

MANAGEMENT ACCOUNTING AS A FOUNDATION FOR ECONOMIC
DECISION-MAKING

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Abstract. This article analyzes the role and significance of management accounting in enterprise activities as an essential element of the economic decision-making process. The study highlights the opportunities provided by management accounting in controlling costs, ensuring efficient utilization of resources, forecasting financial outcomes, and supporting strategic planning. Furthermore, it examines the development trends of management accounting in the context of modern information technologies and digitalization, as well as its contribution to enhancing enterprise competitiveness. The research findings indicate that management accounting serves as a reliable source of information for managers and plays a crucial role in ensuring economic efficiency.

Keywords: management accounting, economic decisions, cost management, strategic planning, financial analysis, budgeting, management.

Introduction. Today, management accounting is increasingly becoming one of the most important tools for organizing the financial and economic activities of enterprises effectively. However, this field remains one of the most debated issues both in academic research and practical application. In many enterprises, management accounting systems have not yet been fully implemented, and organizations often rely solely on analytical information generated through financial accounting. Researchers emphasize that modern management accounting should encompass not only financial indicators but also factors such as product quality, production cycle duration, customer satisfaction, employee competencies, and the effectiveness of innovative products.

In economic literature, management accounting is interpreted as a system for recording costs and revenues, evaluating the effectiveness of investment projects, monitoring resource utilization, and generating information necessary for managerial decision-making. In this regard, it serves as an important instrument for planning, controlling, and analyzing enterprise activities.

Main Differences Between Traditional and Modern Management Accounting
Table 1

Indicator	Traditional Accounting	Management Modern Accounting
Type of Information	Financial information	Financial and non-financial information
Time Orientation	Short-term	Long-term
Object of Analysis	Costs and revenues	Value creation processes
Users	Accountants and managers	Managers, investors, and executives

Analyses reveal that there are different approaches to the concept of management accounting. Some scholars consider it an independent discipline, while others regard it as a comprehensive field closely related to economic analysis, planning, and control systems. The distinctions between financial accounting and management accounting, as well as their functions and interrelationships, continue to be among the primary subjects of academic debate.

According to the general consensus among specialists, management accounting should provide enterprise management with all types of information necessary for making effective decisions. Therefore, management accounting continues to develop as a distinct and comprehensive branch of economic knowledge. A review of economic literature indicates that the main reasons for debates regarding the content of management accounting are the overly broad or narrow interpretation of its functions and the overlap of various international concepts. As a result, defining the theoretical and practical boundaries of management accounting remains a relevant issue.

Importance of Management Accounting in Enterprise Activities

Table 2

Area	Impact of Management Accounting
Cost Management	Identification and reduction of excessive costs
Planning	Development of budgets and strategic plans
Control	Evaluation of resource utilization efficiency
Decision-Making	Economic comparison of alternative options
Investments	Determination of investment project profitability
Competitiveness	Enhancement of adaptability to market conditions

At present, management accounting plays an important role not only in providing information for operational decisions but also in shaping the long-term development strategy of enterprises. The advancement of digital technologies and modern management methods has significantly expanded the capabilities of management accounting, contributing to increased organizational efficiency.

Conclusion. Management accounting is an essential source of information for organizing enterprise activities effectively and supporting managerial decision-making. The findings of this study demonstrate that management accounting is important not only for controlling costs and revenues but also for planning the strategic development of enterprises. Modern management accounting encompasses both financial and non-financial indicators, including product quality, customer satisfaction, employee capabilities, and the effectiveness of innovation activities. The acceleration of digitalization processes is expanding the capabilities of management accounting while increasing the accuracy and timeliness of managerial decisions.

Therefore, the implementation of modern management accounting systems, the adoption of advanced international practices, and the improvement of management information systems are critical factors in enhancing economic efficiency. Ultimately, management accounting contributes to strengthening enterprise competitiveness and ensuring sustainable long-term development.



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