



New Opportunities for the Development of Education at the Technical University of Liberec

Specific objective A2: Development in the field of distance learning, online learning and blended learning

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Virtual Mobility: New Challenges for Management Accounting

Ing. Lenka Strýčková, Ph.D.

Students presentations on given topics



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MANAGEMENT ACCOUNTING

THE ROLE OF MANAGEMENT ACCOUNTING FOR
MICRO, SMALL AND MEDIUM ENTREPRISES?

INTRODUCTION

Often undervalued we cannot overstate the significance and impact for the financial health of a company that accounting represents.

Managerial accounting is a significant “compass” in guiding Micro, Small and medium companies day to day operations and their future. It helps :

- with compliance & legal protection
- Decision making
- Cost control & Risk management
- Provides data for internal optimization

MANAGEMENT ACCOUNTING

IN MICRO ENTREPRISES



WHAT ARE MICRO ENTERPRISES?

Micro enterprises are the smallest scale of businesses, often run by a small number of people or even a single individual. They are characterized by their minimal size in terms of employees, assets, and revenue.

KEY CHARACTERISTICS

- Small Size
- Limited Resources
- Localized Operations

EXAMPLES OF MICRO ENTERPRISES

Home-Based
Catering Business

Freelance Graphic
Designer

Corner Store or
Convenience Shop

Individual Artisan or
Craftsperson

Consultant or Coach
Operating Independently

These examples highlight the small scale and localized nature of micro enterprises, showcasing businesses that are often started and operated by individuals or very small teams.

MANAGEMENT ACCOUNTING

IN SMALL ENTREPRISES

SMALL ENTERPRISES

DEFINITION

- Companies with fewer than 50 employees
- Turnover and total balance sheet fewer than 10 million euros
- Small and medium-sized enterprises represent 99% of all businesses in the EU area
- Eu commission definition

ROLE OF MANAGEMENT ACCOUNTING

- Financial planning
- Cost management
- Supporting financial decisions
- Performance measurement
- Cash flow management
- Tax planning and risk management

MANAGEMENT ACCOUNTING

IN MEDIUM ENTREPRISES

WHAT ARE MEDIUM ENTERPRISES?

Medium enterprises are have between 50 and 250 employees, and between 10 and 50 million euros in annual turnover or balance sheet total.

- Environmental, staff, and organizational factors influence the management accounting practices in medium enterprises.
- Medium enterprises benefit from proper management accounting in terms of performance, competitiveness, and innovation

Case study from China Qualitative reserch

Senior managers use their intuition and experience to make decisions

The CFO isn't fully involve in the strategic decision making

The operating department is considered the core of the enterprise

The enterprise culture is not well developed and communicated

RECOMMENDATIONS

Enhance the awareness and education of management accounting among the senior managers and the staff

Empower and support the chief financial officer to implement and integrate strategic management accounting in the strategic decision making to make decisions

Promote the cooperation and coordination between the operating department and the financial department

Develop and communicate a strong and positive enterprise culture that aligns with the strategic goals and values of the enterprise

THE ROLE OF MANAGEMENT ACCOUNTING IN MEDIUM ENTERPRISES

Management accounting is important for medium enterprises, as it can help them to improve their performance, competitiveness, and innovation

Management accounting usage and practices in medium enterprises are influenced by various factors, such as the environment, the staff, and the organization

- **Management accounting in medium enterprises can be improved by enhancing the awareness and education, empowering and supporting the chief financial officer, developing and communicating a strong and positive enterprise culture, and promoting the cooperation and coordination between the operating department and the financial department**

CONCLUSION

As we can see Managerial accounting is absolutely crucial for micro, small, and medium enterprises to function properly by offering vital insights that drive decision-making at every level.

Managerial accounting's impact on micro, small and medium transcends the mere analytical and numerical side of accounting, it's the cornerstone for informed decision-making.

It empowers these enterprises to navigate challenges, seize opportunities, and develop in the market they are in.

<https://www.mdpi.com/2227-7099/10/4/74><https://publications.aaahq.org/jmar/article/27/1/81/615/Management-Accounting-in-Small-and-Medium-Sized><https://www.emerald.com/insight/content/doi/10.1108/QRAM-02-2020-0014/full/html>[https://www.academia.edu/27973698/The Use of Management Accounting Techniques by Small and Medium ized Enterprises A Field Study of Canadian and Australian Practice](https://www.academia.edu/27973698/The_Use_of_Management_Accounting_Techniques_by_Small_and_Medium_ized_Enterprises_A_Field_Study_of_Canadian_and_Australian_Practice)<https://doi.org/10.2308/jmar-50915>