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Management accounting as an effective tool of management of a modern enterprise

Introduction

Enterprise management in modern conditions assumes constant necessity in the analysis of its activity. However, analysis results cannot be obtained without the use of special algorithms and models aimed at improving accounting technologies, business planning, and income and expense management. Modern business focuses on solving problems related to profitability increase and costs reducing, identifying the reasons for the decline in product competitiveness, as well as opportunities to conquer the market. All this leads to a new accounting system – accounting management (Shurpenkova, Sarahman, Kalaitan, 2019).

The modern basis for the enterprise's information resource formation is the data that is combined and formed by traditional accounting. Given the above, the information resources management should be formed based on relevance, reliability, periodicity, comparability principles, which are characteristic of modern accounting. The basis of the enterprise information resource should be management accounting and management reporting formed on its basis. At the same time, the principle of supplementing the indicators of financial statements with indicators of management reporting for full and inexpensive formation of enterprise's information resources in accordance with the nature of content, level of detail, scale, periodization, regulations, evaluation and quality of information must be followed.

Management accounting as a management tool

The effectiveness of management accounting depends on factors that reflect the external (intra-organizational) and internal (formed internally – intra-system) conditions. The most favorable conditions for effective management activities are when the following main internal organizational factors are present, namely:

- stages of stable development of the enterprise;
- the size of the enterprise, at which it is advisable to develop a personnel management system;
- using modern management elements;
- recognition human factor role in the effective operation of the enterprise;
- assigning a strategic status to the personnel management function;
- modern computer technologies usage;
- developed enterprise activities controlling system etc.

Management accounting as a management tool for enterprise activity combines almost all management functions: accounting, planning, coordination, control, analysis and decision making. The main tasks of management accounting are:

1. Collection, processing, generalization, storage and transmission of the necessary information for the enterprise operational management and making optimal management decisions to optimize the management process by regulating the structure of assets and enterprise liabilities. Therefore, the enterprise work on the centers of responsibility is analyzed to grant profit, profitability, prime cost and capital investments.
2. Checking business transactions legality and expediency, ensuring the safety of economic assets and funds, effective use of property.
3. Determining economic activity results and assessing the enterprise effectiveness in terms of sold products, responsibility centers, management and technological solutions. It is necessary to compare the overall financial result according to financial accounting with management accounting data in order to control marketing activities.
4. Internal reports preparation, the information of which is intended for business owners and leaders (managers) and other internal users of accounting information. The content of reports may vary depending on their purpose and the position of the head for whom they are intended (Napadowska, 2004). It is necessary to clearly separate the objects of management accounting, so the objects include:
 - 1) directly structural units (divisions, projects, enterprises);
 - 2) enterprise resources (fixed assets, stocks, goods, personnel, etc.);
 - 3) business processes (consistent, purposeful and regulated actions that will turn resources into results);
 - 4) activity results and key performance indicators (Wasyuk, 2013).

In the context of the enterprise management system, management accounting and reporting is part of the overall business information system in which managers

must make the decisions about the distribution of limited economic resources. The main way of solving this problem is to create and manage an information base for decision-making, which ensures the efficient distribution of enterprise resources and particularly information resources. Information resource management has certain functions that are common and inherent in all business systems: - detection and presentation of relevant information; - accumulation and systematization of information; - analysis and interpretation of the collected information; - presentation of information in accordance with the needs of individual managers. Consecutive stages of accounting resource information system management can be divided into stages. The first two stages involve preparation, while the last two elements involve usage of collected and systematized information. Management accounting as an element of an information resource can be considered as a form of information service, the clients of which are managers. This raises the question of what information is needed for specific customers in the time interval and on information scale (Shurpenkova, Sarahman, Kalaitan, 2020).

Consider the features of management accounting in table 1.

Table 1. Features of management accounting at the enterprise

| Managerial Accounting | Features of conducting |
|--|---|
| The purpose of accounting | Information preparation for managers of the organization to make objective management decisions. |
| Compliance with legal requirements | Information is collected only when its gathering will bring more income than the cost of collecting it. |
| The degree of reliability of information | The data may have inaccurate information, as the preparation of the management report is carried out in a short time. |
| Principles of accounting | The information is prepared in a form that is most convenient for the management of the organization. |
| Frequency of information supply | Information is prepared as needed, can be compiled daily, weekly, monthly, etc. |
| Meters used | Information can be presented in any measure, both monetary and non-monetary. |
| Users of information | Managers and employees of the organization. |

Source: was compiled by the authors.

Although management accounting may comply with the general principles of accounting in some cases, some principles are appropriate only to management accounting. The main principles of management accounting are:

- methodological independence - each structural unit can establish its own rules regarding the order of management accounting;
- orientation of accounting to achieve strategic goals of the enterprise - the priority decisions at any level of the organization are the interests of the enterprise;

- efficiency – constantly compares costs with revenues. In this case, the result of the activity must exceed the costs, if the loss is not included in the temporary plan of the enterprise;
- responsibility – a specific person is responsible for achieving and not achieving the set results;
- completeness and analyticalness – the information should be as complete and accurate as possible;
- periodicity – data should be displayed with a certain cyclicity (Sadovskaja, 2013).

Use of management accounting information for management purposes

Enterprise management requires detailed information that takes into account the technology and organization of this particular enterprise. Therefore, the management accounting information is formed and submitted taking into account the needs of managers of a particular enterprise.

For high-quality and effective implementation of management accounting in the enterprise it is required to:

- provide managers with all the necessary information, as well as confidential one because incomplete ownership of management accounting information loses all meaning;
- develop a methodology specific to each enterprise. Such a methodology should include the parameters of management accounting (areas, items of income and expenses, the distribution of total costs), accounting policies, reporting formats, procedures for obtaining information. Keep in mind that in management accounting, when developing a methodology, the economic essence of the transaction is higher than its legal form. In addition, in operational accounting sometimes it is acceptable to use documentary not confirmed information.

In the management accounting system, the preparation of information is necessary for the management activities conduction: decision-making, planning, control, and regulation. The place of accounting in the management system L. V. Napadovska serves with the help of the scheme (Fig. 1).

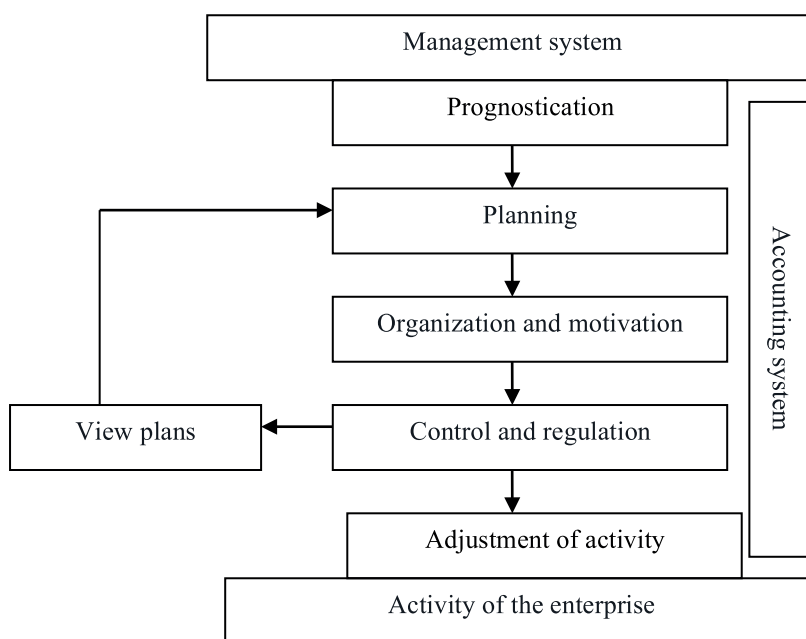


Figure 1. The place of accounting in the management system (Napadowska, 2004).

Conclusions

Summarizing the question of whether management accounting is needed for enterprise management, we can confirm its importance, because it is management accounting that directs the company to make a profit.

The process of management accounting system implementation should be carried out thoughtfully, in stages, with assessment effectiveness of each stage and careful planning of the next, as the cost of management system improving should lead to an indisputable and tangible effect on the enterprise. The obligatory condition for the management accounting system effectiveness is the coherence of all services and enterprise departments, constant teamwork in the direction of realization agreed on general purposes of the enterprise.

At the present stage of management, the main problem aspect continues to be the practical application of the management accounting system and usage of its information. The implementation of management accounting in the enterprise will enhance the analytical and operational data.

Abstrakt

Rachunkowość zarządzająca jako skuteczne narzędzie zarządzania nowoczesnym przedsiębiorstwem

Artykuł analizuje rolę rachunkowości zarządczej w systemie zarządzania przedsiębiorstwem. Uznaje się, że rachunkowość zarządcza jest skutecznym narzędziem zarządzania, ponieważ tworzy przewagi konkurencyjne w otoczeniu rynkowym. Wskazano na podstawowe zasady budowy systemu rachunkowości zarządczej w przedsiębiorstwie, uzasadniono jego znaczenie dla zapewnienia efektywnego funkcjonowania. Przeanalizowano główne problemy, które utrudniają wprowadzenie rachunkowości zarządczej, oraz nakreślono środki pomyślnego wdrożenia tego procesu na przedsiębiorstwach Ukrainy.

Słowa kluczowe: rachunkowość zarządcza, wsparcie informacyjne, decyzja zarządcza, zarządzanie przedsiębiorstwem, system budowy rachunkowości

Abstract

Management accounting as an effective tool of management of a modern enterprise

The article analyzes the role of managerial accounting in the enterprise management system. It is established that managerial accounting is an effective management tool because it creates competitive advantages in a market environment. The main principles of managerial accounting system construction at the enterprise are highlighted, its importance for effective functioning is substantiated. The main problems hindering the management accounting implementation and planned measures for successful implementation of this process at Ukrainian enterprises are also analyzed.

Keywords: managerial accounting, information provision, management decision, enterprise management, management accounting system

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