CLASSIFICATION OF MANAGERIAL ACCOUNTING TO DEVELOP THE MANAGERIAL ACCOUNTING SYSTEM OF VENTURE COMPANIES

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Abstract. Venture operations are characterized by a high level of commercial risk resulting in the dependence of profit on information support of venture company management. Information support of venture operations requires the formation of special system of managerial accounting to serve as a prerequisite of taking correct managerial decisions at all levels of enterprise management, as well as reaching high financial-economic indexes of activities. Common information area is defined as a place of venture company operation which includes both external integrated financial reports formed in accordance with legal requirements, and internal managerial accounting formed according to external requirements. To build and successfully implement the managerial accounting system at a venture company, the classification of managerial accounting is formed and grounded. This will allow realizing different approaches to the formation, submission and use of managerial accounting, as well as determining the requirements of end-users of these reports.

Keywords. Venture company, managerial accounting, risks, information support, management, managerial decision, uncertainty.

Introduction
Information support of management and venture company investors depends on the structure of managerial accounting. Information is a key resource for the management personnel, it allows the managerial accounting system to operate, i.e. ensure internal and sometimes external environment by information for effective operation. Information support of venture operations requires a special system of managerial accounting different from other types of reports by the content, methods of compilation and specific internal and external users; it can also be both additional source of information and the only source of information to solve multi-vector issues. The development of an effective managerial accounting system will provide the management personnel of a venture company with reliable information not only about production and financial state of the enterprise but also other information that is not reflected in standard sources of information or duly presented in a convenient form for taking managerial decisions. Thus, the problem discussed in the paper lies in the development of classification of managerial accounting and determining the users’ requirements to the reports. This will ensure the effective formation and operation of the managerial accounting system thanks to information support of venture operations; this support is provided through the development of a dynamic system of data collection, processing and storage, and translation of these data into reliable, timely, accurate and actual information.

Method
Methodological basis of the research is abstract-logical method, generalization, induction and deduction methods. Abstract-logical method allowed for logical linking between classification features of different types of managerial accounting. Generalization allowed forming the classification system of managerial accounting. The use of induction and deduction allowed us to determine the requirements of users concerning the formation of managerial accounting system at a venture company.

Results
Adjustment and correction of managerial accounting system is a continuous process, as the external and internal environment at an enterprise undergoes changes, as well as information technologies, people and their mentality, strategies of an enterprise operation; all these changes might demand new data. The structure of managerial accounting is a constantly changing system requiring continuous development because it develops...
along with the enterprise and is adapted for the needs of certain managers (Matyukha, 2013). Managerial accounting not only contains all necessary information concerning the management of all processes at an enterprise, but also takes a special place in the organization of managerial accounting. Managerial accounting is secondary, as it depends on the system of analytical accounting organization, on the levels of detailing of assets, liabilities, own capital, income and expenditures when forming the budget. Along with this, it is multi-variant and is more liable to changes than, for example, the methods of accounting expenditures and calculation of product cost (Sokolov, 2010). It has been determined that the main purpose of managerial accounting of a venture company that is operating in the conditions of uncertainty and characterized by high risks is to create the possibility of distinctive identification of all expenditures of the chain of successive components of the process of development of introduction of risky innovation project by the responsibility centers, as well as the sources of covering these expenditures through venture investments.

The managerial accounting system has to be developed in a user-friendly way for the end-users to use it effectively. The approaches to the formation of this system depend on the management requirements, the structure of accounting-analytical system of the enterprise and its size. At a range of enterprises, financial reports along make the basis of taking managerial decisions. However, a venture company operates in the conditions of uncertainty accompanied by the high risks, and this fact forces the system of managerial accounting used for taking management decisions to create common information area (Fig. 1) including both external integrated financial reports formed in accordance with legal requirements, and internal managerial accounting formed according to internal requirements of the enterprise.

![Fig.1. Common informational area of the system of managerial accounting](image)

It should be noted that the development of reliable system of managerial accounting at an enterprise is the prerequisite of taking correct managerial decisions at all levels of enterprise management as well as reaching high financial-economic indexes of activities.

To successfully implement the system of managerial accounting at a venture enterprise, it is necessary to form the reasonable classification of managerial accounting, as this will give the possibility to realize the approaches to the formation, submission and use of managerial accounting. In Table 1 is given the classification of managerial accounting compiled based on the previous scientific works taking into account the requirements of modern economic entities.

Thus, formation and effective functioning of the managerial accounting system depends on the justification of its classification. The classification offered in Table 1, results of scientific research and practical experience of the operation of venture companies used in the formation of the following consumers’ requirements concerning the development of the managerial accounting system to be stipulated in the internal regulations of an enterprise:

1. Around 90% of information containing in a human brain is visual, that is why this kind of information is perceived and processed a lot easier. Information given in the tabular or graph form is processed in the human brain 60,000 times faster than in plain text form. That is why information given in managerial accounting is to be presented in tabular or graph form as it is perceived for the analysis much easier.

2. Operational efficiency of information submission increases if the information is submitted in electronic form as the information can be obtained not only within working hours, so less time is spent on the processing and analysis of information.
Table 1

Classification of managerial accounting by the formation of the system of managerial accounting of economic entity

<table>
<thead>
<tr>
<th>Classification feature</th>
<th>Type of report</th>
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<tbody>
<tr>
<td>by the form of presentation</td>
<td>- paper (table, graph, text and combined reports);</td>
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<tr>
<td></td>
<td>- electronic;</td>
</tr>
<tr>
<td></td>
<td>- oral;</td>
</tr>
<tr>
<td></td>
<td>- video or audio-video report.</td>
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<tr>
<td>by the submission to the users</td>
<td>- postal connection;</td>
</tr>
<tr>
<td></td>
<td>- electronic post;</td>
</tr>
<tr>
<td></td>
<td>- with own hand.</td>
</tr>
<tr>
<td>by the types of activities</td>
<td>- procurement reports;</td>
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<tr>
<td></td>
<td>- disposal reports;</td>
</tr>
<tr>
<td></td>
<td>- production reports.</td>
</tr>
<tr>
<td>by the level of presentation</td>
<td>- reports for top management;</td>
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<tr>
<td></td>
<td>- report for middle management;</td>
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<tr>
<td></td>
<td>- reports for lower management.</td>
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<tr>
<td>by the volume of information</td>
<td>- combined general report;</td>
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<td></td>
<td>- responsibility center report;</td>
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<td></td>
<td>- department report.</td>
</tr>
<tr>
<td>by the frequency of submission</td>
<td>- periodic (weekly, monthly, quarterly, annual);</td>
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<tr>
<td></td>
<td>- report on demand.</td>
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<tr>
<td>by the volume of presented results</td>
<td>- full report;</td>
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<tr>
<td></td>
<td>- short report.</td>
</tr>
<tr>
<td>by the content</td>
<td>- synthetic report;</td>
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<tr>
<td></td>
<td>- analytical report.</td>
</tr>
<tr>
<td>by the social significance</td>
<td>- report on employees social protection;</td>
</tr>
<tr>
<td></td>
<td>- report on environmental protection measures.</td>
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<tr>
<td>by the types of managerial decisions</td>
<td>- report for grounding operational managerial decision;</td>
</tr>
<tr>
<td></td>
<td>- report for grounding tactical managerial decisions;</td>
</tr>
<tr>
<td></td>
<td>- report for grounding strategic managerial decisions</td>
</tr>
<tr>
<td></td>
<td>(Bachinskiy, 2008).</td>
</tr>
<tr>
<td>by the users</td>
<td>- internal;</td>
</tr>
<tr>
<td></td>
<td>- external.</td>
</tr>
<tr>
<td>by the purpose</td>
<td>- informational;</td>
</tr>
<tr>
<td></td>
<td>- plan;</td>
</tr>
<tr>
<td></td>
<td>- regulatory;</td>
</tr>
<tr>
<td></td>
<td>- analytical.</td>
</tr>
<tr>
<td>by the confidentiality level</td>
<td>- for specific person;</td>
</tr>
<tr>
<td></td>
<td>- for specific group of people;</td>
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<tr>
<td></td>
<td>- for all interested parties (Karpenko, 2011, pp. 145-151).</td>
</tr>
</tbody>
</table>

3. Managerial accounting has to be compiled for all users to receive answers to all questions concerning production and organization (Chizhevska, 2003).

4. To compile managerial accounting, one can use planning, relevant, reference, normative and factual information on synthetic and analytical accounting.

5. Irrelevant information, i.e. information bearing insignificant data potentially leading to erroneous management decision, is to be avoided while compiling managerial accounting.

6. The submission terms for managerial accounting are not regulated; however, the information is essential for taking effective management decisions. Thus, reports for taking operational management decisions have to be compiled more frequently than reports for tactical or strategic decision; at the same time the terms are to be taken into account.

7. Managerial accounting can be compiled not only within stipulated terms but also on demand, i.e. when it is necessary to take a management decision; otherwise it loses pragmatic meaning and is of little value for management purposes. E.S. Hendriksen and M.F. Van Bred associate timeliness with relevance, at the same
time they point out that timeliness does not guarantee relevance; and relevance, in its turn, is impossible without timeliness (Hendriksen and Van Breda, 2000).

8. The most detailed information is presented in managerial accounting of operational level of enterprise management. The most concise and generalized information is presented in the reports of strategic level of management.

9. Managerial accounting has to contain not only deviations from the planned and normative indexes, but also calculations of influence of data deviations on the results of the operation of structural subdivision of an enterprise (Hurenko and Derevianko, 2012).

10. Each of managerial accountings has to be designated for certain chief officers of a specific level of management according to hierarchy, complying with confidentiality policy of the enterprise.

11. M.S. Pushkar points out that the number of management reports has to be not less than the number of observation stations (theoretically, one station can compile several reports simultaneously, if necessary) (Pushkar, 2006).

12. For each enterprise, there have to be uniform templates of managerial accounting to take into account specific character and features of an enterprise operation.

Discussion
Venture enterprises operate in conditions of uncertainty accompanied by high risks. These conditions lead to the necessity of creating common information area that will comprise both external integrated financial reports formed according to legal requirements, and internal managerial accounting formed in accordance with internal requirements of a venture enterprise. To develop and successfully implement the system of managerial accounting, classification of managerial accounting is compiled, and different scientific approaches and practices of compilation, submission and use of management reports are grouped. Thanks to the offered classification of managerial accounting and practical experience of venture enterprise operation, end-users’ requirements concerning the development of managerial accounting system that have to be stipulated in the internal regulations of an enterprise are determined. Thus, the defined end-users’ requirements will help develop efficient system of managerial accounting, which, in its turn, will provide management personnel of a venture enterprise with necessary information for taking management decision aimed at reducing risks in venture operations.

References