

MANAGEMENT ACCOUNTING AND ITS IMPACT

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ABSTRACT

Accounting as a scientific discipline, identifies, records and communicates information that is relevant, reliable and comparable to decisions by the user. Management accounting differs from financial accounting mainly regarding users. Managerial accounting information needed for internal users, while financial accounting information users external addresses. The objectives of management accounting related to meeting the objectives of the Organization. Accounting Management helps an organization to make decisions, control, planning and reporting of more qualitative information. Competition, increased services and information technology advances are key factors that have contributed to greater practice of management accounting in the enterprise. This means active participation of management accountants in key processes of the enterprise. Today, their role is very large and the application of ethical standards is mandatory.

Keywords: Accounting, enterprise, management, financial, economy.

INTRODUCTION

Starting since 1494, for the development of dual accounting principles as science which relates to the development of society, gave great contribution Luke Paciolo Italian. Since that time, but even today, many scientists are trying to give a full accounting definition. Thus, in 1940, the AICPA (American Institute of Certified Public Accounts), define accounting as "the art of recording, classification and in a meaningful summary of the monetary value of the transactions, which are partly financial character and interpretation of these results."

Rough definition can be found in American literature, where accounting is defined as "a system for providing quantitative information, primarily financial in nature, about economic entities, for the purpose of making decisions more accessible". Financial information arising as a result of the measurement and reporting by accountants mainly serve entities. But there are different kinds of information that can be reported to interested parties. These included may managers and business owners who need accounting information to make decisions, investors who see the opportunity to provide a dividend at the end of the period, creditors consider the possibility of payment of the obligations of the entity, governmental units for the payment option tax and employees who see opportunity amid reports of payment of their salaries, etc.¹

A more practical definition for accounting would be "modern accounting, first and foremost, is focused not only on bookkeeping, but also in other activities including planning and sales problems, control, analysis and revision. Accounting Today's focus on the need ultimately of

¹ Ahmeti, Skender, "Kontabiliteti i menaxhmentit", Universiteti Iliria, Prishtinë, 2008, fq.12

¹ Po aty, fq. 14

¹ Kermit, Wild, Chiappetta "Accounting principle", fq. 1-11

who is the user of accounting information, information that a user is inside or outside participation in business ". Accounting as a scientific discipline focuses on several key steps, such as:

- Identification and measurement of information,
- Registration of information and Matu identified in the accounting books,
- Reporting of results and their analysis needs inside users and outsiders.

So accounting systems are the master itself and are designed to assist in meeting human. There are several types of accounting, such as financial accounting, management accounting, cost accounting and tax accounting.

Management accounting versus financial accounting

Management accounting versus financial accounting, deals with all types of accounting information that is collected, measured, recorded, processed and transmitted managers' entities. The information that was provided by the managers of the management accounting related to the cost of products manufactured for specific products each segment of the unit, the planning and control of various operations, the nature, location and size of the revenue for each product and the unit segment, capital budgeting, etc. Management accounting differs from financial accounting to reason that management accounting is used for decision making within the company and is not meant to convey any rules issued by standard-setting bodies. As for the financial accounting relates to accounting information, except that used by management of the entity, mainly communicated to the external users of information. Financial accounting is that part of the accounting system that deals with the measurement and reporting financial and business results over a period of time, in accordance with generally accepted principles of accounting. Mainly provides information about the entity relationships with persons or entities outside its natural, eg, with suppliers, creditors, investors, state, etc. Since the two types of accounting receive information from basic accounting system of the organization.²

Goals of management accounting

Accounting for Management adds value to an organization, taking into account the following three main objectives:

- By providing information for decision making and active participation of planning through the management team.
- Assist managers in managing operational control activities. So, the management team should always have information on operational needs customers, managers and team management and control flows should compare the actual cost of their impact on the Budget of the firm.
- Motivation of managers and other employees to meet company goals. Although often happens that personal goals are at odds with those of the organization, but one of the objectives of management accounting is to motivate managers and employees in achieving the goal more efficient organization.

^{2 2} Ahmeti, Skender, " Kontabiliteti i menaxhmentit ", Universiteti Iliria, Prishtinë, 2008, fq. 23-25

- The maturity and performance of activities, units, menaxheëve and workers in the organization, in order to achieve profit maximization. Many of the organizations recognized the increased activity compensate employees based on the profit achieved unit. In some other enterprise that is measured by the quality, sale or delivery time.
- Defining the competitive position of the enterprise and working with enterprise managers to ensure competition in the market longer term.

Crucial role of management accounting is to determine how the organization will oppose competition, always trying to move forward in its economic development.

Role and 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.³

Porsche, Stihl, DaimlerChrysler and other German companies see management accounting as a separate discipline and typically employ management accounting employ enough staff or financial accounting and more.

Kontabilstëve 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 brendhsëm. This responsibility includes the collection, processing, analysis and reporting of information to help managers in their planning, controlling and decision making.

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 reporting and accounting information,
- In the objectivity of information prepared, reported and controlled,
- The professional independence of the person who prepares, and controls information reporting.

³ Hansen Don & Mowen Maryanne, “Menaxhimi i kostos, kontabilitet dhe kontroll”, Universiteti i Arizonës, SHBA, 2008, fq.4

³ Hansen Don & Mowen Maryanne, “Menaxhimi i kostos, kontabilitet dhe kontroll”, Universiteti i Arizonës, SHBA, 2008, fq.15

³ Ahmeti, Skender, “ Kontabiliteti i menaxhmentit ”, Universiteti Iliria, Prishtinë, 2008, fq. 28-31

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

As a result of this piece of research I came to the conclusion that the application of an accounting system in the enterprise, depending on its size, is mandatory, especially in today's conditions of globalization, strong competition and the application of new information 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 its objectives. But this is achieved when the accountants are professional, have the ability to access analysis, to understand the data from the accounting system and adhere to ethical standards adopted by international regulations.

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