

## Management accounting firms Stock Exchange

Hedayat, Heydari, Ali Amiri\*

*Department of Accounting , Yasouj Branch, Islamic azad University, Yasouj, Iran  
Department of Accounting , Yasouj Branch, Islamic azad University, Yasouj, Iran*

---

### Abstract

Management accounting, financial and operational information is a measurement system for gathering incentive management activities and behaviors and cultural values that guide the organization is required to achieve strategic objectives, Creation and support. In this paper, attention to management accounting in enterprises Stock Exchange, to evaluate the management accounting, management accounting, and finally to representation theory on the stock exchange will be discussed.

**Keywords:** Management accounting, firms Stock Exchange

---

### Introduction

management accounting is about how managers use accounting information and non-commercial entities And other financial information discussed screw. Management Accounting primarily to meet the needs of internal management, TPU, And so far many common ties that when supply accounting information to people And institutions outside of the companies is cumbersome, free. The management accounting does not include the country's laws and regulations, and government agencies. Management accounting information and how to use it by different organizations varied, but in general, the type and quality of information depending on the needs and preferences director of the organization that will use this information differently.

If you were in management accounting management service, it is important to consider management objectives will be complete. Management is looking for? Management apparently trying to increase turnover Or profit to the maximum possible transparency. But this may not be true. Many agencies do not even glance at the earnings and profitability, let alone seek to maximize profits were possible. For example, a government agency may only sought-launch of the services needed by the public. Therefore, the success of an organization to consider how to achieve the objectives that will be measured based on them is made up And not with a view to improving economic conditions. "Developments in technology, manufacturing diversity, complexity of products, short product life cycles with the increasing demand to

improve the quality of products, Management methods, have made it competitive. In such an environment you plan to Ykmr decision-making process, the decision to a very short period and sometimes has become an instant "(Jymzjym Wing, 2004).

Therefore, in the manufacturing process, information systems management should put feet from the perspective of trading beyond, to find out Profit or not and whether management decisions involving only one dimension of this issue. The changing global conditions and the need for extensive involvement of Iran and raised in competitive markets inside and outside of Iran's membership in the WTO and economic conditions in Iran The transition from a closed economy, endemic and producer-driven open economy, competitive and moving towards the privatization of knowledge and the use of this tool.

### **Management accounting**

Management accounting, financial and operational information is a measurement system for collection management activities and guide the behavior incentive And cultural values that are necessary to achieve the strategic goals of the organization, creation and support.

Zimmerman and Morse believe that the design management accounting and use of accounting information systems, and is composed of a series of fixed rules, Accounting methods chosen to manage such an organization on course to achieve its objectives through better decision management and members of their organization Since organizations have a variety of purposes, but are composed of different members, there are global rules on management accounting and management accounting should therefore For any organization to adapt itself to suit the conditions. If organizations were static units where management accounting practices designed to meet the specific needs of each organization, that organization may be Once people join organizations but leave the organization to change, even a change in their organizations Changes, because changes in the organization and preferences of its people earn a living. In addition, organizations must adapt themselves to their environment. Today, the two main factors that affect organizations Changes in technology and global competition And organizations that are able to adapt themselves to these two factors will not be able to survive in the long run.

### **The nature of management accounting**

To consolidate the activities in strategic management accounting role should be about three sides The strategic triangle (Survival): the quality, cost and time to provide. This information includes:

- Data collection managers with the strategic objectives of the organization's daily activities.
- Increase the ability of managers to influence all economic activities undertaken in order to achieve the organization's strategic principles, or other words to increase the effectiveness of Managers of related operations with customers, suppliers and dealers in the strategies of the organization.
- providing a broad perspective of the strategies and activities of the organization

Management accounting helps managers to discuss strategic triangle vertices and disseminate needed information (Ansariyan, 2003).

### **A review of the evolution of management accounting**

Management accounting organizations to keep pace with the changing nature of work has changed. In the past, when most organizations were small And as a family-owned and therefore less important in this environment, management accounting and management accounting became more important with the growth of the organization.

The evolution of management accounting knowledge can be categorized in two time periods:

Management and cost accounting techniques before 1950

Management and cost accounting techniques after 1950

### **Websites management accounting techniques finished before 1950**

Between 1885 and 1920 the way many scientists advancing the management accounting and provide new techniques and efforts were sustained. There were dramatic improvements, especially by the following persons:

Henry (1885) - about the real costs of ordering, collecting and allocating factory overhead costs.

Norton (1889) - about the cost, especially the cost-factor systems.

Hamilton (1900) - on the issue of allocation of factory overhead costs, the cost information for management decision-making and the introduction of standard primary.

Taylor (1903) - the emergence of scientific management, the use of standard costing systems and the use of standard rates of production.

Harrison (1920) - In the case that costs and standard deviation analysis.

According to employees and customers as sources of long-term profitability, prior to the 1950s. Application and more attention to budgeting, analysis of deviations and analyzes Srbsr, does that era. Between 1975-1925, management accounting was strongly influenced by external considerations. Income tax and financial accounting requirements were the main factors that affect management accounting treaty. But real progress between the years 1929-1920 AD management accounting (before the First World War) took place, because in this period not only as an important tool for collecting cost accountingMents used to determine the cost of production, but also management techniques and new methods to improve decision-making with regard to cost accounting information is developed (namazi,1999).

### **Cost accounting techniques and management after 1950**

Since 1975, two major environmental forces and this has caused has led to organizational changes Their managers to ask whether the traditional management accounting procedures (before 1975) are still relevant The environmental forces include factory automation and information technology and global competition. For compliance with these environmental factors organizations need to re-examine their own organizational structure. The most important factor in this period was the development of management accounting, The advent of computers in the 1950s that was fast processing and extraction of various financial reports.

Since the 1950s, more than 30 management and cost accounting techniques has been created, most of which related to the last two decades of the twentieth century. These innovations are as follows:

Innovations 1950: discounted cash flow, total quality management, Kyvsam charts and optimal transfer price

Innovations 1960: opportunity cost budgeting, zero based budgeting and management by objectives

Innovations 1970: JIT, experience curve, portfolio management, raw material requirements planning, representation theory and strategic business units

Innovations 1980: target costing, value added management, theory of constraints and activity based costing

Innovations 1990: Time-based competition, BSC, Economic value added, reengineering and outsourcing

In fact, during the 1980s and 1990s, major changes in the general theoretical innovations and accounting procedures management has emerged (rahnamiye roud poshti and Galilee,2007).

### **Theoretical explanation**

The key concept in management accounting change is critical. Changing a learning methodology that helps us better understand the internal processes of environmental factors in helping organizations stems. Environmental factors include: technology, competition, the effects of globalization, economic uncertainties, the effects of social and cultural, and political attitudes It also studies the effects and results of management accounting. Internal processes, including operators related to research and development, accounting, finance, marketing, production and so on. It is believed that Flvanfalat changes due to environmental factors and internal processes. By focusing on these changes, we can better understand how the Flvanfalat, what factors have a greater impact on Flvanfalat? Why change something My-Aftd

fast or slow? How to respond to changing organizational elements show that? And how changes in society and the economy affect social welfare? Have. Management accounting change mechanically to mechanical drag from a variety of perspectives Rvyh-Hay governing the management accounting has been described. In short, management accounting change mechanically to mechanical boy could be drawn as follows (Hall, 1988):

| Mechanical approaches            | Post-mechanical approaches    |
|----------------------------------|-------------------------------|
| Automation technology            | Digital technology            |
| Management tends to produce      | Trends in customer management |
| Traditional Management Accountin | The new management accounting |

Mechanical approach in the form of management accounting to facilitate investment decisions are rarely done since the company came into existence, Qablantafr budgeting techniques and dynamic investment was required. Methods such as net present value, internal rate of return and payback period for the financial evaluation of their adequacy.

Standard production process and mechanical, standard and budget control systems tailored to the process used My-Grftnd. So simple management accounting procedures and was institutionalized in organizations. Ultimately, responsibility accounting and performance evaluation methodology to be applied between the companies.

Since late 1980, mechanistic approach to the management accounting approach relocated mechanical post-production systems were changed to digital technology. Flexible production environments, a variety of product designs and functions that can be responsive to various customer needs. Based management of customer-based management was changed. With relation to digital-based technology and customer management, new ways to bring in companies facing the company with competitive advantages.

### **Views of management accounting change**

Views of management accounting change logical point of view, the perspective of interpretive and critical perspective.

#### **Logical view**

Logical point of view represents the mainstream of management accounting. The content of these approaches is based on neoclassical economics and organizational theory. Neoclassical economics framework for management accounting as a set of computational procedures to make decisions to maximize the benefits, in particular. The organizational theory to understand the connection. Between management accounting systems and organizational requirements are (Pakistan, 1993).

Logical theories of management accounting by neoclassical economics and organization theory grew is divided into three sections: transaction costs theory, representation theory and contingency theory.

#### **Theory of transaction costs, management accounting**

Transaction costs in 1930 by Ronald Gauss theory to justify and explain Why do some of the activities, products or services done in-house and dumped into some other foreign sources. Was introduced after almost 40 years And in the 70s, this theory by a group of researchers received more attention and developed and expanded. According to this theory, costs of production and turnover costs companies can be classified in two general groups.

Production costs, directly related to the productive activities, such as production costs, logistics and product development. On the other hand transaction costs, to Hzyh-Hayy They are referred to planning and organizing activities linked to organized according to the structure of firms and so will vary. In other words, if the transaction costs budget allocation will change if production costs are only related to

technology And in various economic systems will remain the same and unchanged. According to some studies, at least 45% of the GDP in developed countries due to transactions costs of flora.

According to "Gauss" specified transaction costs on the market and which spoiled what actions done within the organization. In the first case and the second case Price bureaucracy and communication within the organization operated as a controlling mechanisms. Accordingly, any Hzynh→Ay Mbadlh→Ay is a market transaction costs, whether external or internal bureaucratic transaction costs. According to researches conducted the costs of market transactions are as follows:

- determining the cost of goods and services
- The cost of negotiating and preparing contracts
- the costs of deviation from the commitment in Contract

#### **The transaction costs include internal or bureaucratic**

- administrative costs related to the plan to produce the desired product or service received from sources within the organization
- The cost of a misallocation of resources
- Cost reduction in staff motivation

Internal transaction costs in every industry and market determinants for activities inside and outside the company.

#### **Agency theory, management accounting**

This factor is derived from neoclassical economics. The purpose of the formation of the relationship between the agent (owners and managers) and agents (managers and other subsidiaries) is. The brokers act in accordance with their own interests means that they are thinking maximize their own wealth. (Balmyn, 1982, 1990, Aspasyr and Balyr 1983). The role of management accounting in the logic of performance evaluation models, management control, decision making and so on. Researchers believe that these models in organizations that relations between the agent rather than lie there. In other words, management accounting provides solutions to various issues between the agent (Wilson Vchva, 1993). When operating, management accounting techniques as a solution to the problem of representation can identify new techniques for this use.

#### **Contingency Theory**

Contingency approach is sometimes also called postural approach focused on avoiding extreme fundamentalism, In fact, based on the need for appropriate management stems from the fact that the performance of the Director at any time, must be evaluated according to the position and set conditions for his activity The attempt to management responses and issues unique to the different situations, be consistent.

This form of theory, systems theory, organizational theory and behavior. Researchers at these schools tend to understand the relationship between environmental variables and organizational variables. Environmental variables, including technology, are ambiguity and complexity and organizational variables, including structure, ownership, size, complexity and lack of concentration are used. Management accounting studies in this field focused on the relationship between environmental variables and accounting (such as a variety of budgeting, performance appraisal systems management controls) The time between the organization plans and the accounting variables. The purpose of these studies, making generalization of these relations in management accounting and administration How can the best use of the different situations (Otley, 1994).

### **View comment**

Based on the theory of interpretation, human action is caused by external agents. This was intentional actions and reactions show that the external factors and finally within the structure of the My-Gyrnd regulations that limit the researcher. Researcher tries to understand the situation or conditions governing the environment. Do so requires TPU Instead away from the action raised the percentage of participation and the active role played in this scene behalf. Because if "action" out of context or their content will be vaguely interpreted to provide insights, Such a view makes the emphasis on the issue of understanding the process worked (Smith, 2003) Based on management accounting Rvyh-Hay, not artificial. Key Account Management methodology based on this view, believing that the output Rvyh-Hay management accounting, organizational factors are critical, that is. For example, Barry et al. (1985) Showed that how culture is produced, leading to wage controls. Chua (1986) research, interpretive approach, comparing with the traditional approach the process. His study Badydgah Bvdjh-Ryzy he's not a real symbolic interpretation, ambiguous and not precise, but not limited to the value of value-freedom View interpretive tool for management accounting practices are described. Unlike logical theories, interpretive researchers believe that the reason for managers and employees is the subject of organizational Batfsyrhay . Thus, the interpretive wisdom of a project rather than a universal truth which can be seen in every organization.

### **Critical perspective**

Thereby expanding interpretation based on a critical perspective view of the emphasis on "intellectual property" and practical aspects of political, economic and social knowledge. This view is logical point of view in response to the issues and solve the problems of interpretive perspectives were created. The theme of this view to examine the interplay between organization And socio-political and historical context with respect to other social sciences such as sociology, history, political science, anthropology and so on.

- This approach is an organizational perspective. Therefore, management accounting something other than socio-economic levels and social backgrounds.
- tendency technique. The management accounting merely sought to evaluate the efficiency of the production process rather than an overall assessment is technical.
- Date is. Reasoned opinion in tending to ignore the historical evolution of management accounting techniques.
- political views. Although political issues such as the question of power (and benefits) are usually in management accounting Rvyh-Hay in throughput. Researchers rational approach is to avoid them.
- A view of the arguments. Mqvl- behavior management accounting calculations based on logical, rational decision making is logical controls.
- reducing oriented. Management accounting is divided into two components. One accounting management which focuses on the study of economic phenomena And the second is management accounting social effects that can reduce the effects of individual actions (Jrmyr, 1998, 235).

### **The performance audit**

In competitive environments Directors are required to use the process of evaluating the performance of the proper conduct of the work in progress And the goals and strategies of the organization were informed manner. Due to rapid changes and increasing competitive capabilities Organizations in today's world of utility performance work organization and the sum of its individual components can be And all of them can be used as a measure of success of an organization is very important for managers and They can be evaluated by measuring the current state of the organization's strategic plans And to evaluate the performance of the service and parts business Take action to improve their effectiveness and efficiency. Open competition has led to top management in many new organizations in obtaining suitable location And keep the focus on the market or bad. Organizational managers have found many systems that are

expected to Be useful for developing operations in the opposite direction moves the organization's objectives and would be backward (Heydariyan,2011).

Performance audit is a useful tool for improving the system and guide the organization towards its goals. In our country a large part of the government's economic resources and the quality of its management has a major impact on the fate of the nation. Public sector managers must be accountable to the people and their representatives and the means to provide accountability based on credible information. Require that the nature of the public sector in this section, In addition to examining the performance audit of the financial statements and the audited financial statements within the framework of the principles and criteria may be required. The auditors also need to use the services of specialists in various fields to assess the quality of their management decisions And conclusions and proposals for further reforms to improve their management. Given the importance of improvements in the management promotion organizations, especially in the public sector is necessary The managers pay more attention to implementing comprehensive management control And the continuous assessment of efficiency, economy and effectiveness are reviewed. In this regard, similar management audit financial auditors would be able to improve and strengthen these systems Important and valuable role to play. As a result, the public sector occurs when the ideal Hsabhkhahy A well-planned and function of organs according to maturity should articulate clearly the goals and expected results, The performance audit of compliance stating the obvious cost savings, efficiency and effectiveness in the performance of all large and small Azmanhay (Heydariyan,2011).

## **References**

- Ansariyan, M. (2003), strategy, management accounting, audit Journal, Issue 20.
- Chongruksut, Wipa, (2009) "Organizational Culture and the Use of Management Accounting Innovations in Thailand", Ramkhamhaeng University International Journal, vol. 3(1).
- Fazel Yazdi, (2011), Effect of Concurrent evaluation of management accounting operating instruments on the performance of manufacturing firms listed The Tehran Stock Exchange, Islamic Azad University, Yazd, Integrated Humanities, School of Accounting, Master's thesis.
- Hall, A(1988)towards a critical understanding of accounting: the case of cost accounting in the UK 1914-1925 accounting, organizations and society,11(2),137-169
- Heydariyan, D. (2011) and operational performance auditing and its role in economic development, printing, publishing side.
- James Jiambalvo. (2004). "Management Accounting". John Wiley & Sons,INC.
- Jermier J.and chua.w.f. (1998) alternative management accounting research- whence and whither.accounting, organizations and society, 28(2/3), 97-1
- namazi, Mohammad. (1999), Management Accounting Quarterly Survey of accounting and auditing, No. 29.
- Otly, D. and Alawattage, C, (1994) management accounting change: approaches and perspectives, Routledge press
- puxty R. (1993) accounting systems in organizational contexts: a case for critical theory. accounting, organizations and society, 12(5), 479-502
- rahnama roud poshti, F and Jalili, Mohammad. (2002), target costing (based on value), printing, publishing cashmere Tehran.
- Rider, Harry R. (2001). Comprehensive guide operational audits. Translations of Muhammad mahimani and Mohammad Abdullah Pur, Tehran: Corporate Audit.
- Smith, M.A (2003) the political economy of international transfer pricing, 1945-1994: state, capital and the decomposition of class, critical perspective of accounting, 9(4), 391- 432