



REVIEW OF ACCOUNTING DATA USED IN MAKING MANAGEMENT DECISIONS

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ABSTRACT

The project's main objective is to refine the utilisation of accounting data to bolster management's decision-making process. It covers the requirements for accounting, financial, and management accounting information. The researcher will also look at possibilities for using accounting data to guide management's choices. In order to do the work, they had to realise how important accounting data is for management's decisions. The strategic and tactical planning and management of operations are both aided by readily accessible financial data. Finally, the project scope aids in deducing the nature of the issue and methods for solving it in a manner that guarantees flawless management.

Keywords: *Information technology (IT), financial system data, accounting data, management choices, Effective of Accounting, management decisions.*

• INTRODUCTION

The transition from the single-entry to the double-entry system resulted in a dramatic increase in productivity. Any number of monetary transactions, including as receipts, payments, and gains and losses, may be tracked by an accounting system. Indeed, it is accurate in many respects (Afifa et al., 2022). In the past, bookkeeping merely served to show if a business was successful; now, with today's accounting information systems, businesses may actively work to increase their profitability. Distributing accounting data is the main purpose of an accounting information system. This data is vital for undertaking performance analysis on a firm. An "Accounting Information System" is a set of tools that combine elements of traditional computerised accounting with those of the information technology industry (Adeniran et al.,



2020). They'll be brought on board to help monitor the company's consistent cash flow. Due to the exponential rise in computer capability, strategic accounting data may now be created and used. Accounting information systems (AIS), a subset of IS, have the potential to enhance internal decision-making when tailored to match the unique requirements of a company's operations, activities, and organisational structure. To aid auditors, consultants, managers, chief financial officers (CFOs), and even tax and regulatory agencies with their financial reporting, businesses depend on accounting information systems. As an added bonus, AIS and CPAs collaborate to check that a business has current and correct financial records, as well as to begin securely exchanging financial data with those who really need it. Because it lays the groundwork for good leadership and performance reviews, investing in a trustworthy accounting information system is now a top priority for all managers. It is often believed that in order for a business to succeed, an AIS is essential. The information offered in this book could be useful for managers of any rank. They will be able to do a much better job with tasks like planning, strategic planning, analysing performance, and making decisions using this data. What is more often known as an "accounting information system" (AIS) is a collection of computer programs that help manage and oversee a company's financial and economic operations. Businesses may evaluate their financial health and performance with the help of accounting information systems. Companies providing banking, investment, auditing, and related services, as well as suppliers and purchasers, may find this data valuable. Financial data is useful for internal users. According to (Bandara et al., 2024), users should be able to obtain financial data in order to make informed decisions. A multi-tasking accounting information system may be effective. Inspiring, managing, processing, commanding (including security), and acquiring data is part of the job. Subsystems that are stacked make up these methods.



Following these guidelines, accounting information systems are constructed. Academics should prioritise adaptability, efficacy, and efficiency. By delivering accurate data, a well-operating AIS may improve decision quality and simplify operations. There are several contexts in which businesses could benefit from sharing data in order to boost efficiency and get an advantage. A number of objectives may be laid forth in a company's financial accounts. Financial accounting data is produced by AIS (Oyewo, 2022).

- **BACKGROUND OF THE STUDY**

In principle, accounting may be as old as human civilisation itself. Starting in 8000 B.C., the city of Jericho may have been the first "city" ever built. It was in Palestine that the city of Jericho stood. The first drafts of our financial paperwork will be created by the researchers during this time. As more and more people began to enter via the Dead Sea, trade flourished. At first, tokens were the only way to keep track of information (Thuan et al., 2022). Animals, other livestock, and commercial commodities like wheat were all shown by clay balls of varying shapes (round, etc.). This method was the first to record and reflect an inventory, and it was also the first that the researcher got familiar with numerical values employing. From simple coins to more complicated ones, clay tablets, and finally abstract symbols, monetary systems underwent a remarkable progression during the next five thousand years. This



occurred when tokens evolved from their simplest to their most complex forms. The fields of agriculture, textiles, construction, warfare, and nation states were all making strides ahead of accounting. In response to the need for a more complex recording system after the emergence of nation governments and the consolidation of prior writing systems, cuneiform writing emerged in Samaria about 3200 BCE. The creation and tally of tokens is an essential component in handling monetary transactions. That was the way things were done in the past. As early as 3000 BCE, there was a significant technological innovation that had an impact on accounting. It was at this time when Middle Eastern cultures "discovered" and began using metalworking tools made of bronze. Considered in a strictly chronological context, this might be considered the start of the Bronze Age. Even though it may have started in China, the abacus quickly became a common instrument for Westerners to use for a variety of accounting and mathematical tasks. At the same time, something similar happened in Egypt, which also affected the recording of financial transactions there. As stated by (Al-hosban et al., 2021). This was the next logical development after the papyrus scroll.

Figure 1: Clay tablets dating back to about ca. 2900 BC.





In contrast to the Mesopotamians' preference for clay tab lets, the Egyptians recorded their financial dealings on papyrus scrolls. The researcher is referring to someone who maintains records in current times when she uses the word "scribe" in Mesopotamian. Scribes were required to do more than just record transactions; they also had to ensure that all parties followed the rules set forth in the Commercial Transactions Code. This suggests that the role of the scribe was more involved than that of an accountant in the present day. The number of scribes employed by temples, castles, and private companies seems to have been in the hundreds. Because it required knowledge of both law and literature, this profession was highly esteemed (Alfartoosi et al., 2021).

- **LITERATURE REVIEW**

A With little resources, management continues to struggle with the core problem of elected leadership. According to (Abdullah et al., 2023), having access to high-quality accounting data is crucial for legitimate basic leadership, amplifying advantages, and making the most of limited resources. The term "accounting" is described as "the arrangement of accounts and abrogating commercial and financial transactions by investigating, confirming, and revealing the findings" in Webster's Ninth New University Lexicon. The research concluded that the primary function of accounting is to report financial and operational performance to owners and managers of a business. The idea behind accounting records is that they include information regarding monetary transactions that may help with decision-making. Businesses, government organisations, families, and philanthropic groups need this kind of data to make sound financial choices. A "transfer" is another name for a "selement" when the monetary



aspect is included. The two most common types of business deals are those involving just two people and those involving third parties. Accounting is most useful when seen as a system for communicating and making predictions that aids companies in reaching their goals via the provision of consistent financial and social data based on identifiers to customers. The goal of accounting is to help people and organisations make informed decisions by collecting, assessing, recording, and sharing financial information. Accounting primarily entails making financially sound judgements that are advantageous to all stakeholders. The data offered in these works may provide a solid foundation for decisions on the distribution of resources, which is essential for researchers to accomplish the common good. These disciplines must work together. Processing, evaluating, recording, categorising, explaining, and communicating data to potential customers is the only way to make data useful. For the avoidance of doubt, they constitute the bedrock of accounting. Decisions must be based on accurate financial facts. The board uses financial data for planning and basic leadership. Disclosure is the act of making known to the public important financial information about a company's or organization's transactions (Ababneh et al., 2022).

- **Management Accounting & Decision-Making**

With the help of "discovering, measuring, and communicating economic information," shoppers may make well-informed decisions. Improving one's understanding of accounting data is crucial as it may aid in decision-making. Thus, via reporting and collecting accounting data, controllers may urge management to work in a manner that supports the organization's objectives. Financial statements are primarily intended for management, according to Emmanuel, Otley, and Merchant. Through its planning and control functions, management is



answerable for matters pertaining to both the operational and strategic domains. Making and overseeing choices is an integral component of control as they constitute an "essential aspect of the overall control process." Accounting information is more likely to be used for decision-making when it is relevant, thought to be accurate, and supported by enough non-accounting data. Accounting data, according to (Anggarini & Permatasari, 2020). is easier to comprehend, describe, and quantify than other forms of data. Additional ideas used in management accounting for decision-making are built upon this cost basis. Capital budgeting, profitability, target costing, and cost-plus pricing are just a few of the methods that will be covered (Zulianda & Suwandi, 2023).

4. RESEARCH QUESTIONS

- In what ways does control facilitate decision-making in accounting information?

5. RESEARCH METHODOLOGY:

5.1 Research design:

SPSS version 25 was used to evaluate quantitative data. The direction and magnitude of the statistical link were assessed using the odds ratio and the 95% confidence interval. Researchers indicated a statistically significant threshold at $p < 0.05$. A descriptive analysis was used to determine the main characteristics of the data. Data obtained by surveys, polls, and questionnaires, or by altering existing statistical data using computational tools, is often evaluated mathematically, numerically, or statistically employing quantitative approaches.



5.2 Sampling:

Research participants completed questionnaires to provide data for the study. Utilising the Rao-soft software, researchers identified a study sample of 1,273 individuals, prompting the distribution of 1,380 questionnaires. The researchers received 1,367 responses, excluding 67 for incompleteness, resulting in a final sample size of 1,453.

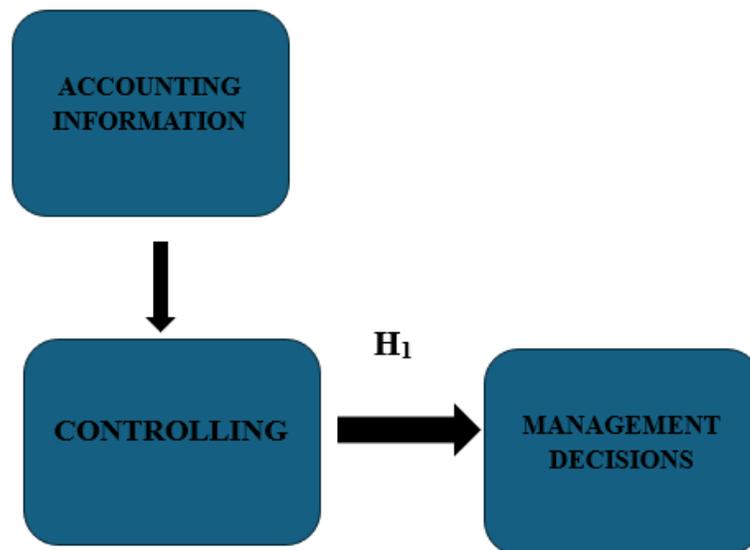
5.3 Data and Measurement:

The major tool for gathering information for the study was a questionnaire survey. Part A of the survey asked for basic demographic information, while Part B asked respondents to rate various aspects of the online and offline channels using a 5-point Likert scale. Secondary data was gathered from a variety of sources, with an emphasis on online databases.

5.4 Statistical Software: The statistical analysis was conducted using SPSS 25 and MS-Excel.

5.5 Statistical Tools: To grasp the fundamental character of the data, descriptive analysis was used. The researcher is required to analyze the data using ANOVA.

6. CONCEPTUAL FRAMEWORK



7.RESULT

- **Factor Analysis**

One typical use of Factor Analysis (FA) is to verify the existence of latent components in observable data. When there are not easily observable visual or diagnostic markers, it is common practice to utilise regression coefficients to produce ratings. In FA, models are essential for success. Finding mistakes, intrusions, and obvious connections are the aims of modelling. One way to assess datasets produced by multiple regression studies is with the use of the Kaiser-Meyer-Olkin (KMO) Test. They verify that the model and sample variables are representative. According to the numbers, there is data duplication. When the proportions are less, the data is easier to understand. For KMO, the output is a number between zero and one. If the KMO value is between 0.8 and 1,



then the sample size should be enough. These are the permissible boundaries, according to Kaiser:

The following are the acceptance criteria set by Kaiser:

A pitiful 0.050 to 0.059, below average 0.60 to 0.69

Middle grades often fall within the range of 0.70-0.79.

With a quality point score ranging from 0.80 to 0.89.

They marvel at the range of 0.90 to 1.00.

Table1: KMO and Bartlett's Test

Testing for KMO and Bartlett's

Sampling Adequacy Measured by Kaiser-Meyer-Olkin .90

The results of Bartlett's test of sphericity are as follows: approx. chi-square

df=190

sig.=.000

This establishes the validity of assertions made only for the purpose of sampling. To ensure the relevance of the correlation matrices, researchers used Bartlett's Test of Sphericity. Kaiser-Meyer-Olkin states that a result of 0.960 indicates that the sample is adequate. The p-value is 0.00, as per Bartlett's sphericity test. A favourable result from Bartlett's sphericity test indicates that the correlation matrix is not an identity matrix.

Table 1: KMO and Bratlett's Test³



KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.960
Bartlett's Test of Sphericity	Approx. Chi-Square	3252.968
	df	190
	Sig.	.000

As this demonstrates, claims made in order to conduct a sample are legitimate. Researchers used Bartlett's Test of Sphericity to verify that the correlation matrices were relevant. According to Kaiser-Meyer-Olkin, a sample is considered acceptable when the result is 0.960. According to Bartlett's sphericity test, the p-value is 0.00. The correlation matrix does not equal an identity matrix, as shown by a statistically significant result from Bartlett's sphericity test.

❖ **INDEPENDENT VARIABLE**

❖ **Accounting Information**

In accounting, a company's financial transactions are recorded, summarised, analysed, and made meaning of. The procedure results in the creation of financial statements. A long list of potential end users includes government agencies, owners, investors, creditors, workers, and managers. Researcher may choose from a variety of computerised accounting information systems that can help researcher gather and analyse financial data. Every single one of the



business's monetary dealings are documented in the IT system researcher described before.

With the use of these systems, reports can be easily generated and shared among the many stakeholders in the company (Taschner & Charifzadeh, 2023).

❖ **FACTOR**

❖ **Controlling**

An essential part of a manager's job is to exercise control. A manager has to exert effective control over their subordinates' actions if they want intended outcomes from them (Syafnidawaty, 2020). To rephrase, the term "controlling function" refers to the process of making sure that an organization's operations follow the blueprint. Ensuring that an organization's resources are being utilised effectively and efficiently to meet established objectives is another important aspect of control. In management, "controlling" is the steps used to assess how close an organisation is to reaching its objectives. This step entails keeping an eye on how the strategy is being carried out and adjusting it as needed. A key goal-oriented role of management is controlling an organisation. The purpose of performance evaluation is to make sure that things are going according to plan and, if not, to figure out what went wrong and fix it. All stages of operations must be carefully observed and assessed by management. The management may use this information to take necessary steps within the allotted time frame to prevent unforeseen events and financial setbacks. Every level of management, from the top to the bottom, is responsible for controlling something.

❖ **DEPENDENT VARIABLE**

❖ **Management Decision**



Managerial decisions aim to accomplish the organization's goals by identifying problems, considering potential solutions, and selecting one. Because it impacts operations, economics, human resources, and overall performance, management decision-making is critical to any organization's seamless operation. Every day, researchers have to make a variety of choices, some of which are little and easy to overlook, while others might have a profound impact on their lives. Researchers can shape our life with every decision they make. Our professional and social lives could be profoundly affected by the choices researcher make in our personal lives as researchers. Researchers must master the art of making decisions in order to mitigate the potential negative impact on our personal and professional life. The capacity to make choices is a crucial trait of effective managers. When leaders are unsure of themselves or don't say what they mean, it may cause frustration among workers and slow down the company's progress. Employees' rash decisions or lack of thorough research may have a devastating impact on a company's morale and profitability (Olayinka et al., 2023).

- **Relationship between Controlling and Management decision**

A manager makes a selection among potential actions in decision making (Janka et al., 2020). In managing, the manager determines the next steps by comparing actual outcomes to predetermined targets. The worldwide setting affects the performance of these duties. Therefore, goals will not be attained by planning if controlling is not done. An executive function is controlling, while planning is a mental process. The process of planning requires originality, insight, and good judgement; the process of regulating is making sure that choices are turned into the activities that



are wanted. The management role of control aids in the detection of mistakes and the implementation of solutions. As a result, there will be less room for error and the organization's declared objectives will be more easily met. If decision-makers want to be sure they're doing the right thing, they should include decision controls into their process. Validation and support for decision-making is provided by decision controls. A manager makes a selection among potential actions in decision making. In managing, the manager determines the next steps by comparing actual outcomes to predetermined targets. The worldwide setting affects the performance of these duties (Gaol, 2023).

- *H₀: There is no significant relationship between Controlling and Management decisions.*
- *H₁: There is a significant relationship between Controlling and Management decisions.*

Table 2: H₁ ANOVA Test



ANOVA					
Sum					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	39588.620	512	5665.518	618.214	.000
Within Groups	492.770	940	5.355		
Total	40081.390	1452			

In this study, the result is significant. The value of F is 618.214, which reaches significance with a p-value of .000 (which is less than the .05 alpha level). This means the ***“H₁: There is a significant relationship Investment and Chinese Financial Market”*** is accepted and the null hypothesis is rejected.

8. CONCLUSION:

The purpose of an accounting information system is to facilitate the collection, organisation, and dissemination of financial data for a business. Financial data management using accounting terminology, documentation, reports, flowcharts, and protocols. In order to better understand how Asia Cell Telecommunication Company's accounting information system relates to the accuracy of the financial data it has filed with the Iraqi stock exchange, this questionnaire research was designed. In terms of who gains from AIS, most people think Asia Cell Telecommunication Company. It is possible to combine ERP with accounting information systems. They employ a computer-based database system to store and retrieve data, which helps with event tracking and promotes effective use of resources and activities. In addition, they help maintain the International



Financial Reporting Standards (IFRS) and the General Accounting Principles (GAAP) current, which are the two main standards for financial reporting. Accounting information systems consist of organisational structures, processes, and regulations that operate together to prevent and detect errors and wrongdoing. A link between the quality of the accounting information system and the accounting information itself is shown by the results for Asia Cell Telecommunication Company. In all that they do, AIS gives it their all. This research highlights the significance of technology in business, which might benefit Asia Cell Tech Company and other firms. Furthermore, this inquiry is limited to the Asia Cell Tech Company, which is listed on the Iraqi Stock Exchange. This highlights the critical need for more research on the Iraqi stock market's structure (Baugh et al., 2021)).

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