

# [How the role of an accountant has changed over time](https://assignbuster.com/how-the-role-of-an-accountant-has-changed-over-time/)

[Profession](https://assignbuster.com/essay-subjects/profession/)

I. Introduction.

Thesis statement: Many changes have happened in Accounting in the last few years. Most of which are differences in styles and also ways to implement this knowledge in modern business. II. What are an older-style accountant and modern accountant?

II. What are an older-style accountant and modern accountant?

1. Overview of the situation in the past.
2. Previous information about an older- style accountant.

A. Modern business.
1. Information about what is considered a modern business.

III. An older-style accountant VS. Modern accountant.

A. Compare the older-style accountant with modern accountant.

IV. Conclusion.
A. Why has the change happened?

Explain how the role of an accountant has changed over time. Discuss the role of the accountant in modern business.

The role of an accountant and accounting has changed over time. These changes have been caused by the surroundingenvironment. For instance, the computer came to the companies whenglobalizationstarted. Before this event, every single process had to be done manually but when the computer age began the process becoming faster and more efficient. Therefore, identifying what are the characteristics of modern and also older business helps to recognize the differences between older-style accountants and modern style accountants and accounting. This essay will discuss the findings of the comparisons between modern accounting and older forms.

Identifying how accounting has improved in recent times, based on expert accounting and modern business. This essay will present many changes that have happened in accounting and the influences of these changes within companies The accounting and accountant history are hereditary, which means that the information was passed from generation to generation. In this process the knowledge changes depend on the person or the surrounding environment. In this aspect, accounting is similar to the other disciplines such as business and commerce (Gomes. Carnegie. Napier. Parker. & Wester, 2011).

Therefore, it is important to have some information about older-style accountant. The purpose of that is to understand why the change has happened. In the course of history, accountants have created theories to solve problems which occur due to a lack of information or simply because the situation is new for the knowledge of this time. In the past, approximately twenty years ago, the situation was very different, compared with the modern one. An example of this is whentechnologyentered the market. At this time, technology helped companies pass information quickly and efficiently between businesses and also inside the company, between employees (Introduction to Accounting, 2008).

In 1980, a few businesses have computers which meancommunication; the process of making a transaction or simply a change of any information of any special case, took much time and effort. Other aspect was local trade, the economy revolves around a local market, which mean that exports and imports were not the main concern of the companies. This was because the countries were very close economically and the priority was to protect domestic products from others that could be cheaper and sometimes better quality than the local ones. In this context, accounting played a minimum role in comparison to modern times because in the past, it only put attention on the domestic production (Introduction to Accounting, 2008).

The older-style accountant was focusing on data analysis, tax preparations (Jones. Abraham. 2007). According to the authors, accountants were in the company just to analyze data, which was made by someone else in the company. So it can be deduced that the older-style accountant was focused on data, but there was no possibility of analyzing the data because that was part of the manager’s work or the other people who worked in the same company. Business can be considered as a modern business when globalization began. At this moment all business had been forced to change all the old business policies to meet the new requirements that a globalized market needed.

This means that modern business emerged because of the open market between countries, which in other words is globalization. Policies looking to compete in the international market, flexible rules that allow rapid change, make a flexible and skilled company adapt to a changing environment, as in the international market. All of these are characteristics of modern business. (Atrill, 2011). It has been pointed out previously; modern companies are seeking to adapt its business structure to the conditions offered by the environment, for this reason, modern companies are inventing new processes which use methods to generate utility, such as implementation of new technology, modification in its processes, personal training, among others.

So accounting plays an important paper inside the modern business because help to the company to develop every process that companies have to done to adapt to modern market. In modern business financial information, which is provided by accounting and analyzed by accountants, is used in order to preventanxietycaused by the irregular environment in which businesses are located. With this information, the board of the company may have a clearer picture of the market. Therefore, these days accounting plays an important role in the internal organization of the business.

If an older-style accountant and modern accounting are compared, it can find similarities and differences. One similarity between these is that, an older-style and modern one are focusing on numerical data which has been used for making decisions within the enterprise and also beyond. The difference lies in how the data was analyzed, by the manager. In these days, the numerical data are analyzes by accountants orfinancedepartment, which must be comprised of specialized accountants.

However, it is important to note, that the practice in old style accounting the person who analyzed the data was the manager. In those days, the amount of data was not large because the environment in which companies work was not complex enough for a lot of information (Scapens, 2006).

The change in both international and domestic market is an important factor in how accounting influences within the business As a result, in the old days the markets were calm, which means that the relations between companies were few and not very significant. For this reason, decisions were making the manager'sresponsibility, which means that the accountants did not have the credibility and confidence from the manager to make decisions within the company. On the other hand, modern businesses have to face a shaken market, this means that relationships between companies contain more information and are more complicated to deal with.

For this reason, the decisions passed to being taken by the manager to share on the responsibilities of making decisions with others, such as accountants, this phenomenon occurred because manager will notice that the counters had a broad vision of what was happening in the market and also within the company. Thus, the accountants took participation in the choices that are made in companies As a conclusion, the role of accounting has changed therefore the accountant's role has changed too. During this time, the market has evolved according to the needs of people. For this reason the markets play an important part in the development of accounting because this discipline is a reflection of the interaction that happens between business and the economy.

As a result every change that happens outside of the company has to be reflected in every single process inside the company, so accounting is responsible for supporting this process with numerical evidence. Moreover, it is important to know how accounting began because to start from that point is to better understand the changes that happened in this discipline. As a result, it can be said that accounting, experienced a big change during the past twenty years.

This situation happened because accountants were having more participation in the important decisions inside the companies. As a result, managers were asking for help from accountants to solve financial problems because they realized that accountants knew how the market behaved and therefore how they could adapt the companies in this environment.

References

Atrill, P; McLaney, E. (2011) Financial accounting for decitions markets (6th ed.), London: Prearson.

Gomes, D. Carnegie, G. Napier. C, Parker. L. & Wester, B (2011). Do accounting history matter?. Accounting history, 390-391, doi: 10. 1177/1032373211417993

Introduction to accounting.(2008). Medellin, Colombia: Cargraphics.

Jones, G. Abraham, A.( 2007). EducationImplications of the Changing Role of Accountants: Perceptions of Practitioners, Academics And Students. University of Wollongong Research Online, 16(4), 17-18.

Scapens, R(2005). Undestnding management accounting practices: A personal journey. The British Accounting Review, 1-30, doi: 10. 1016/j. bar. 2005. 10. 002