

Research on Strategies of Improving the Risk Management Ability of Enterprise by Management Accounting Techniques

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Keywords: Management Accounting; Technique; Risk Management Ability

Abstract: Accounting, as an indispensable part of the development of modern enterprises, can not only help enterprises to sort out the capital operation information, provide accurate, true and reliable accounting information for external people and organizations, but also help enterprises to improve their management ability and promote the standardization and legalization of their business operations. As an important branch of accounting, management accounting is of great significance to the risk management of enterprises. The application of management accounting techniques can provide accurate and reliable accounting information for the management strategy decision, the market forecast and evaluation, the internal operation and management, etc., so as to reduce the risk of enterprises and promote the healthy development of enterprises.

1. Introduction

As the rapid development of economy and society, market competition between enterprises is becoming fiercer and fiercer. In order to survive and develop in the fierce competition, enterprises must strengthen their internal management ability and risk management ability. In the enterprises' actual operations, their administrative ability, risk management ability and some techniques of management accounting, which interact and promote each other, can be closely tied by the management system, risk assessment system and accounting information system. The management accounting techniques are the foundation of administration and the starting point of the modern enterprises. By the application of the management accounting techniques, enterprises can effectively improve their risk management ability and efficiency of the enterprises.

2. Management accounting and enterprises risks

Management accounting is an accounting information processing system which aims at promoting the maximization of enterprise economic benefits. By means of sorting, confirming, measuring, analyzing, editing and explaining of the accounting information, and some other techniques, it can be used for the operation and management of the enterprise's managers to refer to, so that they could improve the accuracy of business decisions and create more economic benefits for their enterprises. As a branch of accounting, management accounting has not only the function of accounting, but also the function of management. It is also an important management measure taken in the course of enterprise operation and management, which provides an important reference basis for risk control in the course of enterprise operation and development, so as to provide strong help for the long-term sustainable development of enterprises.

Enterprise risk is also known as business risk. It is mainly a potential risk in which an enterprise may reduce its income in a certain business process in the future due to unexpected rate changes. Enterprise can not seize the initiative in the risky process, and the risk only be determined by the impact of rate changes on the cost, price, quantity of the enterprise's products^[1]. Because of the potential, complexity and diversity of enterprise risk, it is very difficult for many enterprises to control the size of risk and the impact of risk on enterprises, so that many enterprises are in dilemmas when they have to face the risks, or only take steps when the risk is changed from potential to explicit. As we all know, when the operational risk changes from potential to explicit, the risk has basically occurred and may have had a certain impact on the enterprise, at this time, it

can only minimize the loss of risk for the enterprise. However, if the enterprise can find the potential risk in time, and take relevant measures to avoid or eliminate it at the very beginning, then the loss of risk to the enterprise will be minimized, or even completely be circumvented.

3. Significance of applying management accounting techniques in enterprise risk management

In general, the key to improve enterprises' risk management is whether the management accounting information system can provide objective, true, and effective accounting information for enterprises to reduce the impact of risk on the decision-making, daily operation, capital use and capital operation. However, because of the different accounting techniques adopted by the enterprises, the characteristics and functions of the information are also different, so reasonable techniques of management accounting play a very important role to the management accounting information systems. The significance of using management accounting techniques to strengthen risk management of enterprises is mainly reflected in the following aspects:

In the management of enterprises, by means of the rational use of management accounting techniques, enterprises can make objective prediction of financial risk, management risk and non-profit risk. So, management accounting plays an important role in the industrial structure of enterprises and the optimal allocation of resources. For example, by means scientific application of cost-volume-interest analysis method, cost-expense-profit measurement method and the calculating of asset-liability ratio, managers can evaluate the rationality of their debt leverage, so as to take specific measures to reduce and avoid the debt risk and financial risk.

If the managers of enterprises can reasonably utilize the extended management accounting techniques, they can objectively analyze the accurate demands for their products in the market, so that the enterprise can fully combine the market demands with their production, and prevent the excess of their products, so as to reduce the risk of capital operation and market competition. For example, for some enterprises, the managers use big data platform and enterprise accounting information system in order to reasonably solve the problem of overcapacity by analyzing "the percentage of the consumption elasticity coefficient of products (GDP growth rate divided by consumption growth rate in the market)" and "the index for the same or similar products", so as to forecast the accurate demands of the market and reasonably control the product production scale^[2].

By the rational use of coordinated management accounting technique, the managers can reduce and avoid the risk of organization and management, the risk of internal control and the risk in the process of operation and management. For example, enterprises can use some information techniques in management accounting to make their internal procedures more standardized and ordered, such as the two-way communication method of business report, the performance evaluation method and the social contribution measurement method, etc^[3]. When the management accounting information is flawed, the real operation of the enterprises will be more difficult, and this will lead to the direct intervention of the government and related institutions, and more internal environmental risks as well.

By using the updated techniques of management accounting, the managers can promote the reduction of enterprises' strategic decision risk, risk of information technology and human resource risk. As the rapid development of science and technology, more and more modern information technology and management techniques are applied in the management accounting, for example, the traditional performance management method---balanced Score card has been applied in the construction of modern management accounting information system, which enables enterprises to master strategic investment information, profit and loss balance information, market demand information, performance management information of different departments and so on.

4. Strategy of improving enterprises' risk management ability by management accounting techniques

In enterprises' risk management, the managers must correctly understand their actual risk management ability, so as to urge the employees of the enterprises to strengthen the study of the

management accounting techniques, and then, to improve the risk management ability of the enterprises and create an operational environment for the rational use of accounting techniques as early as possible. There are many complex risk factors in the process of enterprises' management, if there is no professional organization of risk management, the enterprises can not prevent and control the risk reasonably, and this may lead to the loss of funds or resources of the enterprise, but the management accounting information system can provide sufficient information for supporting the capital operation and guiding the accuracy of the strategic decision. However, the effective application of the management accounting information system can not be separated from the professional analysis and accurate business accounting such as effective demand rate of the market, the profit rate of inventory and cost, the ratio of assets and liabilities, the accounts receivable, the operating expenses, the sales and cost profit rate, and so on[4]. It can be seen from this that only the managers has a good understand about their actual management ability of the enterprise can they prevent the risk better by means of the management accounting techniques.

In the enterprises' management risk control, it is necessary to strengthen the construction of enterprises' internal management accounting culture, to constantly improve the management risk control ability of all departments and all staff, and to urge the staff to participate actively in the training of controlling the enterprise management risk. In order to encourage the staff to take part in these activities actively, the enterprises need to strengthen the humanized construction of management, to fully eliminate the cognitive differences between the mangers and the other employees, to urge the managers to improve their quality and professional integrity continuously. At the some time, the managers should know the employees' needs while they constantly improve the management efficiency of the enterprises. For example, to promote the optimization of the internal management structure of enterprises by the reform of the management mode; the shareholders' Congress should be held regularly and on time, so should the staff and workers' congresses and commending meetings; some appropriate moral and material rewards shall be given to those employees who have made outstanding contributions to the enterprises; to encourage those employees to actively learn management accounting knowledge, so as to improve the effectiveness of the application of management accounting techniques.

At present, a large number of modern information management techniques have been applied in the construction of management accounting information system in many enterprises, which makes the efficiency of management accounting information system to be effectively improved, and this also improves the information processing ability of employees, and creates a reasonable method for the enterprises to use management accounting technology. Using the diversified means of modern information technology to help enterprises realize the dynamic and synchronous management of internal accounting administration, the managers can follow up and master the process of the enterprises' operation and the dynamic changes of accounting data in time by these information technologies. By the horizontal and vertical comparison of the accounting data of different periods and departments of the enterprise, and the establishment of the internal capital management center that specializes in budget cost control, cost accounting, financial management, profit accounting, the capital flow and material flow should be highly in accord with the information flow. Moreover, it is necessary to make sure each segment during the operation such as finance, business check and supervision must be in accord with the enterprises' management institutions, so as to improve the efficiency of enterprise risk management [5].

Enterprises can use management accounting techniques to continuously improve their ability of management risk prevention and improve the risk management system of enterprises. In the actual management of the enterprise, the enterprise can use the internal credit management method and the special accounting techniques in the enterprise management system and the management accounting information system, so as to do a good job in the whole process of risk control for the enterprise. For example, by customer credit management and credit analysis, managers can form the enterprise's unique accounts receivable control system, customer credit evaluation system, and so on. By standard cost method, performance evaluation method, activity-based costing method and responsibility accounting measure method, managers can enhance the risk management of

enterprises in advance, in the event, and after the event [6].

5. Conclusion

To sum up, the technical methods of management accounting plays a very important role in the risk management of enterprises. The perfect management accounting information system can not only promote the operation and management in enterprises, but also predict the management risks, capital operation risk, environmental risk, financial risk and so on. It can also help enterprises to accurately assess the market demand, so that the production of enterprises can be prepared in advance, and the enterprises can prevent excess which affecting the capital operation of enterprises. Therefore, in enterprise risk management, we should strengthen the application of management accounting techniques, clarify the actual risk management ability of enterprises, pay attention to the construction of management accounting culture of enterprises, perfect the risk management system of enterprises, etc., so as to continuously improve enterprise's risk management ability and core competitive power, and to increase and improve enterprise economic benefit.

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