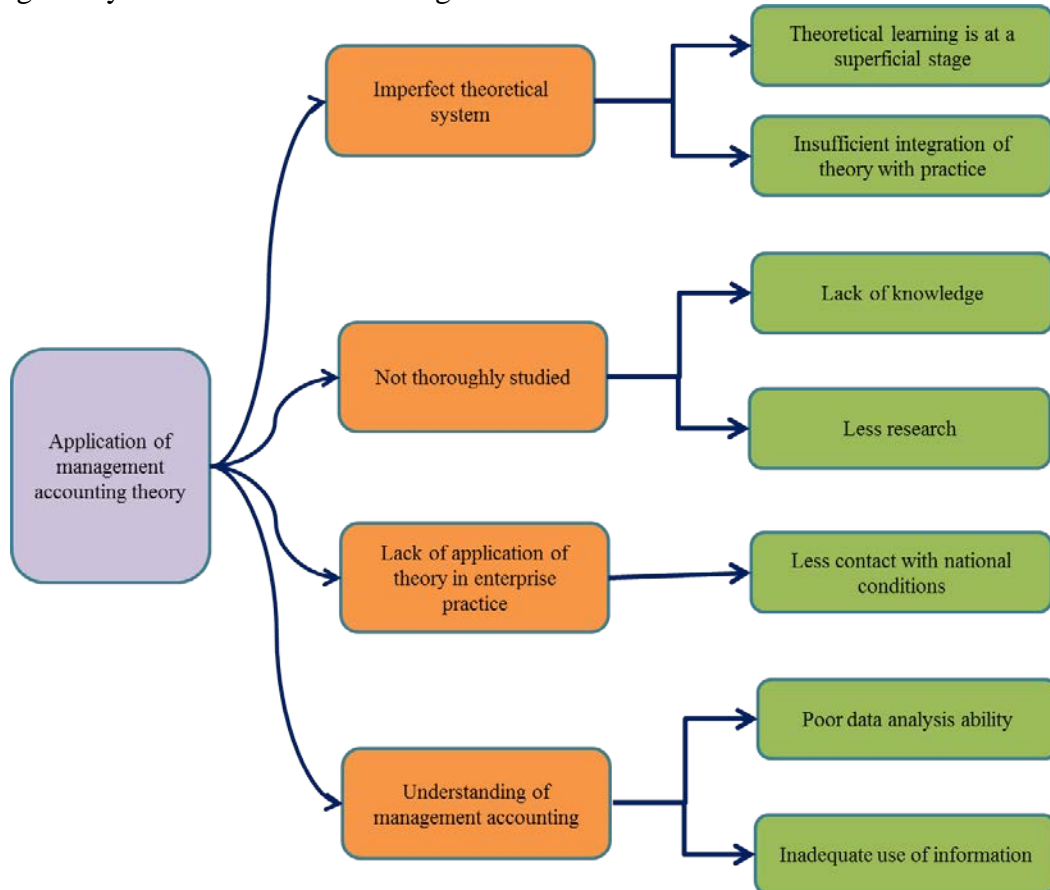


Figure 1 Problems existing in the application of management accounting theory to work

3.1 To further strengthen the definition of management accounting and clarify the status of its branches

In order to further improve the development of management accounting theory, scholars should first clearly define the status of its discipline. Management accounting is a branch of accounting, which has the remarkable advantage of strengthening the internal management of enterprises. However, in the process of practical exploration, the definition of management accounting and financial accounting is still vague. Therefore, in the process of exploring and developing management accounting theory at this stage, scholars should not only explore management accounting itself, but also define financial accounting and management accounting from the perspective of accounting disciplines, and then clarify the status of its branches.

3.2 Strengthen the support of mathematical statistics and other disciplines to management accounting, and strengthen the scientificity of theoretical development

The development of management accounting theory system is based on basic accounting and financial management. As far as its actual role is concerned, management accounting involves the processing, collation and reporting of financial information and related information. The collation and objective analysis of financial information is the basis for management accounting to play its role effectively. Therefore, in the process of the development of management accounting theory, besides the basic accounting processing skills, the knowledge of mathematical statistics and the method of mathematical analysis should also be used as an important tool for effective exploration

and supplement. Therefore, in the process of studying the development and optimization of management accounting theory, scholars should effectively supplement the knowledge of mathematical statistics, advanced mathematics and other disciplines, and combine with management accounting itself to find the best fit point, so as to ensure the scientific development of management accounting theory and strengthen the practical application.

3.3 Strengthen the investigation of the operation of enterprises, promote the development of theory with the practical application of management accounting

The development of theoretical system can not be separated from the test of practical application of disciplines. As an important means of enterprise internal management, management accounting has been used for a long time in the development of large and medium-sized enterprises. Although according to the analysis before the article, the management accounting work has not been fully carried out in the actual operation process of the enterprise, but the actual operation situation and operation data of the enterprise have a good reference value for the development of the theoretical system. Therefore, in the process of development and optimization of management accounting theory, relevant scholars should also strengthen the exploration of enterprise management, and objectively record the actual situation of management accounting work, and further explore the direction and focus of the development of management accounting theory from the shortcomings of the operation of management accounting in enterprises.

4. Improving Means of Management Accounting Theory

4.1 Searching for a suitable management accounting system

As far as China is concerned, there are obvious differences in economy, politics and culture between China and Western countries. Management accounting has been studied and studied deeply in western countries as early as possible. In the process of introducing management accounting into China, first of all, it should be related to China's national conditions. In the process of introducing the theoretical learning and practical methods of management accounting in the hope country, it should not be applied to Chinese enterprises in the way of Western countries. We should take the basic national conditions into account, strengthen the flexible operation of management accounting in enterprises, make corresponding judgments and theoretical guidance through constant exploration and repeated testing in practice, and summarize the management accounting system suitable for enterprise management.

4.2 Strengthen the construction of management accounting theory

To establish a perfect theoretical system of management accounting, we must first deal with the relationship and contradiction between management accounting and financial accounting. Management accounting comes from financial accounting. They support and coordinate each other. They play their different functions and serve the decision-making departments of enterprises together. However, in terms of division of labor, financial accounting provides relevant financial accounting information to external information users of enterprises through information systems, serving all relevant aspects of society. Management accounting, on the other hand, provides relevant management information generated by information system to decision makers and executives of enterprise management, and plays a direct and important role in enterprise management decision-making and management. A study by the American Association of Management Accounting points out that managerial accountants need skills as shown in Figure 2.

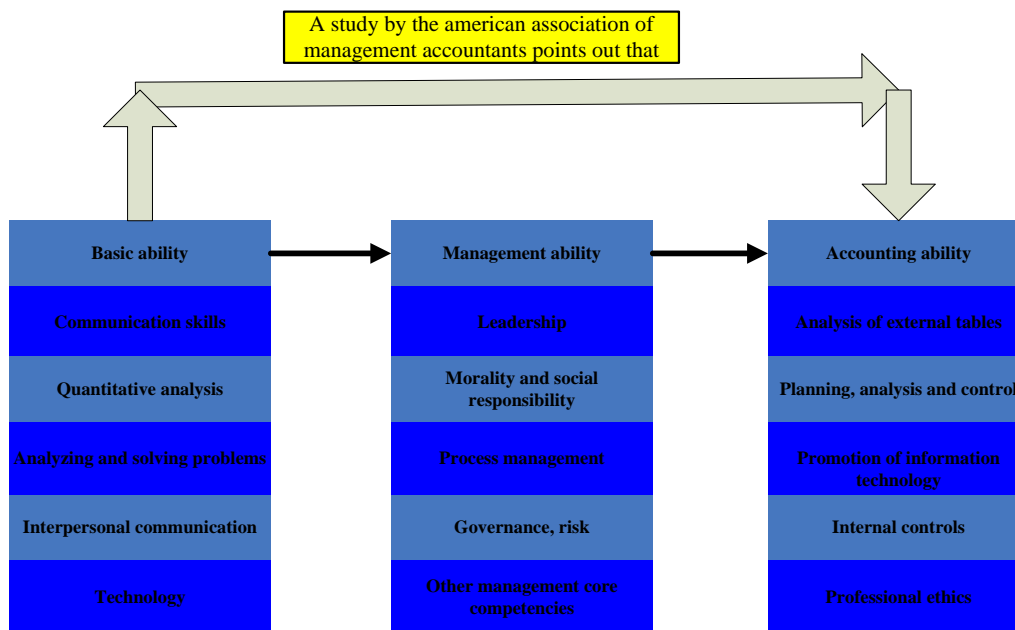


Figure 2 Skill needed for management accounting talents

4.3 Vigorously advocate the application of management accounting theory in enterprise work

No matter how high the voice of management accounting in academia is, it must be applied to practice in order to test whether it is really applicable to enterprises. The goal of management accounting is to integrate enterprise information, drive economic value and improve economic efficiency. Firstly, managerial accountants need to evaluate the company as a whole, design the operation process of the enterprise, forecast the results of the enterprise operation according to the internal control and report of the enterprise, and put forward satisfactory solutions for the enterprise. The perfection and development of enterprises not only need perfect management accounting system, but also need to apply it to practice, increase the opportunity of practice, use it many times, sum up experience in practice, select the model that adapts to the market, strengthen the advantages of enterprises in competition and accelerate the development of management accounting. Big data leads financial accounting reform as shown in Figure 3. Especially in the application of management accounting in practice, we should vigorously strengthen its application in enterprises, urge leaders to strengthen the implementation and expand the scope of application. Apply the theory and method of management accounting to enterprises more meticulously and perfectly, make it more suitable for market needs and make management accounting really play its role.

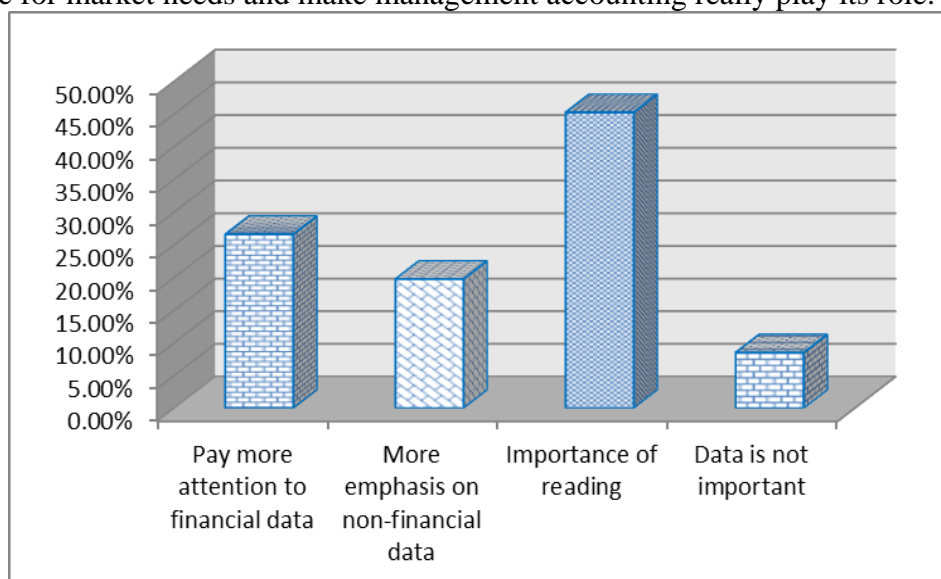


Figure 3 Big data leads financial accounting reform

5. Conclusion

Management accounting plays an important role in enterprise management. Through management accounting, the economic benefits and core competitiveness of enterprises can be improved. In order to achieve the progress of management accounting practice, it is necessary to strengthen its theoretical construction, so as to promote the development of theory. Therefore, it is a huge project to deeply analyze and solve the theoretical development problems of management accounting, which can promote the effective application of management accounting theory in management accounting practice. Not only do scholars need to conduct in-depth research and learning, but managers themselves should also strengthen the recognition and learning of management accounting, and bring staff together to improve the theoretical level of management accounting. At the same time, it is necessary to apply the theory and method of management accounting to enterprises according to the actual situation of China. Continuously promote the economic development of our country, so that management accounting plays an increasingly important role in our enterprises.

Acknowledgement

This paper is supported by the research of management accounting development path of Tianjin botianxia information consulting co., LTD.

References

- [1] Yu L , He W , Li G , et al. The development of WEEE management and effects of the fund policy for subsidizing WEEE treating in China[J]. Waste Management, 2014, 34(9):1705-1714.
- [2] Rui L , Li T , Qigui X , et al. Management of and proposals on environmental impact assessment (EIA) for shale gas development in China[J]. Natural Gas Industry, 2014, 34(06):135-140.
- [3] Hu W , Wall G . Tour Guide Management in Hainan, China: Problems, Implications and Solutions [J]. Asia Pacific Journal of Tourism Research, 2013, 18(3):205-219.
- [4] Sisaye, Seleshi. The development of sustainable practices in complex organizations[J]. World Journal of Entrepreneurship, Management and Sustainable Development, 2013, 9(4):223-245.
- [5] Nishimura, Akira. Transforming cost design into environmentally conscious cost design in Japan: likelihood and problems for further development[J]. Journal of Management Control, 2014, 25(1):55-75.
- [6] Hong-Wei H , Zheng-Gang G . Causes and harmfulness of management right dispute of grassland and its solutions in the Tibetan areas of China[J]. Pratacultural Science, 2013, 30(3):465-470.
- [7] Dr C L Z , Jansson H , S?Derman S . International strategic management hybrids in China[J]. International Journal of Emerging Markets, 2015, 10(2):209-223.
- [8] Lindholm A , Laine T J , Suomala P . The potential of management accounting and control in global operations[J]. Journal of Service Theory and Practice, 2017, 27(2):496-514.
- [9] Hiebl M R W . Upper echelons theory in management accounting and control research[J]. Journal of management control, 2014, 24(3):223-240.
- [10] Nimtrakoon S , Tayles M . Explaining management accounting practices and strategy in Thailand[J]. Journal of Accounting in Emerging Economies, 2015, 5(3):269-298.