

Accounting essay questions two articles essay examples

[Business](#), [Management](#)



Accounting Essay Questions (Two Articles)

Analysis of the Article 1. Sustainability accounting and reporting: fad or trend? by R. L. Burritt and S. Schaltegger.

Describe the core argument of the article.

The core argument of the article Sustainability accounting and Reporting: fad or trend by Burritt and Schaltegger is whether management decision making or the critical approach is better for the development of sustainability accounting. The authors tried to convince the reader that both approaches contributed to the development of sustainability accounting. However, the authors also stated that the improvement of management decision making should be prioritized. Burritt and Schaltegger described two paths to the presentation of sustainability accounting: critical path (sees sustainability accounting as the source of problems leading to unsustainable development) and managerial path (sees sustainability accounting as the provider of solutions to problems). The conclusion was that both paths contributed into the development of sustainability accounting but in a different way: critical path raised issues for managers aiming at increase of awareness of the problems; managerial path offered tools for decision making dealing with scorecard foundations that supported decision making process.

Explain how this article contributes to the academic literature.

The article can be of great interest for both accounting theorists and practitioners because it offers a solution to a contemporary problem of ethical crisis in business through the development of sustainability

accounting (Adams, 2002). The authors of the article gave clear description of sustainable accounting from the perspectives of two approaches (outside-in and inside-out approaches). Also, they represented an approach which combined those two, twin-track approach. The third twin-track approach attributed to ecological issues and eco-control being one of the most crucial issues of today. Another significant finding is that the authors outlined the role of both critical and managerial paths in the development of sustainable accounting.

The article fills the gap in the contemporary literature related conventional accounting which neglected the issues of corporate sustainability. Distorted information was frequently used for decision making in conventional accounting. Besides, ecological issues were not taken into account in a decision making process (Adams and Whelan, 2009).

Explain how this article reflects either conventional or contemporary techniques of performance measurement.

The main difference between conventional and contemporary approach to accounting management is that accounting measures is gradually switching from merely economic measures to the measures that reflect stakeholder interests, customer satisfaction, efficient use of sources and ecological issues (Henri and Journeault, 2010). The article represented contemporary technique of performance measurement describing three approaches to sustainability accounting while dealing with ecological issues. The cases of Cormack Manufacturing Pty Ltd or GH Michell & Sons Pty Ltd are good

examples of how environmental issues can be resolved with the help of sustainable accounting. Cormack restructured its management accounts, created special accounts for products, energy and waste accounting in order to control the outlay of resources. GH Michell & Sons recalculated the yield qualities of wool entering carbonizing process to control the actual use of resources thus switching from conventional accounting to more advanced accounting techniques (Langfield-Smith, Thorne and Hilton, 2011).

Explain how this article supports or contradicts the information provided in your textbook.

The ideas outlined in the textbook were imparted to the ones in the article. For example, twin-track approach as a balanced combination of outside-in and inside-out approaches is designed to monitor accounting compliance with environmental policies.

The article and the textbook are in line with each other when it comes to the contemporary accounting techniques. Langfield-Smith et al. (2011) view management accounting in relation to efficient use of resources in perspective. Burritt and Schaltegger (2010) also concern sustainable accounting, but it is more oriented towards the paths of viewing sustainable accounting. However, the main issue is that the authors of both the textbook and the article share the view that accounting management should be reoriented in accordance with environmental accounting since ecological issues are widely discussed in different circles nowadays. The textbook cannot be considered outdated because it represents several ideas regarding

social responsibility, capital expenditure and target-based costing that reflect contemporary state of business in Australia, New Zealand and Asia-Pacific region in the framework of environmental issues (Langfield-Smith, et. al 2011). The same problems were raised by the Burritt in his article. In addition, practical implementation of sustainable accounting was provided in the article.

Discuss the behavioural implications that arise from the article, if any.

Under behavioral implication of management accounting an adaptation to the new accounting techniques is meant (Abrahamson, 1991). The behavioral implications that arise from the article of Burritt and Schaltegger are as follows: the ability to practice new accounting techniques, time required to implement new practices and the availability of educational materials. With relation to this aspect, Burritt and Schaltegger (2010) offered a detailed description of three approaches to sustainability accounting where they represented an analysis of the literature on the subject. For example, they stated that “ the outward-in approach, in a pluralist inspired attempt to resolve the completeness and credibility issues related to sustainability disclosure by corporations” (Burritt and Schaltegger, p. 838). In this way the authors represented the evidence that outward-in approach can help improve sustainability disclosure of corporations. They also offered several implications of twin-track approach, such as specific performance indicators (energy inputs or outputs of waste), monitoring compliance with the norms, fixing environmental budget or linking environmental goals to rewards (Burritt and Schaltegger, 2010).

Discuss the ethical implications that arise from the article, if any.

There were several ethical issues discussed in the article in the scope of sustainable accounting which were omitted by conventional accounting. The authors of the article tried to convince the reader that “ managers and companies feel the need to deal with sustainability accounting processes and the resulting sustainability reporting because of diverse pressures” (Burritt and Schaltegger, p. 831). Thus, the outside-in approach includes ethical initiatives, such as publicly-discussed issues and corporate contribution to their solution or dialogs with stakeholders described in the article.

Baker (2010) also emphasized the necessity of accounting transparency offered by sustainability accounting and reporting. Contemporary business environment requires paying particular attention to stakeholders’ interests and ecological issues because business cannot be self-referential and concealed from stakeholders’ view anymore. Contemporary business circles experience various internal and external pressures which force them to find ways to provision of sustainable accounting and consideration of third parties’ interests (Burritt and Schaltegger, 2010).

List two questions that you would ask the author(s), or two questions that could be used to stimulate discussion.

Are there any specific cases illustrating implementation of sustainability accounting in the country? What are the perspectives of further development of sustainability accounting in the country?

Analysis of the Article 2. Hitting and missing targets by ambulance services for emergency calls: effects of different systems of performance measurement within the UK

Describe the core argument of the article.

The article analyzed relates the issue of an adequate system of performance measurement in the UK countries' healthcare services. The author made a research of several UK healthcare trusts dealing with emergency calls of class A and made conclusions on the basement of the data received arguing that to be effective the systems of hospital performance should be developed effectively to reward good performers and to damage the reputation of poor ones. Also, the author investigated certain population of the life threatening calls which supposedly ought to be responded within eight minutes in 75% of cases. Accordingly to the Department of Health (2005), he described the reason of poor performance of six out of thirty healthcare institutions which was negligence connected with inaccurate data recording dealt with serious life threatening emergency calls for various reasons (Carvel, 2006). Bevan (2009) also stated that the systems of hospital performance must not allow data manipulation and should aim at the improvement of the service delivery.

Explain how this article contributes to the academic literature.

The main contribution of this article is that it represents a practical perspective with regard to performance measurement and its improvement supposed to resolve several critical issues related analysis, design, performance indicators and reporting in the sphere of UK public services

(Mannion and Goddard, 2002). There is very little literature on the subject. The author outlined seven characteristics of the effective system of performance measurement which were as follows: its benefits must outweigh its burden, implementation of dissemination strategies regarding public release of data, input from individuals and institutions that were monitored, implementation of various educational programs related data interpretation, consideration of variations and uncertainty, provision of the clear objectives, control over strictly followed methodology, accessible definition of performance indicators and a detailed protocol. The article offers clear understanding of how the system must be designed (Bevan, 2009).

Explain how this article reflects either conventional or contemporary techniques of performance measurement.

There is certain dissonance between the approach used by the UK healthcare trusts described in the article and the techniques represented in the textbook. The techniques used by the management of healthcare institutions do not match the techniques described in similar cases described in the textbook. The approach followed by the healthcare institutions does not take into account the interests and needs of their customers also representing serious ethical issues while the approach demonstrated in some textbook cases represented contemporary management accounting aimed at creation of shareholders value. In accordance with Bevan (2009) Nightingale's hospital encountered the problem of poor data quality and with performance measurement when reported mortality rates. Similar problem with data quality encountered the Queen's Hospital Birmingham and the Royal Free

Hospital. Both of them succeeded in implementing advanced policy with regard to accounting management (Langfield-Smith, Thorne and Hilton, 2011).

Explain how this article supports or contradicts the information provided in your textbook.

The author of the article does not disagree with the views represented in the textbook. On the contrary, he offers several measures of improvement customer satisfaction also represented in the textbook. The issues of effective use of resources are highlighted both in the textbook and in the article. Besides, both the article and the textbook raised the issues of making effective decisions regarding corporate social responsibility and supply chain management. Bevan (2006) contributed into supply chain management development in the healthcare when analyzed and discussed the process of receiving, responding and managing emergency calls. The author also contributed to the research by giving a description of effective system of performance management offering characteristics it should obtain to satisfy customer needs. He stated it must satisfy four characteristics as follows: should be easily understood, published and widely disseminated, organized as a ranking system, followed up the reports to control performance (Hibbard, 2008). Both the textbook and the article give the evidence of accounting system improvement and cannot be considered outdated.

Discuss the behavioral implications that arise from the article, if any.

Behavioral implications that arise from this article are tied to the actions needed to improve the situation in the field studied. There are several behavioral implications that arise from the article. The main behavioral implication in the context of this article is that it is necessary to develop an effective system of performance measurement which would be difficult to manipulate by manually changing data. The system must aim at the quality of service delivered rather than data manipulation. Bevan (2009) discussed the possibility of responding at least 75% of emergency calls within eight minutes and raised the concern of why this goal was postponed for some of the UK countries (Northern Ireland, Scotland) while others started to move in this direction earlier (England, Wales) (Auditor General for Wales, 2006). The author emphasized the necessity of paying attention to this issue regardless of the territorial division inside the UK. Bevan (2006) states that implementation of the effective system of healthcare trust and institutions will be a good impetus for the improvement in this sphere of public service while being somewhat rigid. He argued that healthcare is the service where such a rigid measures are necessary because this issue is critical (Allender, Peto, Scarborough, Boxer and Rayner, 2006).

Discuss the ethical implications that arise from the article, if any.

The article also concerns serious ethical issues, such as the question of life and death. This article is an example of how intimately accounting and ethics are tied to each other: the accuracy of managing emergency calls and their proper classification may be fatal for someone. Bevan (2009) suggested tying the accountability and social responsibility of ambulance trusts with fall

and rise of their reputation by implementing star rating so the best and the worst performers could be publicly announced. This path would help to improve ethical performance of the healthcare institutions and force them to use more effective accounting system. Also, Bevan (2006) raised the issue related conventional UK practice of rewarding failing organizations with additional resources for unknown reason. He argued that the loss of good reputation would be a softer measure of motivation of ambulance organizations to improve the service provided in more effective way than financial pressure offered by the government.

List two questions that you would ask the author(s), or two questions that could be used to stimulate discussion.

If you were assigned to develop the system of hospital performance what would you begin from? Do you have any recent data to trace if there are any changes in accounting performance that took place after your article was published in 2009?

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