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**THE NECESSITY OF CHANGING FINANCIAL ACCOUNTING TO  
MANAGEMENT ACCOUNTING UNDER INFORMATION  
TECHNOLOGY**

***Abstract:** The paper deals with theoretical issues of accounting automation. The differences between financial and management accounting are shown, the importance of an accounting information system is discussed, which allows you to transfer the accounting of enterprise activities into the channel of digitalization.*

***Keywords:** accounting, management, finance, control, information system.*

Financial accounting is the process report of recording, summarizing and reporting the countless transactions caused by the business operation in a period of time. With the development of the times, information technology is also widely used in the accounting industry, but also speeds up the reform of the accounting industry. In the era of accounting information, the work of accounting is a complex work, the single knowledge structure is no longer suitable for the development needs of the accounting industry, modern enterprises need compound accounting, accounting not only has strong knowledge of accounting theory and practical skills, but also has certain experience in the fields of information technology, economy, finance and so on. In line with the needs of modern enterprise financial management, the transformation of enterprise financial accounting to management accounting is the development trend of accounting industry. Modern enterprise accounting is a complex senior technical personnel, which can play a key role in the sustainable development of modern enterprises.

Management accounting is an enterprise accounting branch separated from traditional accounting and juxtaposed with financial accounting, which focuses on improving management and improving economic efficiency. American Institute of Management Accountants (CMA) 2008 definition: management accounting is a professional discipline that plays an integrated role in the formulation and implementation of organizational strategies.

Accounting is based on management, which is management accounting. Management accounting is both accounting and business, know how to use financial data to provide support for enterprise management. Financial accounting is divided into three levels for the development of financial personnel.

The first stage is accounting, this period of accounting task is to give the boss good home, good money, good accounts. The biggest problem of accounting is that the value is not easy to measure, the profit is created by the business, and the work of accounting is the record.

The second stage is management accounting, which becomes finance and focuses on management. For example, budget management, cost budget can save expenses for enterprises, comprehensive budget can promote the realization of business objectives; financial information management can improve accounting efficiency, and then use information technology as a means to achieve pre-event control of business activities; Asset management can improve the efficiency of asset use, contract management can prevent risks for enterprises and so on.

The third stage is capital operation, such as companies to issue bonds, the focus of financial work is to improve the credit rating of enterprises, reduce financing costs; companies to market, its financial indicators have strict requirements, At this time can start an equal dialogue with investors, securities companies, standing in the overall trading talent elite. Of course, this level can not be met, not everyone can achieve, but it is possible to become a management accountant.

Consider the differences between financial and management accounting:

– the focus of work varies. Financial accounting focuses on the daily

business records, the registration of books, the regular preparation of relevant financial statements, to the outside of the enterprise with economic interests of groups and individuals to report the financial situation and business results of the enterprise, its specific objectives are mainly to provide external financial reporting information, management accounting focus on the specific problems encountered in business management analysis;

– the time of action is different. The limitation of financial accounting is mainly to reflect the past, whether from emphasizing the principle of objectivity or adhering to the principle of historical cost, it can be proved that it can only reflect the economic business that has actually taken place in the past. The limitation of management accounting to the future is the first, and the analysis of the past is to control the present and better guide the future;

– different principles and criteria are followed. Financial accounting must strictly abide by the Enterprise Accounting Standards and the unified industry accounting system in order. Management accounting is not completely restricted and strictly restricted by the Enterprise Accounting Standards and the unified industry accounting system, and modern management theory can be applied flexibly as guidance in the work;

– different characteristics and carriers of information. Financial accounting can regularly provide more comprehensive, systematic, continuous and comprehensive financial information. The information carrier of financial accounting is the voucher system, the account book system and the statement system with unified format, which uniformly specifies the types of financial reports; the information provided by management accounting is often selective, partial and irregular management information to meet the specific requirements of internal management;

– different methodological systems. The method of financial accounting is relatively stable, according to specific accounting standards and systems accounting economic events, digital operation is relatively simple. Management accounting can choose flexible and diverse methods to analyze and deal with

different problems;

– different working procedures. Financial accounting must perform fixed accounting cycle procedures. Whether from the production of vouchers to the registration of books, until the preparation of financial reports, must be handled in accordance with the prescribed procedures. The financial accounting work procedures of similar enterprises are often much the same, the procedures of management accounting work are poor, there are no fixed working procedures to follow, and there is greater room for maneuver;

– different perceptions and orientations. Financial accounting focuses on how to truly and accurately reflect the distribution, use and consumption of human, financial and material elements in the process of enterprise production and operation, and attaches great importance to the regular reporting of the financial situation and the quality of business results.

Define the practical significance of changing accounting to management accounting role:

– value protection to value creation. Under the development of economic globalization, Chinese enterprises are facing great competitive pressure in business development. If enterprises want to survive and develop in competition, they need to point the development goal and strategic direction forward. As the core of enterprise management, financial accounting is the key to the realization of enterprise strategic goal. Therefore, it is necessary to start with accounting work to promote the transformation of accounting to management accounting. Because in the core concept of management accounting, value creation and maintenance are two key points;

– reduction of operational risks and improvement of core competitiveness. Because of the influence of various factors in the development of enterprises, some operational risks will be formed, including the marketing strategy of the products, the efficiency of the enterprise organization, the knowledge structure and industry experience of the personnel, customer satisfaction and complaints, and then affect the internal work of the enterprise and the development of the

enterprise. Management accounting can make full use of balanced scorecard to restrict and quantify it from performance evaluation and evaluation method, that is, design and consider from financial level, internal business process level, learning and growth level, customer level, evaluation index, evaluation standard and action plan, so as to avoid or eliminate barriers between enterprise departments and improve the core competitiveness of the company;

– improving the scientificity of enterprise management decision.

Management accounting as internal reporting accounting, based on the present focus on the future. On the basis of the comprehensive analysis of the current macro environment, industry environment and the position of the company, combined with the company strategy, using the cost-benefit analysis and sensitivity analysis model, we can fully excavate the enterprise data information, find out its regularity and internal relation, and provide more scientific and reasonable analysis and prediction on the basis of mastering the enterprise capital trend, production management, cost dynamics, marketing strategy and human resources. The transformation of financial accounting to management accounting can create value for enterprises and enhance the scientific nature of enterprise decision-making. In the actual work, it is necessary to change the concept, construct the financial sharing center and enhance the professional ability of accounting personnel, on the basis of which to promote the successful transformation of accounting work.

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