

# Analysis of the Application of Management Accounting to Enterprise Capital Management

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**Keywords:** management accounting, enterprise capital management, application status, specific measure

**Abstract:** Enterprise capital management is an important guarantee for the operating efficiency of enterprises in the market economy system in the new era. To effectively control the financial risk of enterprises, it is necessary to ensure the overall efficiency of enterprise capital management. Management accounting is a form of enterprise capital management, which originated in the 1980s in China. Although it has gone through a period of time and promotion, there are still some shortcomings in the specific application. This paper analyses the significance of enterprise capital management to enterprise development, summarizes the current application status of management accounting, and puts forward specific application measures.

## 1. Introduction

Capital is a necessary condition for the operation of an enterprise. If there is no capital, employees' wages, procurement, office expenses and so on can not be achieved and the enterprise has to stop operation. It is self-evident that capital management plays an important role in enterprise management. The source, use and operation of capital are the direct response of enterprises' several abilities, such as operation, development, operation and profit. The application of management accounting in capital management is conducive to optimizing enterprise capital management and improving their core competitiveness.

## 2. Significance of Enterprise Capital Management

Enterprise capital is the premise and guarantee for enterprises to gain profits in operation. In the process of production and development, sufficient funds are needed to ensure the smooth operation of enterprises and obtain high profits. Good capital management can not only achieve efficient capital utilization, but also provide the basic guarantee for the healthy development of enterprises. Under the changeable market environment in the new era, enterprises will inevitably face various risks in operation, and capital risk has the greatest impact on the healthy and substantial development of enterprises. Once the enterprise fails to obtain effective capital guarantee, it will seriously affect the normal operation, make the enterprise difficult to make a good profit, and may even lead to the collapse due to the problem of capital turnover. In the development of market economy, many enterprises are declining and bankrupting because of improper fund management. Therefore, efficient management of enterprise capital will effectively avoid capital risks and lay the foundation for the healthy and long-term development of enterprises.

The application of management accounting helps enterprises to realize capital management. Through the analysis of financial accounting data of enterprises, management accounting provides reliable basis for decision-makers, improve the correctness of decision-making in the operation of enterprises' capital, help to make good capital management, optimize the procedure and effect of capital utilization, effectively control the operation cost, and provide the economic benefits of enterprises.

### **3. Application of Management Accounting in Enterprise Capital Management**

In the current operation of enterprises, management accounting in the management of capital is manifested as insufficient decision-making support. At this stage, China's management accounting is influenced by traditional accounting concepts, so there are some limitations in the application process. It has not yet realized the effective integration of management accounting in investment decision-making, which leads to the lack of decision-making support in practical work. Compared with decision-making management accounting, strategic management accounting in management accounting has a wider application scope. Due to the lack of a clear strategic accounting management system in China's market economy at this stage, the strategic management accounting can not play the actual management effectiveness. At the present stage of enterprise management, the idea of cost control accounting management is backward, which is also a defect in the application of management accounting. Cost accounting is directly related to the operation cost control of enterprises and determines the economic benefits of enterprises. However, the idea of cost management accounting is backward, which can not meet the management needs of the new era, and it is difficult to be effectively combine with modern economic development, leading to the lack of advanced management mode.

### **4. Measures to Optimize the Application of Management Accounting in Enterprise Capital Management**

#### **4.1 Make Clear the Orientation of Management Accounting and Pay More Attention**

In the current development of enterprise capital management, the corresponding industrial market positioning is the basis of decision-making control of enterprise management accounting while the management and control scheme is set up based on the market. In the work of management accounting, first of all, it is essential to base on the development needs of enterprises, connect with the market positioning of the industry, collect and summarize relevant decision-making data, and centralize the overall capital management of the operation of the central control enterprises. In the specific decision-making of the management link, resources produced by the enterprise are analyzed in the overall market environment, the best product development measures are selected, and the analysis data are integrated to provide sufficient reference data for the decision-makers. Through adequate market positioning analysis, management accounting needs to clarify the development line of corresponding enterprises in the future, provides strong support for the formulation of enterprises' operation plan, and facilitates the improvement of enterprises' management efficiency. At the same time, management accounting can help the implementation of enterprise capital management, optimize the internal structure based on the market, enhance the value line of the overall development operation, and implement fine management. Fine management is an important development direction of current enterprise management. Through performance management, budget management and other ways, capital cost management is penetrated into all aspects of enterprise production and operation. In the actual enterprise management decision-making, capital budget and the overall development direction are linked through management accounting to avoid market economy risk in enterprise development to the greatest extent.

#### **4.2 Improve the Operation Management System of Management Accounting**

The application of management accounting needs to be guaranteed by a perfect system. The facts of various work need to be based on the management system. The implementation of strategic management accounting runs through the whole enterprise capital management. The cost-benefit of enterprise overall capital management is the guidance of the implementation of work. Based on this, it is possible to make an effective prediction in the early stage of enterprise capital application, implement scientific control in the actual control stage, and implement scientific feedback and evaluation, which lays a foundation for the improvement of the efficiency of enterprise overall fund

management. The starting point of strategic management accounting is to control the total capital cost of enterprise, and to assist the various organizations to formulate a scientific management and control program. Such a form of work not only strengthens the communication and cooperation between the neighbouring departments within the enterprise, but also stabilizes the overall capital of enterprise and provides guarantee for the orderly operation of enterprise capital.

#### **4.3 Establish a Capital Management System of Informatization**

The development and promotion of computer network has pointed out the direction for the development of enterprise management system. In the current development, informationization management is an inevitable trend. In order to improve management efficiency and apply management accounting to enterprise capital management in the new era, it is of great necessity to establish an information-based fund management system with the help of computer network system so as to achieve effective management accounting. The implementation of information management and the systematic control of capital data can promote the refined development of enterprise management and realize the development of precision and intelligence in the future. It can be carried out from the following two aspects. First, by centralized management of capital through information systems, it will realize rational integration and allocation of capital within enterprises as well as the improvement of utilization rate. With the help of information system, the accounts, capital of departments and units will be centralized and the information of snacks can be planned as a whole. The information system also provides convenience for the communication and work coordination among various departments, and promote the standardization of capital management. Second, it realizes effective collation and analysis of capital data isomorphic information system, applies big data technology to capital data analysis, helps enterprises to realize scientific capital flow analysis, more convenient tracking and monitoring of capital data, enables accountants to discover abnormalities and possible risks in capital management in time, and helps enterprise leaders to accurately judge and decision making. By combining big data with information system, we are able to integrate capital planning and forecasting together, analyze the effect of different funds, help managers in enterprises to realize the rational allocation of funds, balance the risks and benefits of funds, and promote the healthy and stable development of enterprises.

#### **4.4 Enhance the Application of Advanced Financial Management Tools**

At present, the concept of cost control lags behind, affecting the flow of capital and the stable development of enterprises. In view of this problem, the staff of enterprise management accounting should actively combine the concept in the new era and the requirements of enterprises, increase the use of advanced tools, promote the integration of management accounting and internal management, and give play to the actual effectiveness of management accounting decline on this basis. Current cost management tools mainly include target cost method, variable cost method, activity-based costing method, standard cost method and other cost management tools. By combining these tools with economic value added, balanced scorecard, key performance indicators, internal transfer pricing and other performance management modes, it will provide a basis for enterprise capital management projects. Corresponding management accounting offers pre-development forecast report in the decision-making and planning process of enterprises, and assess the corresponding departments, so as to promote the unification and coordination of financial capital management objectives and actual development. If the conditions of enterprise reproduction are stable and the corresponding cost consumption items are initially determined to be in a balanced and stable state, the average standard cost method can be used to calculate the capital costs of manpower, materials and energy produced by enterprises one by one. When the quota cost of an enterprise is calculated, it is necessary to exclude the normal factors from the actual capital consumption in the past. In the work of financial management accounting, it is essential to actively use some advanced financial management tools to provide management efficiency and more reliable data for enterprise management decisions.

#### **4.5 Play the Role of Financial Management Accounting Report**

Management accounting report mainly deals with various kinds of information in accounting information, forms reports, takes certain control measures, realizes the management and planning of business activities of enterprises, and improves the economic benefits of enterprises. This requires the management accounting of enterprises to give full play to the role of fund management in their work, to regularly summarize fund management reports, and to promote the upgrading of business strategy. The report should be timely and efficient, and give full play to the important role of management accounting in enterprise fund management.

#### **4.6 Cultivate Double Skilled Talents of Management Accounting and Capital Management**

With the rapid development of social economy, the requirement of enterprise capital management has been raised, and higher standards have been set for staff. In the new era, the double skilled talents of management accounting and capital management are the new development needs of the current era, so we should pay attention to the training of these talents. Firstly, for financial accounting talents, the necessary basic professional knowledge of financial accounting is needed. In the new era, those engaging in financial accounting also need to master the ability of information management and risk identification. Talents in capital management are expected to have financial and accounting ability, as well as knowledge of economy, enterprise management and finance. When enterprises train talents, they should not only train the trainees according to their post requirements, but also pay attention to the combination of theory and practice, so as to improve the practical ability of accounting staff. For example, capital managers are planned to be properly dispatched to the positions of procurement and production for training for contacting the specific work of grass-roots posts, gaining certain experience for fund management and providing better services for fund management. This way can effectively enrich the practical experience of capital managers, open up their vision, effectively let them carry out the capital management based on the actual production situation of the enterprise, improve the fund management ability, and promote the healthy development of enterprise.

### **5. Conclusion**

Management accounting is one of the main modes in enterprise capital management in the new era. Enterprises should provide strong legal person decision support for the development of management accounting, introduce advanced management concepts, improve the operation system and mechanism of accounting according to the actual situation of enterprises, regularly train staff's ability and quality, create a good environment, and promote the function of management accounting, so as to improve the overall efficiency of enterprise operating capital management.

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