



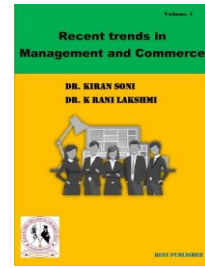
Recent trends in Management and Commerce

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## A review on Environmental and business strategy

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**Abstract.** *With a strong emphasis on European perspectives, practical applications, challenging issues, and real-world examples, this edition of Management and Cost Accounting successfully blends contemporary themes. There is a comprehensive webpage that supports it. Management and Cost Accounting is the European version of the well-known American textbook Cost Accounting: A Managerial Emphasis by Horngren, Datar, and Foster. The content has undergone significant modifications to be compatible with management accounting courses in Europe. The most recent edition has been updated to reflect the problems management accountants are confronting in the contemporary economy. Our research suggests that the Transition cost accounting information system might be effective for figuring out how much hospitalised medical treatment would cost.*

**Keywords:** *cost accounting model, accounting for environmental management, strategic management accounting, contemporary development.*

### 1. INTRODUCTION

In the Australian Commonwealth public sector, there has been a recent shift towards performance-oriented project management due to the implementation of programmer budgeting as part of the Financial Management Improvement project. This approach is focused on getting the most for your money and analyzing the results of government spending. The performance of the programmer is then evaluated after the definition of quantifiable targets in accordance with quality assurance standards. Accounting historians have long acknowledged that the industrial revolution played a significant role in the advancement of cost accounting. In support of this position, Littleton asserted on this date in 1933 that “cost accounting... is one of the many consequences of the industrial revolution”; [1933, p. 321]. Cost accounting was not developed until the late eighteenth century, according to Garner, who published twenty years after Littleton, who supported this theory [1954, ch. 1], even though some industrial bookkeeping practices date back to before 1800. Accounting historians have a common view of why cost accounting originated at that time, in addition to the timeframe of its development [1]. According to the conventional wisdom, accountants integrated cost accounting into the double-entry system as a result of the growing use of fixed capital during the industrial revolution. For instance, Garner argues that the “relative simplicity” of accounting in engineering, coal mining, and textile firms in significant investments in plant machinery and transportation infrastructure

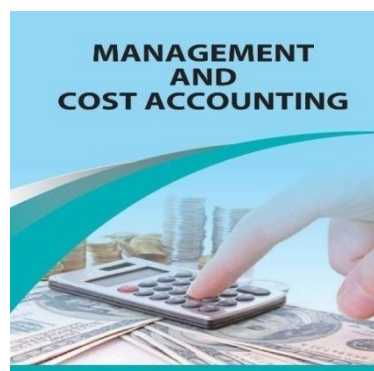


FIGURE 1. Management and Cost Accounting

Accurately determining an enterprise's market capitalization is made difficult by the lack of proper reason for accounting, creation, and management, as well as the definition of profitability and the inclusion of human capital as a component of intangible assets in financial reports. When implementing cost-minimization initiatives, particularly during times of crisis, management frequently prioritises cost reduction above other areas like social and professional development due to the prevalent paradigm that views human capital as an expense for the organisation. The importance of this subject derives from the necessity to create suggestions for enhancing the theory and application of human capital accounting that are supported by scientific research. To properly resolve these issues, it is essential to take into consideration developments in international conceptions and accounting procedures. Organisations may design strategies that maximise the value of their employees and lead to long-term success by improving their understanding of and measurement of human capital. Businesses use data from management and financial accounting for a variety of purposes. For business financial planning and control, performance assessment, creditworthiness verification, and tax assessment, financial accounting provides information that is crucial. The main topic of this chapter, managerial accounting, on the other hand, focuses a strong emphasis on cost management. Through the perspective of cost control, the connection between management accounting and the business environment can be comprehended. Business managers can use managerial accounting to help them make decisions about capital investments, cost estimations, the development of new processes and products, performance assessments, and other strategic business decisions. Businesses may increase productivity, manage resources efficiently, and perform overall better in a competitive climate by controlling expenses properly. In summary, financial accounting serves broader purposes such as financial planning, control, and compliance, while managerial accounting is specifically oriented towards cost control and providing decision-making support to business managers.[2]



**FIGURE 2.** Management and Cost Accounting

The constraints of conventional cost accounting led to the introduction of direct costing in the 1930s. Direct costing was intended to overcome these problems, according to Arnstein and Gilabert (1980, p. 1). The cornerstone of direct costing is that all variable production expenses should be included in product costs. Regardless of whether it is a variable cost or not, direct labour is frequently included as part of product costs in practise. Since its origin, direct costing has been controversial, mostly because of worries about possible pricing inaccuracies if selling prices are purely based on variable costs without taking allotted overhead into account. Furthermore, it was challenging to categorise costs as either fixed or variable (Greer 1965). The complexity of cost classification made things more difficult. Another difficulty was that neither the Internal Revenue Service nor financial accounting rules permitted direct costing for inventory valuation. The complexity and debate surrounding the adoption and use of direct costing were increased by this restriction. In conclusion, direct costing developed as a rival to standard cost accounting in the 1930s. Direct labour was frequently factored into the cost calculation in practise, despite the proposal to solely include variable manufacturing expenses in product costs. Due to potential pricing inaccuracies, challenges with cost classification, and limitations placed on its application for inventory valuation by regulatory organisations and accounting standards, direct costing has drawn criticism. The importance of determining costs associated with material losses or waste has been underlined by numerous studies in environmental management accounting (Rooney, 1993; Loew, 2003; Burritt, 2004). The potential contradictions between environmental management accounting and current management concepts, however, have received relatively little attention. This study acknowledges that organisations implementing Material Flow Cost Accounting (MFCA) or Environmental Management Accounting (EMA) may encounter opposition from long-

standing management practises. For the acceptance and use of MFCA in practise to be effective, these issues must be resolved. The paper investigates theoretical answers to this problem by introducing the perspective of organisational design. The study seeks to offer insights into overcoming the difficulties between environmental management accounting and current management practises by exploring the issues through this perspective. The paper also examines actual situations where these conflicts have been successfully resolved, providing insightful guidance for future MFCA deployment. In summary, while the importance of calculating costs associated with material losses has been highlighted in environmental management accounting studies, the conflicts that may arise with existing management perspectives have received limited attention. This study seeks to bridge this gap by exploring theoretical solutions through an organizational design perspective and examining cases where such conflicts have been resolved. In the modern business environment, the management process of enterprises that have achieved complete financial and economic independence has become increasingly complex. This complexity is accompanied by new challenges for the accounting system. While financial accounting plays a vital role, it is not sufficient to provide the timely and comprehensive information needed for planning, control, and decision-making in non-standard economic situations. For such purposes, management accounting is necessary. A traditional system is used in the horse breeding industry, which entails adding all costs related to the production and sale of products from horse breeding to the cost of production (Nixon, 2012). This method of accounting, referred to as accounting as to total cost, is crucial for assessing taxes and gauging the company's financial performance. However, it does not offer the in-depth data necessary for efficient cost control. To address this limitation, the adoption of a reduced cost system called "direct costing" is proposed as an improvement to the accounting practices in horse breeding. Direct costing focuses on including only variable manufacturing costs in the product cost calculation, which allows for a more accurate analysis of cost behavior and facilitates better cost management decisions. In summary, while financial accounting serves important purposes in evaluating the financial performance of companies, it is insufficient to meet the demands of modern cost management. In the context of horse breeding, implementing a direct costing system is recommended as a means to enhance cost accounting and enable more effective cost management practices. Over the past three decades, there has been a significant increase in global material and energy consumption, particularly in industries such as oil, steel, and aluminum. [3] This trend is projected to continue in the future. In the manufacturing industry specifically, material and energy costs account for approximately 50% of total costs, surpassing other cost components such as personnel expenses and depreciation. Consequently, reducing the consumption of material and energy can lead to positive ecological outcomes, including waste reduction and energy conservation, while also resulting in cost savings related to material, energy, and disposal expenses. Such efforts would contribute to sustainable economic and environmental management. In the manufacturing industry, the amount of material and energy used, as well as the associated losses, largely depends on the design of the production processes used to manufacture a particular product program. Given that different process configurations and technologies can be employed to produce the same product program, it is crucial to identify the optimal solution that balances high material and energy efficiency with low costs. This entails finding process designs that maximize efficiency, minimize waste, and optimize resource utilization, thus aligning with the desired objectives. In summary, the growing global demand for material and energy necessitates the implementation of strategies to improve efficiency and reduce costs in the manufacturing industry. By optimizing process configurations and technologies, businesses can enhance material and energy efficiency, reduce environmental impact, and achieve sustainable economic management. Despite the fact that the topic had already been covered in a number of Polish higher education institutions before that, the practical application of management accounting in Polish businesses did not start until the early 1990s. A substantial volume of literature on cost accounting and management accounting was published between 1960 and 1990. Fedak (1962), Malc (1963), Binkowski (1964), Siwo (1972), Tendera and Wonica (1974), Jaruga (1966, 1972, 1986), Jaruga et al. (1st edition, 1977, 2nd edition, 1983, 3rd edition, 1990), and Jaruga and Skowroski (1st edition, 1975, 2nd edition, 1982, 3rd edition, 1986) are just a few of the authors who published significant books during this time. These publications covered various topics such as the application of direct costing, break-even analysis, standard costing, cost budgeting in responsibility centers, methods of indirect cost allocation and product costing, as well as principles of selling price and transfer price determination. Of particular interest was Skowroński's original model of production factor costing, which combined elements of full costing and marginal costing while emphasizing the decision usefulness of cost accounting (Jaruga and Skowroński, 1986). Academic accountants, including Siwoń, Malc, Matuszewicz, Lewczyński, Sudół, Ochman, Wierzbicki, Messner, Troszczyński, Sobańska, and many others, made valuable contributions through their publications and implementation projects (Jaruga and Skowroński, 1994, p. 167). [4] These publications highlighted the necessity of introducing and applying cost accounting methods in enterprises to generate information that would be useful for effective business management. In summary, substantial research and writing in the fields of cost accounting and management accounting led to a growth in the practical application of management accounting in Polish businesses in the early 1990s. The articles emphasised the significance of organisations adopting cost accounting practises to provide useful data for efficient management.

## 2. COST ACCOUNTING MODEL

It is often assumed that public sector organizations have less incentive to prioritize efficiency compared to private sector organizations, largely due to the principles of budgeting that govern them. In the public sector, the budget is typically not tied to the efficiency or performance of the organization. Consequently, public sector organizations may not be as motivated to save funds or operate efficiently, as there is no direct financial consequence or benefit for doing so. In fact, there may even be a disincentive for public organizations to save money, as it could result in a lower budget allocation for the following year. Within the context of a library, concepts such as “efficiency” and “productivity” are rarely used, and if mentioned, they are often seen in a negative light.[5] For instance, discussing the number of books cataloged per hour by a cataloguer may be viewed as deviating from accepted professional norms. The cultural acceptance of these concepts in the context of library work is limited. The scant academic study in this field demonstrates how important personnel are in guaranteeing the effectiveness of public institutions. Organisations in the public sector are frequently characterised as being firmly established and resistant to change. They frequently uphold hierarchical systems, stringent procedural requirements, and established traditions. It is difficult to undertake rapid changes inside public organisations and their structural units due to this inherent inertia. In summary, public sector organizations are commonly perceived as having less emphasis on efficiency due to the principles of budgeting that govern them. The lack of direct financial consequences for efficiency and the cultural acceptance of efficiency concepts within specific sectors, such as libraries, contribute to the perception. Additionally, the long-standing nature of public organizations and their resistance to change further compound the challenge of promoting efficiency in the public sector. Through the North Carolina Local Government Commission (LGC), the state of North Carolina significantly regulates the financial operations of local governments. By disseminating illustrated charts of accounts, the LGC plays a critical role in setting accounting standards for local government bodies. The accounting systems used by many local government organisations in the state are built on top of these charts of accounts.[6] The purpose of standardizing accounting systems through these charts of accounts is to ensure consistency and uniformity in financial reporting across local government entities. By adopting a standardized model, the aim is to facilitate comparability and transparency in financial information. The categories frequently seen in the charts of accounts used by the participating local government units are taken into account in the model’s construction. This strategy makes it possible to integrate the model seamlessly into current accounting systems, minimising disturbances and promoting acceptance. One of the key objectives of the model is to capture cost data at a detailed level. By collecting comprehensive and granular cost information, the model encourages local government entities to carefully consider cost data for performance measurement purposes. This emphasis on detailed cost data enables better analysis and evaluation of financial performance, facilitating informed decision-making and accountability. Overall, the standardization of accounting systems in North Carolina’s local government finance is aimed at promoting consistency, comparability, and accountability in financial reporting. The illustrative charts of accounts provided by the North Carolina Local Government Commission serve as a valuable resource for local government entities in achieving these objectives. [7]

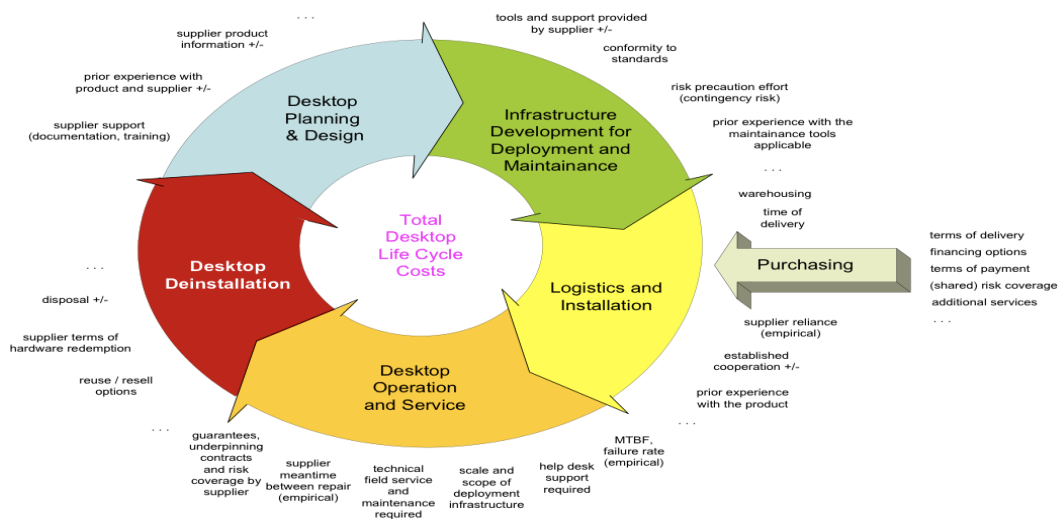


FIGURE 3. Desktop Life Cycle Costs

Whatever point of view one takes, it is generally acknowledged that traditional cost accounting systems have frequently failed to provide pertinent information for efficient management decision-making. Alternative methods have been developed to meet this demand and provide more thorough strategies. Out of these options, direct

costing (DC), activity-based costing (ABC), and the theory of constraints (TOC) systems have attracted the most interest. Assigning solely variable production costs to items is the main goal of the direct costing (DC) system. Fixed costs are not included in product costs; instead, they are considered period expenses. By presenting a clearer view of the expenses directly associated with manufacturing each unit of a product, DC attempts to improve price decisions and cost management. By linking expenses to certain activities inside an organisation, the activity-based costing (ABC) approach aims to more correctly allocate costs. It acknowledges that activities consume resources, and that the consumption of these activities by products or services varies. The activities that drive costs are identified by ABC, and costs are then assigned depending on the resources used by each activity. Making decisions is made easier thanks to ABC's insights into the real cost drivers of goods and services by more closely tying costs to activities. An organization's overall performance is constrained by constraints or bottlenecks, which can be found and managed using the theory of constraints (TOC), a management concept. [8] According to TOC, efforts should be focused on enhancing or removing limitations in order to optimise system performance because a system's performance is defined by its weakest link. Production, inventory, and throughput are just a few of the areas of an organisation where TOC offers a comprehensive method to controlling limitations. Direct costing, activity-based costing, and the theory of limitations are three alternative methods that have drawn attention because of their promise to offer management decision-makers more pertinent data. Each method provides a unique angle and strategy for tackling the shortcomings of conventional cost accounting. Depending on their unique requirements and goals, organisations may decide to implement one of these systems or a combination of them. China has rapidly industrialised over the past three decades, which has led to severe air pollution and health issues. Studies by Diamond (2005), Lagorio (2010), and Lim (2007), among others, have brought attention to the negative consequences of industrialization on China's air quality and general public health. Major Chinese cities' mean annual PM2.5 concentration has been reported to be 43 g/m<sup>3</sup>, more than four times the annual mean concentration threshold of 10 g/m<sup>3</sup> established by the World Health Organisation in 2017. PM2.5 is defined as particles with a diameter of 2.5 micrometres or less. According to Chan and Danzon (2005) and the Ministry of Ecology and Environment of the People's Republic of China (MEEPRC, 2017), this worrisome rise in air pollution levels has had detrimental effects on public health. According to research by Dockery and Pope (1994), Dockery et al. (1992, 1989), and Wang (2016), air pollution is associated with a number of health hazards. The population's rates of sickness and mortality have increased as a result of the air quality's ongoing decline. Moreover, as Liang and Zhao (2015) point out, the pollution has had a negative influence on tourism. Additionally, people have moved out of China's heavily polluted cities due to the negative impacts of air pollution. Overall, the rapid industrialization in China has resulted in alarming levels of air pollution, exceeding international standards and posing significant health risks. [9] The decline in people's quality of life, increased morbidity and mortality rates, and negative impacts on tourism are some of the consequences associated with this serious environmental issue. Efforts to address and mitigate air pollution have become a pressing concern in China.

### **3. ACCOUNTING FOR ENVIRONMENTAL MANAGEMENT**

In order to address the need for coordinated efforts in promoting EMA, the Expert Working Group on Improving Government's Role in its Promotion (EMA) was created. The group was established as a result of discussions undertaken during the Commission for Sustainable Development (CSD) 6's 1998 session, notably in regard to negotiations on environmentally friendly technologies. It became clear from these discussions that various nations were either already involved in or were interested in supporting EMA. [10] The numerous agencies involved, though, did not communicate with one another or work together effectively. The Expert Working Group was created to solve this problem and promote teamwork. Representatives of international organisations, business, accounting firms, academics, national environmental agencies, and UN agencies are included in the group. The organisation hopes to promote information sharing, exchange best practises, and develop strategies for advancing the adoption and implementation of EMA at a worldwide level by bringing together a variety of stakeholders. The Expert Working Group's establishment demonstrates how EMA is valued as a tool for incorporating environmental concerns into management accounting procedures. Governmental agencies, international organisations, business leaders, and other stakeholders are involved, showing a dedication to furthering sustainability and supporting the use of EMA as a tool for achieving environmental objectives. Different approaches to environmental accounting can be distinguished based on two key factors: the content of the activity and the primary purpose of the accounting information. [11] 1. Activity content: The balance between financial and non-financial data is referred to as the activity's content in environmental accounting. Some methods of environmental accounting place a strong emphasis on financial information and integrate environmental costs and benefits into conventional financial reporting. These methods seek to measure the financial influence of environmental elements on the operation and financial health of the organisation. On the other side, some strategies place more emphasis on non-financial data, including ecological footprint, resource usage, emissions statistics, and environmental indicators. These methods offer a wider viewpoint on the

organization’s environmental impact and seek to present a more complete picture of its environmental performance. 2. Main goal: The main goal of environmental accounting might differ, and it frequently has to do with who the accounting data is intended for. Some strategies concentrate on internal management decision support. Here, the goal is to give managers accurate and pertinent information to enable strategic decision-making, resource allocation, and performance assessment. Tools including cost-benefit analysis, life cycle costing, and environmental performance indicators may be included in internal environmental accounting systems. External reporting is prioritised in other approaches to environmental accounting. The major goal in this case is to notify external stakeholders, such as investors, regulators, customers, and the general public, of environmental information. Aiming to give openness and responsibility about an organization’s environmental effect, risks, and sustainability practises are external environmental reporting frameworks like sustainability reporting or environmental, social, and governance (ESG) reporting. It is crucial to remember that these two considerations are not exclusive, and various environmental accounting methodologies can incorporate components of both financial and non-financial data as well as serve both internal and external objectives.[12] The choice of strategy is determined by the particular requirements and objectives of the organisation and its stakeholders.

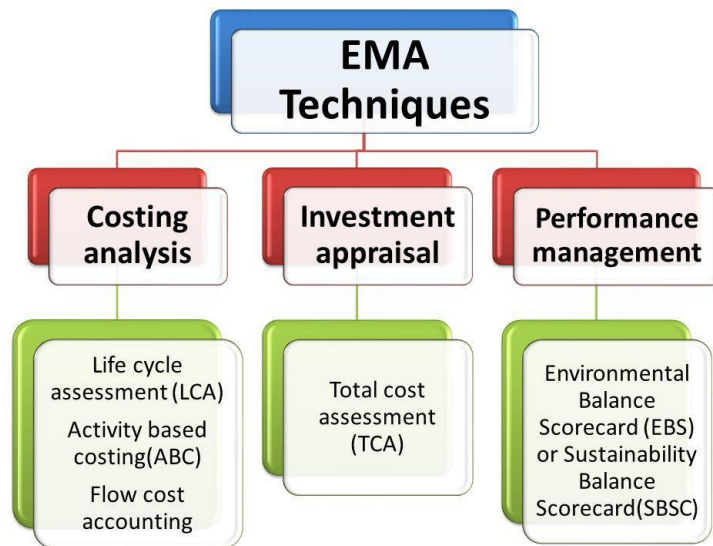


FIGURE 4. EMA Techniques

The use of Environmental Management Accounting (EMA) can bring several potential benefits to organizations: 1. Cost reductions: EMA can help identify inefficiencies and areas of waste in resource consumption, leading to cost-saving opportunities. By analyzing environmental costs and performance, organizations can identify areas for improvement, implement more efficient processes, and reduce resource consumption, resulting in cost reductions. 2. Improved product pricing: EMA provides insights into the true costs associated with products or services, including environmental costs. This information enables organizations to better understand the cost drivers and allocate costs more accurately. It can help in setting prices that reflect the true costs and consider the environmental impact, ensuring that products are priced competitively while accounting for sustainability factors. 3. Attraction of human resources: EMA practices that demonstrate a commitment to environmental sustainability can enhance an organization’s reputation and attractiveness to potential employees. Many individuals are increasingly seeking employment in organizations that prioritize environmental responsibility. EMA can help organizations showcase their environmental initiatives, leading to increased interest from skilled professionals. 4. Reputational improvements: Effective implementation of EMA can contribute to improved environmental performance and sustainability practices. This, in turn, enhances an organization’s reputation among stakeholders, including customers, investors, regulators, and the public. A positive reputation for environmental responsibility can lead to increased customer loyalty, investor confidence, and public trust. 5. Enhanced decision-making: EMA provides organizations with valuable information for decision-making. It offers insights into the environmental impact of different processes, products, or projects, allowing organizations to make more informed decisions. EMA data can uncover hidden opportunities for waste reduction, energy conservation, and material recycling. It also encourages innovation by identifying areas where more efficient and sustainable processes can be implemented. Case studies, such as those involving Baxter International and Interface Inc., have shown significant economic benefits resulting from the use of EMA. These organizations were able to generate substantial savings through improved resource management, reduced costs, and increased operational efficiency. Overall,[13] EMA can provide organizations with valuable information and tools to optimize their environmental performance, achieve cost savings, and align with sustainability objectives.

There is no widely agreed-upon definition of environmental accounting because the field is still in development. There are various viewpoints on what environmental accounting encompasses, though: 1. Contribution to environmental preservation: Some individuals view environmental accounting as the accountant's role in safeguarding the environment. This perspective emphasizes the importance of accountants in promoting sustainable practices and ensuring that organizations account for their environmental impacts. 2. Management tool: Environmental accounting is a management tool that incorporates all accounting areas impacted by an organization's response to environmental challenges, according to Grey, Bebbington, and Walters (1993). It also encompasses the recently developed discipline of "eco-accounting," which concentrates on the environmental sides of accounting. 3. Interrelationships between accounting and ecology: Burritt and Lehman (1995) describe environmental accounting as the study of the connections between accounting, accountants, and ecological concerns. It explores the interplay between accounting practices and the environment, considering the impacts, costs, and benefits associated with environmental activities. The main objective of environmental accounting is to incorporate environmental factors into accounting systems and decision-making processes, notwithstanding the fact that these definitions may differ.[14] It acknowledges the significance of determining opportunities for better environmental performance as well as assessing and revealing the environmental implications of organisational actions. Environmental accounting can encompass various aspects, including tracking environmental costs and expenditures, measuring environmental performance indicators, assessing the value of natural resources, incorporating environmental considerations into financial statements and reporting, and using accounting information for environmental management and decision-making. As the field continues to evolve, the development of standardized frameworks and guidelines, such as environmental management accounting (EMA), can provide more structured approaches to incorporating environmental considerations into accounting practices. These frameworks aim to enhance the integration of environmental information into financial and managerial accounting systems, supporting organizations in their pursuit of sustainable and environmentally responsible practices.[15]

#### **4. STRATEGIC MANAGEMENT ACCOUNTING**

Strategic management accounting (SMA) has gained popularity recently, as seen by its inclusion in accounting curricula and the release of books and journal articles specifically devoted to the subject. Even still, there hasn't been much empirical study on SMA despite the rising interest. The absence of actual research and the vagueness of the definition of SMA have drawn criticism from certain academics. Concerns concerning the dearth of empirical studies exploring the use and application of SMA in practise are raised by Lord (1996) and Tomkins and Carr (1996). The prevalence and acceptance of SMA have received very little attention compared to surveys on traditional management accounting practises. The complicated and developing character of the area may be to blame for the underdevelopment of empirical research on SMA. Strategic and management accounting ideas are combined in SMA, with an emphasis on how accounting data may help with strategic decision-making and performance management. SMA may be difficult to operationalize and measure in empirical investigations because of its interdisciplinary character and diverse definitions. Nonetheless, the growing interest in SMA suggests its perceived importance in the field of accounting.[16] As researchers continue to explore and define SMA more clearly, there is potential for empirical studies to shed light on its usage, impact, and effectiveness in organizations. This empirical evidence would contribute to a better understanding of SMA and its role in supporting strategic decision-making and organizational performance. Organisations must become more acutely aware of their external surroundings as marketplaces become more globalised. In order to align corporate resources with strategic prospects and acquire a competitive edge, senior managers must have access to information on the activities of their firm, its rivals, and the state of the market. The company must constantly examine its environment to maintain this edge while making sure it remains a moving target for rivals and is aware of any changes in the marketplace. Expanding the scope of management accounting to include a procedure known as strategic management accounting (SMA) is one method of delivering this crucial information. To support strategic decision-making and improve the firm's competitive position, SMA integrates strategic and management accounting ideas. By incorporating SMA, management accountants can provide senior managers with strategic insights and analysis beyond traditional financial reporting.[17] They can help identify key performance indicators, analyze market trends, assess the cost and profitability of products or services, evaluate investment decisions, and develop performance measurement systems aligned with the firm's strategic goals. SMA is to provide senior management with the information they need to make decisions that are in line with the organization's strategic direction, take advantage of market opportunities, and reduce risks. By giving decision-makers at all organisational levels timely and pertinent information, it closes the gap between strategic planning and operational execution. By adopting SMA, organizations can gain a deeper understanding of their competitive landscape, identify emerging trends and potential threats, and develop strategies that exploit market opportunities. It enhances the organization's agility and responsiveness, enabling it to adapt and thrive in a rapidly changing business environment. Overall, SMA recognizes the need for management accounting

to go beyond traditional financial reporting and become a strategic partner in guiding the organization's success. It enables organizations to proactively navigate the complexities of the global market and achieve a sustainable competitive advantage. The chapter by John Shank entitled "Strategic cost management: upsizing, downsizing, and right(?) sizing" in *Contemporary Issues In Management Accounting* provides an interesting and thought-provoking exploration of the evolution of what he refers to as "strategic accounting" and "strategic cost management." While noting the contributions and links to analogous developments in the UK, Shank, one of the early and steadfast proponents of these ideas, gives a US-centric perspective on the developments and impacts in the management accounting area. In his chapter, Shank offers a first-hand description of the development of strategic cost management (SCM) and, in his opinion, its subsequent decline. He explores the background elements influencing its growth, illuminates its accomplishments, and muses on the potential of strategic management accounting (SMA). By offering insights into the origins and trajectory of SCM, Shank's chapter contributes to the broader understanding of SMA. It serves as a valuable resource for considering the accomplishments and potential directions of SMA as a field of study and practice. It is worth noting that this chapter focuses on the US perspective and its linkages to developments in the UK, highlighting the interconnectedness of ideas and approaches in the management accounting discipline across different regions. Overall, Shank's chapter offers a compelling narrative of the development of strategic cost management and gives readers a first-hand look at the development, difficulties, and future prospects of SMA. It is a useful tool for academics, professionals, and anybody else interested in the history and present of strategic management accounting. There are two key portions to the essay. The first section analyses the body of knowledge on strategic management accounting, highlighting the essential elements and characteristics commonly found in a strategic management accounting system. The goal of this part is to give a general overview of the assumptions and theoretical underpinnings of strategic management accounting. The second part of the essay focuses on a case study of a particular company, emphasising the ways in which the company exhibits many of the traits and components covered in the literature on strategic management accounting. The activities within this particular organisation, however, have been carried out without any input from management accountants, despite the perception that accountants are important in guiding strategic initiatives. The actual role and engagement of management accountants in strategic management accounting practises is a fascinating issue that is brought up by this research. It shows that even when management accountants are not directly involved or contributing, strategic actions can nonetheless take place within organisations. [18] This observation calls into question the widespread belief that accountants are essential to the process of making strategic decisions. By examining the case study and its deviation from the expected involvement of management accountants, the paper provides insights into the actual dynamics and realities of strategic management accounting in practice. It prompts further reflection on the role of accountants and the potential for strategic activities to be driven by individuals or departments beyond the domain of management accounting. Overall, the study provides a critical examination of the literature on strategic management accounting and offers a practical example that encourages a reevaluation of the widely held beliefs about the function of accountants in strategic decision-making processes.



FIGURE 5. Strategic Management Accounting

## 5. CONTEMPORARY DEVELOPMENT

Numerous academic fields, including geography, economics, sociology, and regional science, have been interested in the dynamic growth patterns in nonmetropolitan areas of the United States. Over the past 25 years, a variety of studies have been carried out to comprehend these changes and their effects. This study adds to the body of knowledge on nonmetropolitan development trends by concentrating on those that occurred in the 1990s. Previous studies in this field have primarily adopted a regional perspective, utilizing macro-level techniques and analyzing aggregated data. These studies have provided valuable insights into the overall patterns and trends at a broader level. However, this paper takes a different approach by examining nonmetropolitan development at a microscale level. It presents the findings of four community case studies conducted in 1996, offering a more detailed understanding of the complex development processes occurring in nonmetropolitan areas. This research illuminates the complexities and subtleties of nonmetropolitan growth and development that may not be obvious



when merely relying on macrolevel approaches by using qualitative techniques in the investigation. The case studies emphasise possible difficulties and difficulties related to elements that contribute to nonmetropolitan growth as well as the multifaceted nature of development processes. The inclusion of microscale analysis and qualitative techniques in this paper expands the knowledge base on nonmetropolitan development and provides a more comprehensive understanding of the underlying dynamics. It underscores the importance of considering local-level factors and context in addition to regional-level trends when studying nonmetropolitan areas. Overall, this research contributes to the evolving literature in this field and offers valuable insights into the complexities of nonmetropolitan development patterns. The link between discomfort and loss of function in the cervical (neck) and lumbar (lower back) areas has been examined in a number of research. Studies by Revel et al. (1994), Heikkila and Wenngren (1998), and Loudon et al. (1997) found that people with pain and cervical dysfunction had significantly lower levels of cervical kinaesthetic sense (awareness of movement) and repositioning ability. Similarly, despite the paucity of studies specifically evaluating proprioception impairments (the feeling of body position) related to low back pain, several studies have found that people with low back pain had significantly decreased repositioning abilities. Gill and Callaghan (1998), Taimela et al. (1999), and Brumagne et al. [19] (1999) found that people with low back pain had less precision while aligning the pelvic and lumbo-sacral spine. According to these research, maintaining exact posture and function of the lower back depends greatly on the precise muscle spindle input that generates proprioceptive feedback. The findings from these studies highlight the impact of pain and dysfunction on kinaesthetic sense and proprioception in both the cervical and lumbar regions. Impairments in these sensory abilities can contribute to difficulties in movement control, coordination, and postural stability. Understanding these proprioceptive deficits can have implications for the assessment, treatment, and rehabilitation of individuals with neck and low back pain, as interventions aimed at improving proprioception help restore functional abilities and alleviate symptoms. The decline in the quality of the health of America's youth is a complex issue with multiple factors contributing to it. Some possible explanations or factors that can be considered are as follows: 1. Political Aspects: Politicians are to fault for putting their personal interests and short-term gains ahead of the general population's long-term welfare. Their emphasis on electoral politics and placating particular interest groups may draw attention and funding away from programmes that may advance public health and make investments in human capital. 1. Business and Industry Factors: Businesses and industries that prioritize profits and financial growth may neglect investments in the quality of life of their employees and customers. This could include practices that promote unhealthy lifestyles, such as the marketing of unhealthy food and beverages or the lack of workplace wellness programs. 2. Media Influence: Media organizations may contribute to the issue by prioritizing sensationalism and focusing on content that generates higher ratings or circulation. This can lead to the promotion of unhealthy behaviors or the neglect of important public health messages, thereby undermining efforts to improve the health of the population. It's crucial to keep in mind that these are not all the causes of the deterioration in youth health in America; other factors may also be involved. [20] A comprehensive and multifaceted strategy requiring cooperation between numerous stakeholders, including the government, corporations, media, educational institutions, healthcare professionals, and communities is needed to address this issue. The bad trend can be reversed and a healthier future for America's young by putting more emphasis on health education, encouraging physical activity, and improving access to nutrient-rich food. You are right to point out the necessity for researchers to reorient their attention towards the applicability and relevance of management techniques used by Asian investors and commercial partners in the African setting. [21] Due to the presence of western multinational corporations in African economies, management and organisation studies study has historically focused primarily on the supremacy of western theories and practises. The importance of analysing the impact of Asian management practises cannot be overstated, however, given the growing business ties between Africa and Asia, particularly in light of China's considerable investments on the continent. Although academic interest in investments by Japanese and Indian companies in Africa has been relatively low thus far, the large investments by China should not be disregarded. The size and scope of Chinese investments in Africa offer a rare chance to research and comprehend Chinese companies' management strategies and the effects they have on African economies. By exploring the suitability and effectiveness of Asian management practices in Africa, researchers can contribute to a more comprehensive understanding of the diverse approaches to management and their impact on economic development, employment, and business practices in the African context. This shift in focus will provide valuable insights for policymakers, businesses, and scholars interested in fostering sustainable and mutually beneficial business relationships between Africa and Asia.

## **6. CONCLUSION**

Because it distinguishes between costs for different reasons, the cost accounting system may be customised to match the unique demands of any organisation. Cost estimation, planning and management ease, and increased internal process effectiveness are its primary goals. It provides as a foundation for inventory valuation, disclosing external expenses, and daily decision-making. Professional and social science surveys demonstrate how crucial

the cost accounting system is to attaining these objectives. With the adoption of Advanced Manufacturing Technologies, businesses have grown in size and market reach, leading to changes in cost structures. This has raised concerns among academics and practitioners regarding the limitations of Traditional Costing Systems in analyzing customer profitability and cost object profitability in detail. In response to this changing environment, Activity-Based Costing (ABC) systems have emerged. ABC aims to assign overhead costs to cost objects in a more realistic manner by eliminating the process of allocation or absorption. When compared to Traditional Costing Systems, ABC has demonstrated several advantages. These include increased accuracy of cost allocation through the use of cost drivers, greater cost efficiency, and more accurate cost information for managing increased overheads. ABC establishes itself as superior by providing an effective indirect cost allocation system. ABC functions as an indirect cost allocation technique that is appropriate for cost management. Because it is based on concrete actions, it makes it possible to distinguish between lucrative and unprofitable activities as well as between controlled and uncontrollable expenditures. ABC delivers a more accurate reflection of the costs incurred by each cost object by offering fact-based insights into the spending and profitability of cost objects.

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