

## ADVANCED MANAGEMENT ACCOUNTING

Sunita<sup>1</sup>, Pardeep Kaur<sup>2</sup>

<sup>1,2</sup>Guru Kashi University, Talwandi Sabo

### ABSTRACT

Because of technological advancements, the internet, and improved accounting and tax software, traditional accounting procedures have grown more efficient. Clients and accounting firms may now work together and communicate in real time, thanks to the advent of the cloud. There is a change in expectations among customers. New accountants with a variety of skills and expertise are joining accounting firms in order to better serve their clients. Because of the fast growth of accounting software and cloud-based apps, accountants' daily routine has radically changed. In comparison to other industries, this change was more gradual. Accountants must keep up with the rapid technological changes if they want to remain relevant in the industry.

**Keywords:** advancements, technology, efficient

### I. Introduction

Accounting is sometimes referred to be the "language of business" since it serves as a means of conveying important financial data about a company's operations. Accounting has been dubbed "the language of business." In order to make vital decisions, a significant number of users require financial information. It is possible to classify these users into two groups: internal and external. As a consequence of the shift in the roles of professional accountants, many management accountants now have titles such as Chief Financial Officer (CFO) or Strategic Business Partner (SBP). The importance of professional accountants' talents, rather than their specific job titles, has been the topic of research and analysis. Accountants can expect to see their responsibilities and skill sets rise as a result of the pandemic.

### II. The changes that have been taking place in the roles and skills set of the professional accountant, and how these roles are likely to develop in the future

Technology has had a major influence on the accounting profession by making it possible for accountants to work from any place (Dickinson, et al. 2019). As a result, smaller enterprises may now access global markets and talent pools that were previously out of their reach. Before the advent of cloud computing, many aspects of a company were handled by a CPA. As accounting software systems become increasingly automated, the role of the accountant is evolving to that of a business counsellor, and there is an increased need for business planning services. Accessibility for clients by concentrating on the company's strategy rather than its financials (Moll, & Yigitbasioglu, 2019). Taxes, bookkeeping, brokerage, and cloud integration are all becoming more specialised in accounting employment, with a more focused approach to these services. Keeping up with technical advances and learning new skills are both essential in accounting, a profession that is always changing (Roberts, 2018). New technology and cloud-based tools can help accountants stay on top of their game, but only if they're willing to adapt to them and understand how best to use them.

#### Technology

Paper and pencil were used to perform accounting before computers existed. Columns were used to record transactions. By adding columns, transferring data across sheets, then printing, a sample balance sheet and financial statements may be constructed by hand. For a variety of businesses including accounting, the internet and computerization have had an enormous impact (Dickinson, et al. 2019). There has been a shift in mechanics, but not in the fundamental principles of the game. Accounting software continues to evolve, changing the way firms work, enhancing operational efficiency, and enhancing the value of the data they contain. Accountants will continue to be influenced by cloud-based applications, according to a number of experts. Purchase orders, accounts receivable, invoices and tax administration may all be handled more easily with the help of these programmes. In the future, more accounting operations will be performed online as more people utilise cloud-based programmes (Moll, & Yigitbasioglu, 2019). Accountants can work from any location because to better agility, mobility, cost savings, and IT infrastructure. Robotics and artificial intelligence have made formerly labor-intensive activities easier. The accuracy of tax software has increased while the error margins have decreased.

#### Cloud accounting

Among the most recent advancements in accounting technology is cloud computing. Data may be accessible from anywhere and at any time using cloud accounting software. Internet-enabled devices allow business owners to monitor their finances

and measure the profitability of their enterprise (Dawson, & Thomson, 2018). This comprises a wide range of devices, such as desktops, laptops, smartphones, and tablets. Cloud computing enables accountants and their clients to collaborate in real time in order to provide clients with frequent updates on the success of their business so they can make educated decisions and prepare for the future. Thanks to industry-specific software, accountants may access their data from any device, at any time. These tools make it easy to monitor cash flow, scan receipts, send quotes, and manage sales and expenditures (Smit, et al. 2020). Time and cost monitoring, invoicing customers, balancing bank accounts, and a wide range of other accounting tasks may all be handled by a wide range of apps that incorporate all of the necessary accounting capabilities.

### **Value-added services**

Accountants are taking advantage of opportunities to differentiate their organisations by providing value-added services and creating a portfolio of business skills in areas such as human resources, information technology, marketing, and leadership (Lund, et al. 2019). Customers and clients are in a joint venture, with accountants engaged in their customers' businesses and ready to help them if they need it. '

### **Choice**

The term "choice" is critical in this context. The evolution of accounting means that accountants may be able to offer more services to businesses (Roberts, 2018). It is impossible to overestimate the importance of year-end and compliance services in the digital era. Clients look to them for assistance in achieving their business goals. Help them make their business more efficient. Investing in the services of an accountant is a smart business move. We can communicate in the language of business when we work together.

### **III. How the adoption of the concept of Strategic Management Accounting and associated techniques are likely to impact on organisational performance**

Accounting helps managers make decisions that are in the best interests of the organisation. Accounting's decision-making content was initially offered in the 1980s, and critics said that it was too focused on internal operational issues that had little impact on strategy and competitive advantage. (Schmitz, & Leoni, 2019) defines strategic management accounting as "the provision and analysis of management accounting data about an organisation and its rivals for use in creating and monitoring corporate strategy." (

As a result, in recent years, the need of implementing the strategic management accounting theory has been emphasised more strongly. An important point made by (Moll, & Yigitbasioglu, 2019) is that for companies trying to improve their competitiveness or performance, internal accounting rules and processes that are linked with corporate goals and take into account quickly evolving competitive needs are critical. If this is done, the strategic management accounting tool will be better equipped to influence firm performance. The research's fundamental thesis is this: Achieving profitability through satisfying customers is becoming increasingly difficult. Overcoming this issue necessitates the use of an efficient decision-making procedure. Accountants play a crucial role in promoting excellent decision-making in organisations by providing accurate information. Accounting data may be used to forecast the future viability of an organisation (Rikhardsson, & Yigitbasioglu, 2018). In order to assure and sustain growth and profitability, accounting provides management with essential data. According to the strategic management accounting basis, a company's internal and external operations must be properly accounted for in order to facilitate management decision making. With a more market-oriented approach than a restricted concentration on statistics, accounting should incorporate everything from costing to strategic decision-making and accounting for consumers and rivals.

When it comes to making smart business decisions and achieving firm success, strategic management accounting has become increasingly popular. The urge for more research into strategic management accounting approaches and what motivates organisations to select one over the other is therefore not surprising. The adoption of strategic management accounting is an essential step in improving management decision-making and organisational performance (Ameen, et al. 2018). The organization's ability to adapt its strategic management accounting practises to its strategy and environment will define its level of success in this stage.

Effectiveness may be improved inside a company by implementation of strategic management accounting's theoretical basis. According to the purpose of this research, a literature review is employed to describe this investigation's theory (Clohessy, & Acton, 2019). As a theoretical framework, strategic management accounting is used to examine the effects on an organization's performance and the tactics employed to put them into action in this literature research. They found that strategic management accounting has two distinct viewpoints, which they analyse further in the same study (Clohessy, &

Acton, 2019). Techniques are emphasised in one approach while accountant engagement in strategic decision-making is emphasised in the other. In strategic accounting, techniques are the primary focus.

Strategic costing;

planning, monitoring and evaluating strategic results;

long-term decision-making;

competitiveness in the accounting industry

Paying attention to the customer's requirements.

## **VII. Strategic costing**

According to the literature, companies may employ information-based strategic and marketing expenses to ensure effective plans for long-term competitive advantage. To be successful, organisations must acknowledge the necessity of cost integration and many strategic cost assessments (Moll, & Yigitbasioglu, 2019). Attribute-based costing, life-cycle costing, quality-based costs, target-based costs, and value chain costs are the five most common ways of determining costs in the literature.

Strategic planning, control and performance measurement

Strategic management accounting qualities such as planning, control, and performance assessment have been stressed in the literature as crucial to a company's capacity to compete effectively in the marketplace (Rikhardsson, & Yigitbasioglu, 2018). (Rikhardsson, & Yigitbasioglu, 2018). The strategic planning, control, and performance measurement tool relies heavily on benchmarking and integrated performance management (Balanced Scorecard).

## **Strategic decision-making**

Those who work in strategic management accounting must be able to make sound strategic decisions under pressure. When making strategic decisions, keep in mind the importance of both strategic costs and the brand value of your company. Strategic decision-making in business relies heavily on the use of strategic costing, according to academic research (Ameen, et al. 2018). An in-depth cost study that takes into account all possible strategic hurdles is essential to achieving competitive advantage.

## **Competitor accounting**

Strategic analysis and market positioning are essential in today's more competitive industry, according to (Schmitz, & Leoni, 2019). It's true that a business chooses on the best approaches to take in order to outperform its competitors. First, a business needs gather financial information about its competitors in order to be successful. The literature has emphasised the necessity of competitive accounting. Cost assessment, position monitoring, and performance evaluation are the three categories into which competitor accounting tools fall.

## **Customers' accounts receivables and payables**

Strategic management accounting's sixth cluster is customer accounting. Accounts receivable, sales, and costs for individual customers or groups of customers are measured in customer accounting (Fuertes, et al. 2020). Customer asset value and lifetime customer profitability analysis are two of the most important customer accounting methods.

## **VIII. The extent to which your BSc programme is appropriate preparation for a career as a professional accountant**

It is possible to find high-paying positions in both the public and private sectors after completing a BSc degree in accounting. Students may be hired by accounting and auditing firms. If you have a BSc in Accounting, you can find work in finance, government, and even teaching. Accounting bachelor's degrees are offered in conjunction with business colleges at a number of universities and institutions around the country. Financial and cost accounting, auditing, and computer information systems are just a few of the topics addressed in these basic accounting courses (Gunarathne, Senaratne, & Senanayake, 2019). Public accounting, management, consultancy, and non-profit accounting are all viable job options for graduates with a bachelor's degree in the field of accounting. A bachelor's degree in accounting may be required to obtain a professional certification in accounting.

## **Bachelors in Accounting Careers**

Those who earn a bachelor's degree might choose from a wide range of career paths. They have many options, and the demand for their services is not going down. A bachelor's degree in accounting can serve as a springboard for a variety of accounting specialities, whether in the public, private, governmental, or non-profit sectors (Phan, Yapa, & Nguyen, 2020). Bachelor's degree holders can work as staff accountants, tax accountants, auditors, and a variety of other roles. Accounting ideas and business fundamentals must be thoroughly understood in order to succeed in these professions. Start by reading through some of the job descriptions.

### Tax Accountants

Tax accountants are in high demand because of the ever-changing tax laws and regulations. Due to new legislation and regulations, tax accountants are in great demand from both parties. Businesses must abide by the new laws, and the government must ensure that they are implemented (Gunaratne, Senaratne, & Senanayake, 2019). Consequently, three types of tax accountants exist. A private company's tax accountant handles all of the company's internal tax matters. Taxes on property, sales, and even personal income are examples of this. For the benefit of the general public, public accounting tax accountants are employed by CPAs and tax preparation companies like H&R Block (Phan, Yapa, & Nguyen, 2020). Fortune 500 corporations, small enterprises, and private people all rely on CPA firms to complete their tax returns for them.

### Auditors

Regulations and standards in financial markets are increasing the demand for well-trained auditors like never before (Berry, & Routon, 2020). Because the SEC is concerned about preventing accounting fraud and scandal, it requires that all publicly listed companies' financial statements be audited. Despite being a multi-billion dollar industry, audit and assurance shows no signs of slowing down. Accounting and bookkeeping abilities are common need for auditors, as are interpersonal skills. For those who want to work in auditing, they'll likely be working in a team with other auditors (Berry, & Routon, 2020). In the same way that tax accountants are vital, so are government auditors. There is always a need for new auditors to guarantee that businesses and individuals are reporting their income in the most accurate manner possible to the Internal Revenue Service (IRS).

A bachelor's degree is required to work in public accounting. No CPA firm will hire anyone unless they have a bachelor's degree in accounting since CPA firms are looking to hire CPAs or those aspiring to become CPAs (Das, & Singh, 2018). Because every state mandates passing the CPA exam, accounting firms have the right to request this level of expertise.

An accounting bachelor's degree can lead to employment in the commercial sector as well as the public sector. Professional accounting training may help a wide range of professionals, including internal accountants, cost accountants, and those in financial management (Das, & Singh, 2018). For many CFOs, their initial position is in accounting. A bachelor's degree is also required for most public and non-profit accounting professionals. Be aware that a bachelor's degree in accounting may also serve as an ideal training ground for people who aspire to start and run their own business one day.

### VIII. Conclusion

Accuracy in financial reporting and data compilation is a widely held concept, although this is not always the case. However, a professional accountant is not just concerned with these aspects of accounting. They also have a historical background. The future is always on the thoughts of successful firms. Accountants, according to many, have a vital role to play in ensuring that as many organisations as possible may prosper in the post-pandemic climate."

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