

Mm416

Business, Management



Management accounting practices al affiliation Management accounting practices Question According to Andreas Hoffjan and Andreas Wompener, strategic management accounting is not incorporated into textbooks within coherent, consistent framework because of myriad factors. For instance, the integration of strategic and cost alignment has been ineffectively accomplished the sample in the textbook. However, the most covered techniques and concepts that can be associated with the strategic and management accounting can are implicated in the texts. On the other hand, "controlling" as used in the German-language section describes a more detailed strategic emphasis as compared to "management accounting," as used in the United States textbooks. Strategic management accounting has not been described in a justifiable way in order to eliminate any doubts of reflection in the management accounting textbooks (Hoffjan & Wömpener, 2006). Therefore, the lack of use vastly recognized understanding is associated to the reluctance of the textbook authors in the usage of "strategic management accounting."

Question 2

There are different ways through which Chief Financial Officers (CFOs) determine management accounting innovation in an organization. According to David Naranjo-Gil, innovation in management accounting is referred to practices, and ideas that are viewed as new in its adoption in improving organizational efficiency and performance (Naranjo-Gil, Maas, & Hartmann, 2008). Therefore, CFOs determine and ensure the adoption of these practices by assessing and reporting the required financial and non-financial information in making concrete organizational decisions. The individual

variances between CFOs and their respective characteristics dictate the use of organizational innovation in management accounting. According to a dissemination study on management accounting, most public sectors adoption of management accounting innovations is significantly affected by the central government. As a result, the determination of management accounting innovation by CFOs is based on various political and economic factors.

Question 3

Strategic planning process is a core element in improving organizational efficiency and business operations. According to Gonn K. Weide, there are a vast range characteristic of strategic planning process that can be adopted by the management in accomplishing short-term and long-term organizational goals. For instance, an effective strategic planning must incorporate communication strategy, a task force, vision and mission statement, values, goals and objectives, activities, an implementation strategy, and a monitoring plan. On the other hand, management accounting plays an imperative role in the aiding competitive decision making process of an organization. The entire management accounting process involves planning, controlling, and evaluation of companys strategies and business operations (Nevries , Kornetzki , & Weide , 2006). Therefore, management accounting is necessary in the provision of better management and control roles to the managers. As a result, employees and managers are motivated towards the achievement of organizational goals.

Question 4

There was myriad management accounting practices adopted during the

British postal reforms put forward by Rowland Hill. According to the pamphlet *Post Office Reform*, he proposed the institution of a uniform postage charge for all letters received and delivered in the town, or any other town within the British Isles, amounting to one penny for half ounce. On the contrary, he did not involve a specific schedule for the implementation of the " penny post" or institute a concrete strategic plan. However, his proposal gave rise to the Uniform Penny Post Act of 1840 that ensured low and affordable postal communication within the region. These reforms and practices were aimed at increasing the volume of mail circulating around the United Kingdom, and increase state revenues (Richardson , 2009). However, the management accounting practices were not effective and specifically justified as they were just a logic application and use of implied knowledge concerning present business techniques.

References

- Hoffjan , A. H., & Wömpener , A. (2006). Comparative Analysis of Strategic Management Accounting in German- and English-Language General Management Accounting. *Schmalenbach Business Review*, Vol. 58, 234-258.
- Naranjo-Gil , D., Maas , V. S., & Hartmann , F. G. (2008). How CFOs Determine Management Accounting Innovation: An Examination of Direct and Indirect Effects. *European Accounting Review*, Vol. 18, No. 4, 667-695.
- Nevries , P., Kornetzki , T., & Weide , G. K. (2006). Characteristics of the Strategic Planning Process and the Relevance of Management Accounting: Evidence from German Dax30 Companies. *AAA 2008 MAS Meeting Paper* , 45-79.

Richardson , A. J. (2009). *The Accounting Historians Journal*, Volumes 29-30.
New York: Academy of Accounting Historians.