Problems and countermeasures of financial accounting transforming to management accounting

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Abstract. With the rapid development of the economy and the change of various information technology products, China's economy has entered a stage of transformation. In such an era of opportunities and challenges, traditional financial accounting can no longer meet the needs of modern enterprise survival and development, the fierce market competition and the needs of the company's own development are all driving the main functions of corporate financial reporting from recording the past to predicting the future. In order to further improve the efficiency of enterprise operations, promote the transformation of financial accounting to management accounting is imperative. Under the premise of expounding the theoretical basis of financial accounting and management accounting, this paper analyzes the problems in the transition and proposes the countermeasures at the same time. Promoting the transformation of financial accounting to management accounting, and give full play to the role of management accounting in improving value-added in business management.

Keywords: management accounting, financial accounting, corporation value.

1. Introduction
In recent years, with the development of social economy, the economic benefits of enterprises have been gradually improved. In this process, as a department at the core of the enterprise's work process, it has become an important direction for accounting to develop from financial accounting to management accounting due to the increasing internal business and increasing operating pressure.

The emergence of management accounting can be traced back to the early 20th century, and the development of foreign management accounting can be roughly divided into the era of management accounting that pursues efficiency; the era of reflection in management accounting and the transition period of change in management accounting. The development of domestic management accounting takes the implementation of reform and opening up as a watershed. Before the implementation of the reform and opening policy, China's management accounting was adapted to the planned economy system; after the implementation of the reform and opening policy, a responsibility accounting system with Chinese characteristics has been formed based on the internal economic responsibility system of enterprises.

Management accounting has gradually become an important support for modern business decisions. By promoting the use of management accounting to carry out internal capital management, cost accounting, profit analysis and other activities, it can help enterprises better adapt to the competition in
the market and enhance the overall value of enterprises. However, at present, China's management accounting has many problems in both theoretical construction and daily practice. While paying serious attention to the requirements of external investors, it has not given due attention to the needs of internal management decision-making. Therefore, the reform of China's enterprise accounting policy should follow the economic promotion and policy guidance, comprehensively promote the transformation from financial accounting to management accounting, and train management accounting talents more efficiently while building a theoretical system of management accounting knowledge with Chinese characteristics.

In this paper, on the basic theory of financial accounting and management accounting, analyzing the problems existing in the process of transforming into the management accounting, finally aimed at these problems urgently to be solved in corresponding measures are put forward.

2. connotation of accounting

2.1. Financial Accounting

2.1.1. Conception. Chinese accounting scholars' definitions of financial accounting can be divided into two camps, namely information system theory and management activity theory. This paper agree with professor Ge Jiapeng’s definition of financial accounting: financial accounting is a major branch of accounting, its essence is a system based on the enterprise, facing the market and providing the whole financial information to it.

2.1.2. Function. The main function of financial accounting is to provide financial reports to information users inside and outside. For internal managers, the information provided by financial reports can help them understand the utilization of funds and profitability of enterprises, and judge the effectiveness of previous management behaviors accordingly. At the same time, it is subject to the supervision of external stakeholders and tax authorities. For outside investors, the information provided by financial reports can help them better understand the operation of the whole enterprise. Through the financial information provided in the report, they can monitor the performance of management's fiduciary duties and evaluate the investment value of the enterprise as a reference to make decisions on adding or withdrawing investments.

2.2. Management Accounting

2.2.1. Conception. The definition of management accounting can be divided into three camps in China, namely "information system theory", "management activity theory" and "accounting control theory". Scholars who hold the view of "information system theory" believe that the essence of accounting is an information system. As a major branch of accounting, management accounting is also defined as a part of information system. Information system theory holds that management accounting is a process of providing information, which aims to improve the enterprise value and competitiveness by providing information support for the enterprise's operation and management activities.

Scholars who hold the theory of management activities believe that the essence of accounting is the conscious value management activities of human beings, and management accounting, as a part of accounting management activities, is therefore classified as the operation and management process of enterprises. This process includes providing information, feedback on results, overall monitoring, and ultimately making improvements. "Management activity theory" maintains that the concept of accounting includes internal and external parts, internal supervision and management, and external reporting, so the two functions of reflection and supervision should be closely combined.

Scholars who hold the view of "accounting cybernetics" believe that accounting is a control system through which enterprise managers record and transmit information, and at the same time carry out a series of control activities to make the information reflected meet the needs of users. Management
accounting is a part of this control system, which is responsible for measuring, controlling and evaluating the economic performance of enterprises.

However, through the study of management accounting, it is not difficult to find that management accounting itself has the function of improving management effectiveness and creating higher value while providing help to improve enterprise operation. So, this paper supports the view of "management activity theory", define management accounting as a kind of management activity that improve enterprise management level and improve enterprise economic benefits at the same time. Take better control of the business activities by providing managers at all levels with the information needed to make business decisions and collecting feedback.

2.2.2. Function

a) Forecast business prospects
Take the management policy and general goal that the enterprise formulates as the benchmark, in fully consider various aspects rules and conditions of the likely impact of the restriction of cases, choose the most scientific and reasonable model, estimate the enterprise future the trend of sales, cost, profit, business management to provide valuable information for the enterprise.

b) Participate in business decision-making
Decision-making is the core of enterprise management. Based on the information obtained from the forecast, it makes a reasonable and scientific judgment on the direction, objectives and principles and methods of enterprise operation, and selects the best item from them. What management accounting provides is to analyze the decision scheme made by the enterprise and help the managers to make the optimal choice.

c) Planning business objectives
Unlike a plan, a programme is a higher level of analysis and prediction based on the predicted data and other relevant information. Management accounting performs the planning function by preparing plans and budgets. The specific requirements are to decompose the identified business objectives into various budgets on the basis of the final decision scheme, so as to make reasonable and effective use of enterprise resources.

d) Control the business process
The meaning of control is that the management guides and intervenes the business activities of the enterprise and urges it to carry out according to the original plan so as to achieve the predetermined target. Control usually goes hand in hand with the plan, so the process of the enterprise executing the plan is also the process of control. This process requires enterprises to combine the planning beforehand with the control in the matter, to control the deviation in the implementation process and make timely adjustment under the premise of determining various indicators, so as to ensure the operation of business activities as planned.

e) Assessment and evaluation of business results
Appraisal and evaluation refer to the performance appraisal of the enterprise, that is, the comparison and analysis of the final actual business performance with the original budget, and the performance appraisal of the work of various departments of the enterprise. Management accounting realizes the function of assessment by establishing relevant responsibility accounting system. Make clear the responsibilities of each department and staff; assess them step by step, find out the existing deficiencies, and provide necessary data support for the future prediction and planning of improvement measures.

3. Problems in the transformation

3.1. The theoretical system of management accounting with Chinese characteristics is not perfect
Theory guides practice, if there is no more perfect management accounting theory system, then it is impossible to guide the application of enterprise management accounting. At present, the research of Chinese scholars on management accounting can be mainly divided into two directions: one is to pay attention to the experience and lessons of management accounting acquired in the practice of enterprises,
especially the application experience of management accounting in foreign-funded enterprises and private listed companies, so as to demonstrate the correctness of the theory by summarizing the practical experience; the second is based on the research results of foreign management accounting theory, through the introduction of foreign management accounting theory system to form their own system evaluation, and to guide the application of management accounting in domestic enterprises.

As a highly practical subject, management accounting should adapt its theory to the situation of China's economic development. Therefore, the theoretical system of management accounting with "Chinese characteristics" should always consider the basic premise of socialist market economy with Chinese characteristics. However, throughout the development of China's management accounting in recent decades, China's research on management accounting is mainly focused on the translation of western advanced literature and related studies to introduce the latest theory of management accounting into China for discussion. To a large extent, such research only refers to and carries the existing theoretical systems of other countries, but does not form a theoretical framework and practical tools of management accounting suitable for the actual daily operation of enterprises in China, namely, the theoretical system of Management accounting with Chinese characteristics.

The lack of perfect management accounting theory system will lead to the disconnection between management accounting theory and practice in China. The theory introduced at the macro level cannot be seamlessly connected with the actual situation of Chinese enterprises. In addition, the influence of various uncontrollable environmental factors will only make the application of management accounting in enterprises lack of operability, practicability and pertinence, which will ultimately backfire.

3.2. Shortage of management accounting personnel
Management accounting personnel should have sufficient knowledge reserve, master skilled business skills and have a long-term strategic vision, control the direction of business development of the enterprise, make the best decision to help realize the maximum value of the enterprise. However, the reality is that the work of financial personnel in most enterprises is still at the basic level of measurement and recording, unable to summarize and sort out the financial information in the daily business activities of enterprises with the method of management accounting.

In 2014, the Ministry of Finance clearly proposed that "the significant strengthening of management accounting talents" is one of the main goals of China's accounting future development. The importance of management accounting talents is self-evident, but the gap between ideal expectations and reality exposes the huge gap of management accounting talents in China.

The main reasons for the shortage of management accounting personnel in Chinese enterprises are as follows:

3.2.1. Lack of management accounting authority and certification. There is no doubt that if an industry has a standardized organization, the industry group will have higher efficiency and execution, and promote the development of the whole industry. Similarly, if an industry has a recognized qualification system, the professionalism and recognition of the whole industry will be improved.

The United States, a country with an early start in management accounting, has developed a relatively complete system of management accounting, including IMA and CMA.

In contrast, in China, although the state and enterprises have paid more attention to management accounting in recent years, it is still an indisputable fact that China's management accounting lacks a systematic and standardized organization and certification standard. In 2009, the Training Center of The State Administration of Foreign Experts Affairs signed a cooperative project agreement with the American Institute of Management Accountants to promote the certified Management Accountant examination (CMA) in China. By 2018, the number of CMA members in China has exceeded 30,000, while the number of certificate holders has just exceeded 10,000. Meanwhile, there is a gap of more than 3 million management accounting talents in China. The huge gap between the supply and demand just reflects the drawback that China lacks a standardized management accounting organization: it does
not have enough appeal to promote the popularization of management accounting professional examination nationwide to improve the current situation of management accounting talents.

3.2.2. Lack of systematic training of management accounting talents. A mature management accounting talent needs a set of systematic training system. In this system, colleges and universities should play the role of education and training, and provide comprehensive guidance for management accountants to study management accounting theory, so that management accountants have sufficient theoretical knowledge reserve; Enterprises and institutions should provide a practical platform for management accounting personnel to test the feasibility of theory with practice, and then make improvements to the theory to better guide practice; The follow-up education of financial personnel should update their knowledge reserve and professional skills regularly, so as to help them master the latest technology and better serve the enterprise.

However, the teaching of accounting in Chinese colleges and universities is still mainly financial accounting related courses. The proportion of management accounting courses is still not high, and the teaching of management accounting fails to make students truly realize the importance of management accounting. Enterprises fail to provide financial personnel with a practice platform for management accounting. According to relevant surveys, only 9% of enterprises in China have set up a special training plan for management accounting talents, while 48% of the remaining 91% just include the training plan for management accounting talents in the training plan for financial accounting talents, and 43% of enterprises have not set up the corresponding training plan for management accounting talents. The follow-up education of financial personnel mostly stays in the level of updating and understanding of accounting standards, and does not publicize and train the new technology of management accounting. These data intuitively show the current situation of management accounting personnel training in China: lack of guidance and insufficient attention.

3.3. Enterprise managers do not pay enough attention to management accounting

The attention paid by the managers of an enterprise to management accounting will greatly affect the construction and promotion of the enterprise management accounting. If an enterprise's management accounting does not get due attention, it will lack the corresponding and recognized normative organization, and the related work will not be able to carry out effectively. However, the reality is that most Chinese enterprises pay less attention to management accounting than foreign enterprises, which is mainly reflected in the following aspects:

3.3.1. The proportion of specially established management accounting departments is low. Most people agree that the application of management accounting can help enterprises effectively improve operating results. Setting up a special management accounting department in an enterprise can gather management accounting talents together and enhance the independence and professionalism of the work. However, according to relevant surveys, only 26.49% of Chinese enterprises have set up management accounting departments, and the proportion of enterprises without such departments is as high as 73.51%. Although the proportion of some foreign companies to set up management accounting departments is relatively high, it is undeniable that most enterprises do not have a specific department of management accounting just because the managers do not pay enough attention to management accounting. The work of management accounting is still mainly undertaken by the traditional financial department, and the utility is greatly reduced.

3.3.2. There is no clear definition of responsibilities for management accounting positions. Good job responsibilities can maximize the scientific allocation of labor and employment in the enterprise, stimulate the enthusiasm of employees, improve the internal competitiveness of the enterprise so as to better find professionals, optimize the allocation of positions, so that the enterprise is in a virtuous cycle.

However, the relevant survey shows that only 30.46% of enterprises have clearly defined the competence of management accounting personnel, and most enterprises have not clearly described the
post responsibilities of management accounting due to the negligence or insufficient attention of managers. This allows the management accounting work have great randomness. In the actual work, it is easy to appear the problem of non-standard operation behavior, which makes the implementation of management accounting unable to achieve the expected effect of implementation.

3.4. The management information system needs to be improved
With the rapid development of information technology, enterprises will be faced with a large amount of complex data every day. More and more enterprises have chosen to obtain more valuable information through the processing ability of data information with the help of big data. Establishing and improving the information system of management accounting and making good use of the results of big data analysis can improve the scientific nature of decision-making and promote the transformation from financial accounting to management accounting. However, most enterprises will face the problems of insufficient information storage space and information security when they improve their information systems.

Insufficient information storage space will make the adequacy, comprehensiveness and sustainability of information storage cannot be guaranteed, and the feasibility of decisions made accordingly will also be affected to a certain extent. A large enterprise needs a database that has both storage capacity and the ability to process information, but many databases still do not meet this need yet. The core information of an enterprise is the embodiment of its competitiveness. However, in the Internet era, mobile payment, online consumption and other behaviors may cause information leakage, and the developed media system will accelerate the dissemination of information leakage. Therefore, the protection of information security is a major problem that information system needs to solve.

4. Measures to promote the transformation
4.1. Establish a management accounting system with Chinese characteristics
Due to China's political system, economic background, cultural environment and external objective environment have significant differences from western countries, in the process of sinicization of "management accounting", managers should pay more attention to combine the realistic situation in China. Scholars should strengthen the in-depth discussion and research of typical cases while strengthening the research of basic theories. For example, we can set out from the two directions of state-owned enterprises and private enterprises, and formulate guiding theories suitable for them by analyzing the different status of these two kinds of enterprises in our country, the different degree of government restriction and the different sensitivity to market economy, so as to enhance the feasibility of management accounting in the actual operation of different types of enterprises in our country.

At the same time, China's management accounting theory should be consistent with the level of economic development in China. While formulating theories and guiding practice, theories should be adjusted according to the government's policy orientation and the change of market economy level so as to guide practice better.

4.2. Strengthen the application of management accounting theory in practice
Management accounting aims at integrating enterprise information, driving economic value and improving the economic benefits of enterprises, so it must realize its value through the practical application. The management accountant of the enterprise should design and evaluate the operation process of the enterprise, implement and monitor the internal control of the enterprise, reflect, report and forecast the operating results of the enterprise, and provide the relevant decision-making basis for the enterprise managers. Strengthen practice, and timely sum up the application experience, improve the adaptability and adaptability of enterprises, promote the application of management accounting.

In particular, the application scope and implementation of management accounting theory should be strengthened. The government should strengthen the publicity of management accounting, and promulgate relevant rules and policies to promote the application and implementation of management accounting.
accounting in various enterprises. At the same time, the management accounting tools and implementation methods are classified. Different enterprises have different operational emphases, so the corresponding management accounting methods should also be distinguished, so that enterprises can choose the best scheme and implement the management accounting theory more efficiently.

4.3. *Accelerate the training of management accounting personnel*

4.3.1. *Give full play to the role of colleges and universities in cultivating management accounting talents.* China's institutions of higher learning should draw up a complete set of management accounting curriculum system based on China's characteristic management accounting system and speed up the construction of professional teachers. Help students better understand the concepts of management accounting, emphasize the importance of management accounting in modern enterprise management, and cultivate students' thinking mode of management accounting.

When strengthen the theory teaching of management accounting, colleges and universities should also pay attention to the cultivation of students' practical application ability of management accounting. Colleges and universities can establish practical training bases for management accounting talents together with enterprises, so that students can regularly participate in the actual situation of the daily operation of enterprises, test the mastery of theoretical knowledge and exercise students' flexible application of management accounting, and constantly optimize the training mode of management accounting talents.

4.3.2. *Accelerate the construction of management accounting assessment and certification system.* Although the way of examination has been criticized in the process of cultivating talents, it is undeniable that the establishment of a professional assessment system can provide a benchmark for the industry and enable more people to have a goal and conduct professional learning efficiently. In recent years, the popularity of CPA has greatly promoted the development of China's accounting industry. Therefore, in order to speed up the cultivation of management accounting talents in China, relevant departments can accelerate the construction of management accounting assessment system in line with the actual situation of China and promote CMA at the same time.

4.4. *Enhance decision maker's management accounting concept*

The degree to which the decision makers attach importance to management accounting will affect whether the role of management accounting can be played and to what extent. Only when decision makers actively realize the role of management accounting in the future development of enterprises can the application of management accounting in enterprises have the opportunity to be promoted.

Therefore, we should strengthen the publicity of management accounting. By showing decision-makers the benefits that the application of management accounting can bring to enterprises, they are encouraged to deeply understand the role of management accounting in promoting the long-term profit and development of enterprises, take the initiative to learn relevant knowledge of management accounting, and enhance the awareness of making decisions through management accounting.

4.5. *Improve the management accounting information system*

Today's society is a rapidly developing information society, all kinds of information is huge and miscellaneous. Enterprises need to select valuable data from a large amount of information timely and effectively, analyze and make decisions in order to ensure their survival in the fierce competition environment. Therefore, it is necessary to invest and develop management accounting information system. Therefore, enterprises should increase investment in management accounting information system software development, make scientific overall design in accordance with the specific situation of enterprises.

In order to meet the needs of enterprises for information storage space, the introduction of cloud platform will greatly improve the efficiency of information analysis and processing, and play an
auxiliary role in the work of management accounting. Enterprises should also pay attention to regular training, improve the management accounting personnel's big data knowledge reserve and information system operation ability. With the help of the scientific system, manager could seize the beneficial investment opportunities timely for enterprises, effectively avoid certain risks. But in the establishment of information system, we should also attach great importance to the security of information, do a good job in protecting the information, standardize the authority of the operator to prevent data from arbitrary tampering, theft or destruction.

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