

## ACCOUNTING AND INDUSTRY GROWTH OF PROFESSIONAL SERVICES

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### ABSTRACT

With this scientific paper attempting to explain the role of management accounting in the enterprise today, the importance and its main objectives, and finally completely talk about the factors that have influenced the practice of management accounting and the role of management accountants by attaching some ethical standards which must adhere. For the design of the paper used literature various local and foreign, also research online, electronic and print media. The methods used to achieve the aim of the paper mainly include: analytical, comparative, <sup>1</sup>abstraction, etc. Over the last 25 years, the pressure of global competition, disorders, growth in the services industry and advances in information technologies and production have changed the nature of our economy and have caused many manufacturing and service industries fluctuate in dramatically how they operate. For this reason, accounting systems, based on activities, developed and implemented by many organizations. Also, expanded the focus of management accounting systems and cost to allow managers to better serve customer needs and manage the firm's business processes used to create consumer value. To provide and maintain a competitive edge, managers looking to improve performance of papers based on time, quality and efficiency. Accounting information should be such as to support these three key objectives of the organization.

### INTRODUCTION: COMPETITION AND GROWTH IN THE SERVICES INDUSTRY

Improving transport systems and traffic have introduced many manufacturing and services firms in the world market. Several decades ago, the firms neither knew nor cared what the firms produced similar to those in other countries. These foreign firms were not competitive, because their markets were divided into geographical distances. However, now as large firms and small ones affected by the opportunities offered by global competition. Investment bankers and management consultants can communicate with foreign offices instantly. This new competitive environment has not only increased the demand for more information about the cost, but also more precisely the information about the cost. Information on the cost plays a vital role in reducing cost, improving productivity and evaluating the benefits of the production line.

While traditional industries have lost their importance, adult services sector has its importance in the economy. The service sector includes approximately three-quarters of the economy and employment in the US. Among these services are the accounting services. Experts predict that this sector will continue to expand in size and in importance with increasing productivity services. Increased competition, has made managers more aware companies about the need to have information on the cost, which serves for planning, control and continuous improvement of the processes of decision making.

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<sup>1</sup> Hansen Don & Mowen Maryanne, "Menaxhimi i kostos, kontabilitet dhe kontroll", Universiteti i Arizonës, SHBA, 2008, fq. 5 -7

## Advances in information technology

There are three important advances that the information is related to technology.

- The first is closely related to the integrated computer applications. With automated manufacturing, computers are used to monitor and control the action. Now it is possible to check the products consistently and accurately reported information on units produced, materialistic used, waste produced and the cost of production. The computer program of enterprise resource planning (ERP) aims to provide an integrated system that can perform all the actions of a company in real time from different areas of the company's functions. Automation and integration of information and increase the accuracy of managers in the maximum benefit from these complex systems.
- The second major advantage is related to the availability of tools required: availability of personal computers (PCs), software network analytic (OLAP) and decision support systems (DSS). Because of these technological advances, management accountants and cost have flexibility to respond to management needs for more complex methods of production cost as activity-based cost (ABC).
- The third advantage is the emergence of electronic commerce (e-Commerce) - any form of business that is conducted using information technologies and communication. The Internet allows buyers and sellers to come together and perform actions from different countries and conditions. Internet Business allows companies that act as virtual organizations by reducing spending budget. Electronic exchange of data between computers via telephone lines enabled by EDI. Information sharing between traders, reduces cost and improves customer relationships, leading the company in a stronger competitive position.

These were some of the main factors that are affecting the accounting practice in përrgjithësi, not neglecting the importance of the application of management accounting in the enterprise today.

## Standards of ethical conduct for accountants

Managerial accountants provide management with all kinds of information and simultaneously act as strategic partners in business, in support of the role of management in making decisions and managing the activities of the organization. Porsche, Stihl, Daimler Chrysler and other German companies see management accounting as a separate discipline and typically employ management accounting employ enough staff or financial accounting and more.<sup>2</sup>

Growth role of management in an organization is that of support and teamwork. They help people who are responsible for the achievement of the basic objectives of an organization. Managerial Accountant is responsible for creating the financial information required by the reporting firms and external and internal. This responsibility includes the collection, processing, analysis and reporting of information to help managers in their planning, controlling and decision making.

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<sup>2</sup> Hansen Don & Mowen Maryanne, "Menaxhimi i koston, kontabilitet dhe kontroll", Universiteti i Arizonës, SHBA, 2008, fq.4

Many companies establish a code of ethics or standards of conduct for managers and their employees. A study conducted by Deloitte & Touche LLP and Corporate Board Members magazine showed that 98% of corporate disagreed with the fact that the company must implement an ethics program. Ethical behavior is associated with an accountant, since the credibility of accounting information depends on the sensitivity of those who prepare, report and control this information. Institute of managerial accountants (IMA), has set the code and ethical standards should adhere to managerial accountants.

### **This code is based on three fundamental principles**

- The integrity of the person who prepares, controls report and accounting information,
- In the objectivity of information prepared, reported and controlled,<sup>3</sup>
- The professional independence of the person who prepares, and controls information report.

### **Relying on these fundamental principles, enables**

- To avoid errors of ethical lowercase,
- To focus on long-term reputation,
- To prepare for the expected personal consequences for maintaining ethical position.

In the professional code of conduct drafted by IFAC, also mentioned some other basic principles for managerial accountants:

- Assessment, professional accountant should be honest, fair, honest in providing professional services.
- Objectivism accountant does not allow prejudice, conflict of interest or influence in order to avoid objectivism.
- Professional ability, means carrying out work professionally and competently.
- Reliability in storing information and omitting their unauthorized persons, and not using them for the needs and issues that do not relate to the company's interest.
- Bringing professional, reputable and not perform work that discredit him and the company as a whole.
- Ethical standards - should generally apply depending on where they applied those standards.

The role of management accountants is enormous, especially for manufacturing and service companies, both application of ethical standards by managers is necessary.

## **CONCLUSION**

Application of an enterprise accounting system, depending on its size, is mandatory, especially in today's conditions of globalization, strong competition and the application of new information

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<sup>3</sup> Hansen Don & Mowen Maryanne, "Menaxhimi i kostos, kontabilitet dhe kontroll", Universiteti i Arizonës, SHBA, 2008, fq.15

<sup>3</sup> Ahmeti, Skender, " Kontabiliteti i menaxhmentit ", Universiteti Iliria, Prishtinë, 2008, fq. 28-31

technologies. If an enterprise wants to be part of this competition and achieve profit maximization must apply the accounting system and not only with books but also through the computer. Given the scope of the paper, I focused more on the application of management accounting, accounting which mainly be used by manufacturing and service. With the help of information provided by managerial accountants, the enterprise can more easily achieve the objectives of this. But are achieved when professional accountants, have the ability to access analysis, to understand the data from the accounting system and ethical standard adopted under international regulations.

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