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MANAGEMENT ACCOUNTING AS A GLOBAL ACCOUNTING SCIENCE

Abstract. The article proposes the author's definition of management accounting. In addition, it has supplemented the principles of management accounting, such as the principle of matching the business model and information technologies; the principle of correspondence between real and remote management of the management accounting system; the principle of a fashion house, etc. As an activator of the wide introduction of modern-level management accounting, Georgian economic entities recommended its standardization.

Keywords: management accounting, business model, accounting virtualization, controlling.

Introduction. The tasks of increasing the efficiency of the practical implementation of the theoretical developments of management accounting and determining the further ways of its development are in the focus of attention of the international scientific community. These tasks have gained special significance for our country at the present time. Their successful solution depends on the consistency and potential of the science of "Management Accounting", the contribution of scientists to its innovative enrichment and can have a direct impact on increasing the competitiveness of Georgian companies. Based on the analysis of the process of formation and development of management accounting in Georgia, the priority of a broad interpretation of management accounting and its perception as a global accounting science is substantiated.

Discussion. First, it is necessary to once again determine the place of management accounting in the hierarchy of sciences related to providing external and internal users with information about the activities of economic entities, i.e. sciences responsible for the information and economic space.

Let us note the factors that are significant for the formation and development of management accounting in Georgia.

- Georgian accounting (financial) accounting is being reformed towards convergence with

International Financial Reporting Standards (IFRS), and national standards (Accounting Rules) are already largely in line with international standards.

- In English-speaking countries, whose accounting systems served as a prototype for IFRS, there are such types of reporting as financial, managerial, and tax reporting. If we chose IFRS as an example, which is typical of English-speaking countries, then it is also advisable to recognize the existence of three types of reporting/accounting.
- The place to be taken by the management accounting (or/and controlling) system remains vacant in many Georgian companies; introducing management accounting does not require the elimination of any other system and retraining of personnel (which is often more difficult than primary training).
- Financial accounting has changed significantly in the last 20 years, especially in the XXI century, and management accounting is changing as well. If financial accounting is no longer similar to the one that was previously considered accounting ("posthumous"), then management accounting cannot remain traditional, for example, only dealing with business accounting, costing, etc. virtual econo-

my, a significant breakthrough in all areas of civilization is accompanied by an increase in threats and uncertainties. The current stage of economic, technological, information and communication development can be compared with the almost simultaneous transition of mankind to another dimension, which provoked an increase in the entropy of the economic environment.

- Many scientists and practitioners from different countries are involved in the development of information support for economic entities, and new directions are often created, new names and terms are introduced into scientific circulation. This is a natural process of scientific knowledge, however, over time, some teachings are built into others, some may stop in their development, some may be enriched by related sciences and updated. Management accounting has been around long enough to require reform to meet the modern needs of business entities. The reform process creates the prerequisites for including all innovative ideas, concepts, methodologies into management accounting, and improving its structure.

In this regard, we believe that one of the following options for perceiving the accounting sphere should be adopted. The first option we proposed is more traditional, with three types of accounting, although interacting, but largely independent. These three types of accounting can be considered (albeit ambiguously) grown from a common basis – accounting.

The second option is a broad interpretation of management accounting, which combines management accounting with accounting and tax accounting for managers, becoming a global accounting science. This approach seems more logical because:

- It is in financial accounting that the financial statements involved in the value's creation of the enterprise are formed, and management

must know how this or that operation will affect the financial statements, what we will bring information image of the company to users;

- Each major operation of an enterprise must undergo a preliminary analysis to determine its tax effect, which is important for the development of tax policy, tax planning, and for organizing effective business management.

Thus, we believe that management accounting can be considered as accounting, comprising three types (accounting areas): financial; directly managerial for managers; tax – which should be coordinated from a single center (enterprise) and, ultimately, be considered from the position of solving the problems of company management. Each type of accounting creates its own reporting according to its own rules, but the knowledge generated as a result both reveals shows and is used for management (we will not consider further note that financial and tax accounting in the article).

Since accounting is always carried out to generate reporting data, then for any variant of perception of management accounting, firstly, financial, managerial, tax reporting and, secondly, as a result of their reasonable synthesis, integrated reporting should be generated. We also note that management accounting involves not only the collection but also the processing of information. Thus, analysis (including mathematical modeling [3]) should also be included in management accounting; as a result, it will be closer to the nature of reporting data and will respond faster to conceptual and methodological changes in accounting.

Trying to prove the commonality of the purpose and content of management accounting and controlling systems, we, of course, did not mean their complete identity. Naturally, each of these systems is characterized by originality, which was the result of different mentalities of users of accounting and analytical information” [1].

Moreover, we believe that controlling has no independent significance, and its constituent parts are

separate constituent elements of management accounting. This approach provides a more coherent and logical conceptual structure in the field of providing users with information related to the activities of economic entities. The rejection of the perception of controlling as an independent science, in our opinion, will only clarify and make an unambiguous understanding of the issues in the field of information support for company management, eliminating duplication. That is, everything that was created in the field of controlling should be built into management accounting with the formation of a single terminology. Moreover, where appropriate, the terminology should be the same for all three types of accounting.

Without describing in detail all the arguments used by us to identify the concept of “management accounting”, we consider it possible to offer the most, in our opinion, the broadest and most unencumbered definition – a business management information support system. This definition, of course, implies all the processes taking place in this system, which, from the standpoint of traditional approaches, can be divided into a generally accepted collection of information, its transformation into the required form, decision-making about the future (taking into account the assessment of the past) based on its analysis.

The main results of this system should be variable forecasts of strategic business development; selection and evaluation of the implementation of the appropriate business model; selection and monitoring of an adequate operating policy for the current situation; management of business segments; management within the selected business model of individual business resources – human, financial, tangible and intangible, informational (including communication).

The question arises: is this definition suitable for a non-profit organization, which means “an organization that does not have profit-making as the main goal of its activities and does not distribute the profits among its participants”? Non-profit organizations pursue social, charitable, cultural, educational, scientific, and managerial goals to protect the health

of citizens, develop physical culture and sports, meet the spiritual and other non-material needs of citizens, protect the rights and legitimate interests of citizens and organizations, resolve disputes and conflicts, provide legal assistance, as well as for other purposes aimed at achieving public benefits.

We believe that, although we do not create such organizations to make a profit, they also conduct business processes, i.e. carry out “a set of interrelated activities or tasks aimed at creating a specific product or service for consumers.”

In the light of the foregoing, we believe that business accounting, as well as controlling, as strategic accounting, should be considered within the framework of management accounting, which, as already noted, is constantly changing in response to the demands of the time, priorities are shifting in it and accents are placed differently. Nevertheless, the concept of “management” remains; it is this concept that should form the name of science.

In connection with the last principle we have named, the following conceptual question arises: about the usefulness of standardizing management accounting. On the one hand, standardization leads to the ordering of terminology, technical comparability of data, meets the needs of globalization, allows you to train personnel with the competencies necessary for implementing standards, sets a certain level that should be met, i.e. acts toward reducing the entropy of the environment of existence. The obligatory nature of standards leads to the impossibility of applying an individual approach (sometimes unique, breakthrough), the only one capable of reflecting the actual situation, ensuring the achievement of business goals, and solving current problems. We believe that management accounting standards can and even should exist, but they should be advisory, serve more than a guide for businesses that are not leaders, perform the function of training, disseminate best practices. These standards should be constantly updated, perhaps more often than it happens with financial reporting standards, and serve as an activa-

tor for the spread of management accounting practices. In connection with the principle of freedom of action proposed by us and the standardization of management accounting, which is not mandatory, we consider it appropriate to express our point of view on the achievements of management accounting in Georgia. The wins in management accounting are not as big as we would like them to be. Over the past 20 years, the only positive result I have achieved is that management accounting, as a system, is recognized by all scientists and its necessity is no longer questioned. In addition, we consider it a great achievement that thousands of Georgian enterprises, if they do not keep “full” management accounting, have implemented it in separate sections, and this despite the optional nature of management accounting,

a significant tax burden, conflicts in the legislation on economic activity.

Conclusions. Based on the analysis of the identified factors influencing the formation and development of management accounting in Georgia, two options for the perception of management accounting in the accounting field are proposed. The first is the recognition of management accounting, as well as accounting and tax accounting, as one type of accounting; the second is to recognize management accounting as comprehensive, including both direct accounting for managers and accounting and tax accounting. This approach seems to be more correct. It is recommended that management accounting be standardized, provided that the standards are optional.

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