

Management And Accounting: A Review From The Perspective Of Costs

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Abstract

The systematic review analysis of this work aims to know the main characteristics of the volume of publications registered in the Scopus database during the period 2016-2021 in Latin American countries, referring to the variables management, accounting and costs, achieving the identification of 106 publications.

All information required in cost accounting serves as a tool for the company at a given time for decision making, for which cost accounting is a very helpful and useful tool in any business that it is, because Thanks to cost accounting, they can be determined at any time that the company needs to know how much it costs you to produce or sell a product or service that it performs in your company, which will serve you in many of your activities within the organization, that is why that this essay presents a detailed analysis of what cost accounting is within organizations where the methods to be followed are projected, what each of the methods entails, etc.

Among the main findings of this research, it is found that Brazil, with 51 publications, is the Latin American country with the highest production. The Area of Knowledge that made the greatest contribution to the construction of bibliographic material referring to the study of Functions and Practices in Management Accounting was Business, with 64 published documents, the author with the highest number of publications registered in Scopus is Lacerda, D.P. with 4 documents and the Type of Publication that was most used during the mentioned period was the Journal Article, which represents 74% of the total scientific production..

Keywords: Accounting Management, Cost Management, Business Management

1. Introduction

Cost Management or Expense Control is the process by which companies can determine the expenses of the organizational management and reduce or maximize them to obtain a better result increasing profits with the minimum use

of resources possible, with cost management you can have permanent monitoring of the company's projects and how it affects the business management plan. Cost management is possible thanks to the analysis of the accounting information of the company, which is possible through business management

accounting since it is the part in charge of recording the financial movements to analyze the expenses, control them and help in the processes of decision making and problem-solving in the administrative part. This branch of accounting allows companies to have useful and detailed information on the financial statements allowing them to determine the budget and its division depending on the needs of each area or project, which helps the fulfillment of organizational objectives. The information obtained in the use of management accounting is directed only to the managers of the company as they obtain sensitive information about the business economy that allows them to have control over administrative actions and business management.

Now, how is management accounting implemented for cost management in companies? Currently, no method or plan applies to all companies, management accounting is used in companies depending on their needs, characteristics, size, business activity and the place where it is established so that management accounting practices should be analyzed by the economic sector with companies with similar characteristics to determine trends. Alcarria and Martinez (Jaime & Ramos, 2003) in their research on the application of management accounting in companies belonging to the industrial district of ceramics found that the application of management accounting in cost management differs from one company to another, evidencing the non-existence of accounting practices as a pattern of behavior in the companies.

Thanks to the above, it can be said that management accounting is an essential tool for the management of costs within a company since it determines the increase in the use of

3.1 Methodological design

resources and seeks to reduce these expenses to obtain a greater profit margin. Management accounting is a fickle practice that is adapted to each company depending on the accounting trends and specific characteristics. Therefore, it is important to know in terms of bibliographic resources, the current state of research related to the Functions and Practices in Management Accounting in Latin America, so it is proposed a bibliometric analysis of the scientific production registered in the Scopus database during the period 2016-2021 to answer the question: How has been the production and publication of research papers related to the study of the variable Functions and Practices in Management Accounting in Latin America during the period 2016-2021?

2. General objective

To analyze from a bibliometric and bibliographic perspective, the production of high-impact research papers on the variable Functions and Practices in Management Accounting in Latin American organizations during the period 2016-2021.

3. Methodology

Quantitative analysis of the information provided by Scopus is performed under a bibliometric approach to the scientific production regarding the Functions and Practices in Management Accounting. Also, from a qualitative perspective, examples of some research papers published in the area of the study mentioned above are analyzed from a bibliographic approach to describe the position of different authors on the proposed topic.

The search is carried out through the tool provided by Scopus and the parameters referenced in Figure 1 are established.

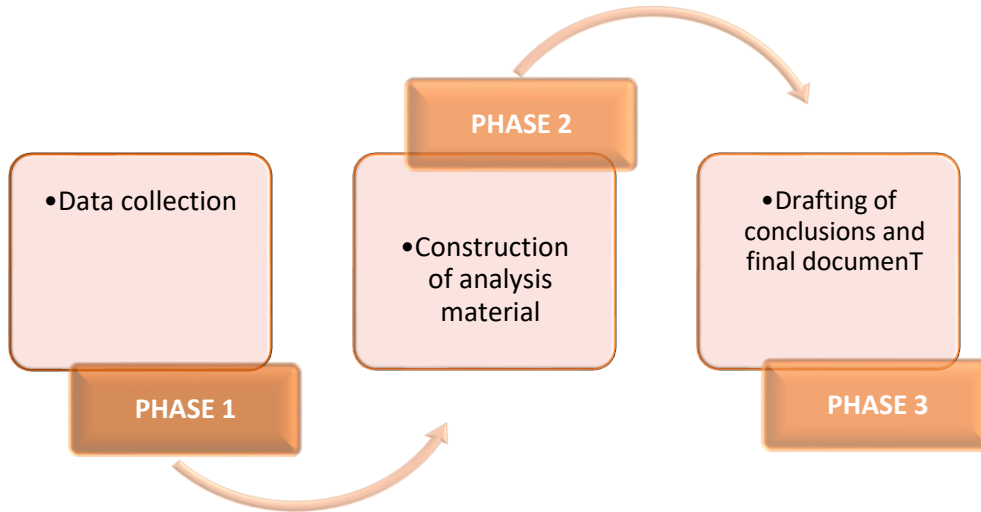


Figure 1. Methodological design

Source: Own elaboration

3.1.1 Phase 1: Data collection

The data collection was carried out through the Scopus web page search tool, through which a total of 106 publications were identified. For this purpose, search filters were established which consisted of:

- ✓ Published documents whose study variables are related to the Functions and Practices in Management Accounting.
- ✓ Limited to Latin American countries.
- ✓ Without distinction of the area of knowledge.
- ✓ Without distinction of the type of publication.

3.1.2 Phase 2: Construction of analysis material

The information identified in the previous phase is organized. The classification will be

made employing graphs, figures and tables based on data provided by Scopus.

- ✓ Word Co-occurrence.
- ✓ Year of publication
- ✓ Country of origin of the publication.
- ✓ Area of knowledge.
- ✓ Authors
- ✓ Type of publication

3.1.3 Phase 3: Drafting of conclusions and final document

After the analysis is carried out in the previous phase, the conclusions are drawn up and the final document is prepared.

4. Results

4.1 Co-occurrence of words

Figure 2 shows the co-occurrence of keywords within the publications identified in the Scopus database.

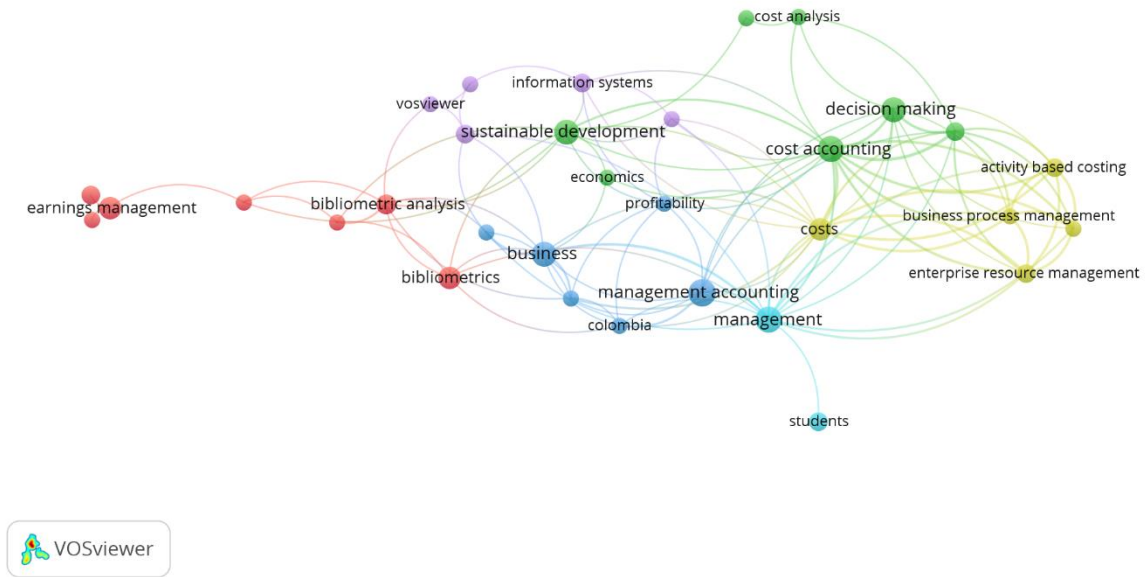


Figure 2. Co-occurrence of words

Source: Own elaboration (2022); based on data provided by Scopus.

As shown in Figure 1, the most commonly used keywords are cost accounting, management accounting and decision making, which refers to the branch of accounting that analyzes the financial data of companies and organizes them for a better understanding, facilitating decision-making processes and problem-solving by basing choices on probabilities and possible difficulties that may arise in business management. It also helps in cost management first from the budget management by determining the necessary resources in each area, and then the permanent monitoring of increased expenses in project management and identifying practices that allow the reduction of costs allowing companies to have a higher profit margin. Business management resources, cost analysis, cost-based activity and profit management are keywords that shed light on the main functions of management accounting, whose main objective is to maximize the profits of companies through cost

management, allowing them to use the least amount of resources with a greater profit margin by determining the best time to invest, carry out a project or bring a product to market, taking into account the costs of production, design and marketing of the product. Finally, sustainable development and information systems are keywords that determine the progress of accounting practices, since they are not only focused on allowing companies to carry out social responsibility actions as a way of giving back to society and the environment for the damage caused in the exercise of their economic activity but also to make their management more sustainable following the objectives of business development given by the UN, creating a balance between business financial growth and the conservation of natural resources; also thanks to the information and communication technologies the use of paper is reduced in this analysis of financial data allowing to perform these processes digitally

encouraging the use of technological tools that aim to reduce the use of resources and promote recycling in organizations.

4.2 Distribution of scientific production by year of publication.

Figure 3 shows how the scientific production is distributed according to the year of publication, taking into account the period from 2016 to 2021.

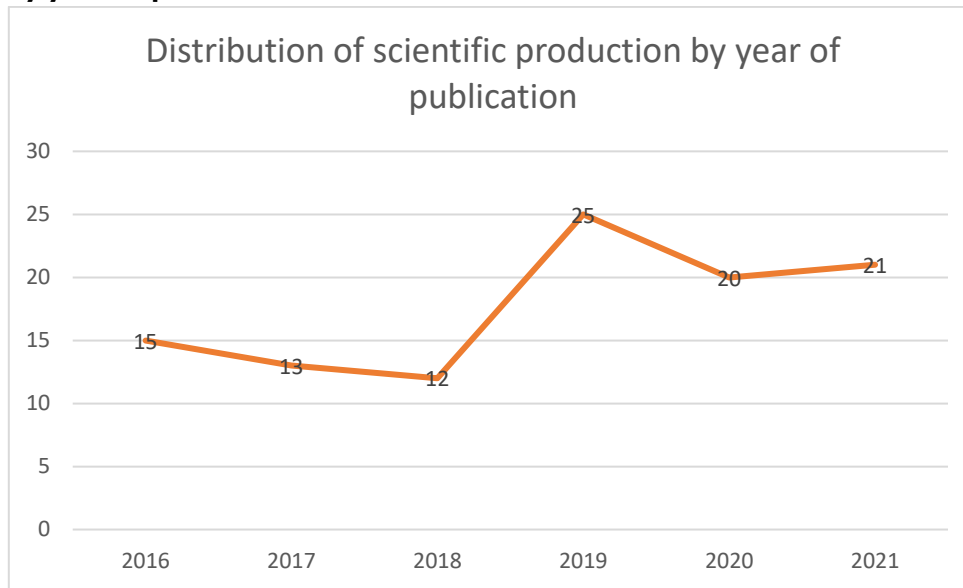


Figure 3. Distribution of scientific production by year of publication.

Source: Own elaboration (2022); based on data provided by Scopus.

2019 is the country with the highest number of publications related to the Functions and Practices of Management Accounting presenting 25 documents, within which is the paper entitled "International accounting standards in light of the requirements for its application in environmental management" (del Carmen Villasmil Molero, 2019). This document has as its main objective to analyze the international accounting standards in light of the requirements for its application in environmental management, taking into account trends that companies show towards sustainability, so it is necessary to address the actions concerning the ecosystem and conservation of resources in accounting records to carry out strict monitoring of these activities. This study analyzed 7 public accountants and 7 managers of Environmental

Management who work in extractive companies of non-metallic minerals. This research showed that companies generally do not use international accounting standards in their financial statements, which leaves them without responsibility for the damage that this economic activity causes to the environment.

In second place is 2021 with 21 publications registered in Scopus, among which is the title "Adaptation risks in franchises: Management accounting tools to mitigate them" (Agudelo Cotes & Bedoya Gómez, 2021). This document identifies the adaptation risks of franchises dedicated to providing after-school training services for children in Colombia, taking into account the boom of franchises in recent years and the little documentation and research on this process. In this study, interviews were conducted with leaders

responsible for the expansion process of franchising in Colombia and two main problems were identified, namely, commercial development in brand involvement and network animation in the shortcomings observed in the market study.

4.3 Distribution of scientific production by country of origin.

Figure 4 shows the distribution of scientific production according to the nationality of the authors.

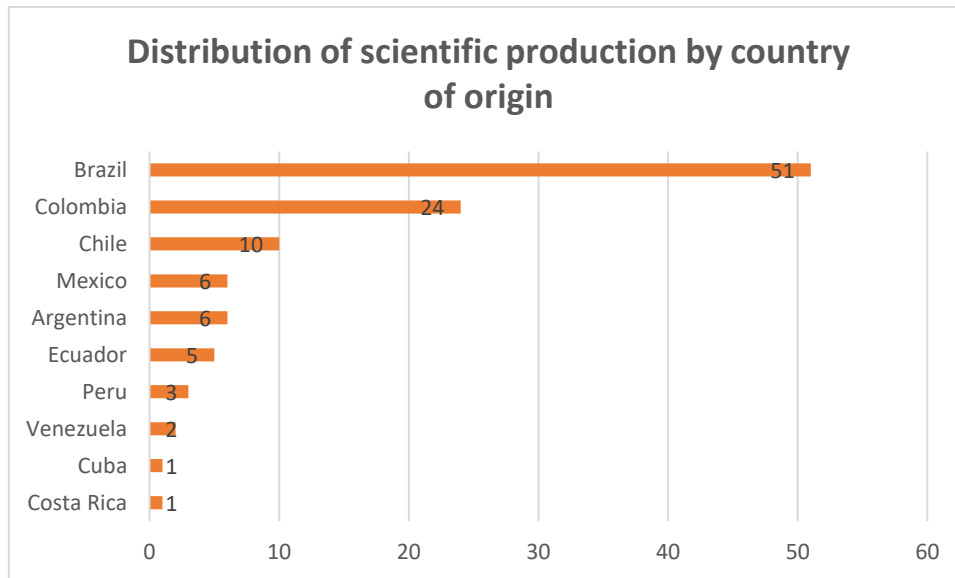


Figure 4. Distribution of scientific production by country of origin.

Source: Own elaboration (2022); based on data provided by Scopus.

Brazil is the Latin American country with the highest scientific production related to the variables under study during the period 2016-2021 presenting 51 papers among which is the paper entitled "Principles of global management accounting: Relationship between management practices and performance of Brazilian companies" (Costa & Lucena, 2021). This document aims to analyze the relationship between the global sustainable development goals and the performance of Brazilian companies, both from an operational and economic perspective, so a study was conducted with 342 companies listed on the B3 stock exchange analyzing the good practices developed by the company operationally and management so it could be determined that the management practices adopted positively affect market performance

and future growth expectations. Therefore, this research can reinforce the role that management accounting plays in the decision-making of companies, and how it is a relevant element for the future performance of organizations from good accounting practices and financial data analysis that promotes economic growth in companies and an improvement in their operational activities and business management.

At this point, it should be noted that the production of scientific publications, when classified by country of origin, presents a special characteristic and that is the collaboration between authors with different affiliations to public and private institutions, and these institutions can be from the same country or different nationalities so that the

production of an article co-authored by different authors from different countries of origin allows each of the countries to add up as

a unit in the overall publications. This is best explained in Figure 5, which shows the flow of collaborative work from different countries.

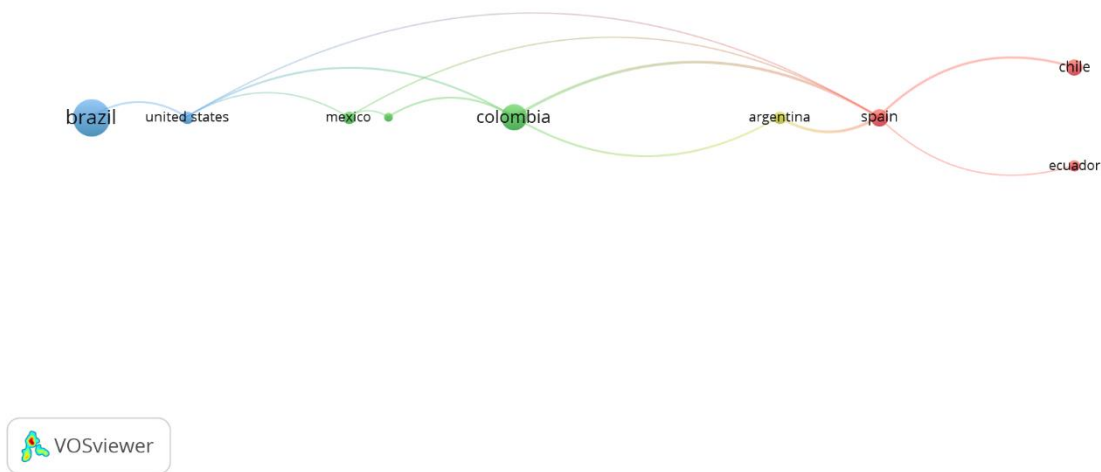


Figure 5. Co-citations between countries.

Source: Own elaboration (2022); based on data provided by Scopus.

As mentioned above, Brazil is the Latin American country with the largest number of publications related to the variables under study, presenting documents in collaboration with authors from countries such as the United States, which shows the interest of countries outside Latin America in learning about how management accounting is used in Latin American organizations and how it is reflected in the management of organizational costs. In second place is Colombia with 24 documents within which there are co-authored publications with countries such as Argentina, Spain, Chile and Ecuador making comparative studies that allow seeing the progress in each country on the practices of management accounting depending on the characteristics of each organization. Within these documents is

the one entitled "Management accounting: Effect on the key factors of competitive success in the cooperative sector" (Castillo et al., 2020). This document has as its main objective to explain the incidence of the dimensions of management accounting on the key factors of competitive success in multi-activity cooperatives in Barranquilla (Colombia). All this takes into account the role of business management accounting in the decision-making processes, helping the cooperative managers since they are susceptible to large volumes of information that business management accounting allows grouping this data and analyzing them to obtain approximations of the economic behavior of companies, allowing to choose the most favorable option for their management.

As a result, a positive and significant influence of comprehensiveness, timeliness and integration on the key factors of competitive success is observed, suggesting that these variables add value to the information generated by management accounting to support decision making and, consequently, to the levels of business competitiveness.

4.4 Distribution of scientific production by area of knowledge

Figure 6 shows how the production of scientific publications is distributed according to the area of knowledge through which the different research methodologies are executed.

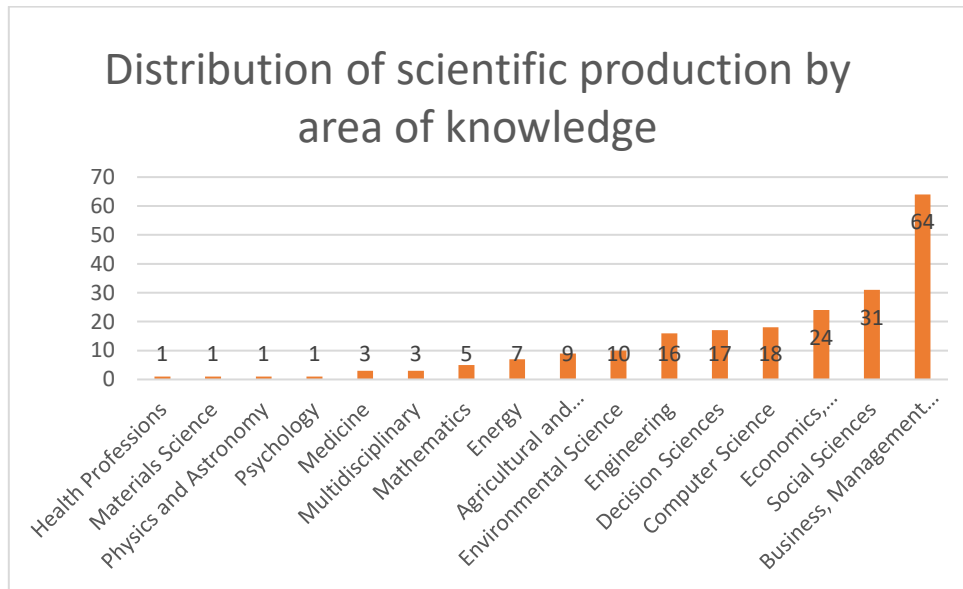


Figure 6. Distribution of scientific production by area of knowledge.

Source: Own elaboration (2022); based on data provided by Scopus.

Business is the area of knowledge with the largest number of contributions through the theories that are framed in it, in the search for new knowledge on the Functions and Practices of Business Management Accounting presenting 64 publications, within which is the title "From the accounting management model for the control of economic entities" (Márquez Rondón, 2021). This document presents an accounting management model as a key element for the planning and control systems of economic institutions. These accounting management models help in the planning of institutional resources, so it is important to implement control and management accounting models by changing the cost

calculation schemes within the company. Therefore, it is concluded that ERP systems should be adapted to take into account all the factors that affect business management.

In second place is the social sciences where 31 papers were written following the guidelines of the topics related to this area. Among these papers is "Board independence and financial performance: Evidence from Colombian companies" (Cortés & Rachid, 2021), which has its main objective to analyze the relationship between board independence and financial performance by analyzing Law 964 of 2005 and the business relationships that companies engage in, for this 69 companies of

the Colombian Stock Exchange were studied, finding that board independence does not affect accounting performance but it does affect the performance of the organization on the market.

4.5 Distribution of scientific production by authors.

Figure 7 shows how the production of scientific publications is distributed according to the publications of the authors with the highest number of registered documents.

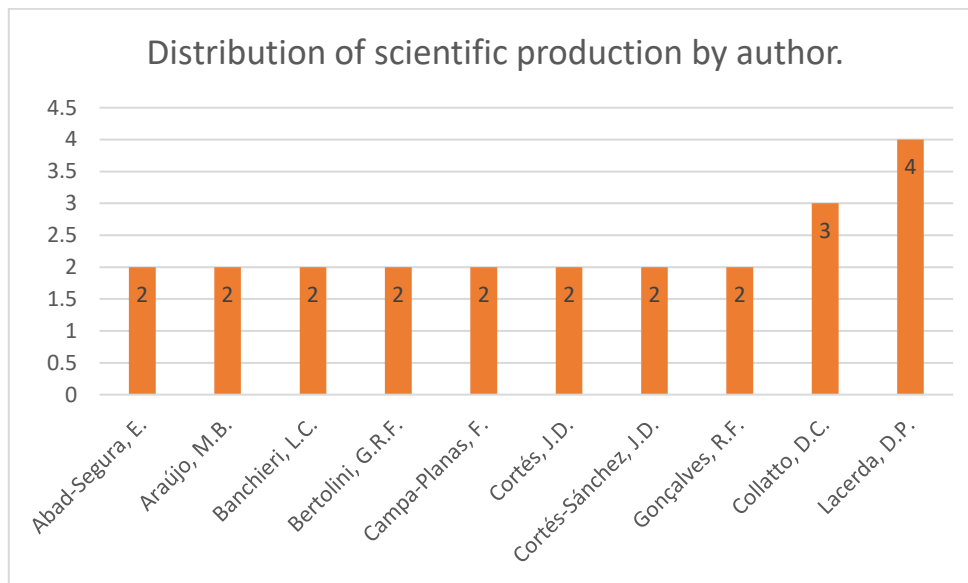


Figure 7. Distribution of scientific production by author.

Source: Own elaboration (2022); based on data provided by Scopus.

The author with the greatest contribution to research to the variables under study during the period 2016-2021 is Lacerda, D.P. with 4 documents, among is the paper entitled "The importance of information for the managerial decision-making process" (de Freitas et al., 2017). This document has as its main objective to demonstrate the comparison between a managerial decision based on Traditional Cost Accounting and Performance Accounting of the Theory of Constraints, so it seeks to determine the effectiveness of these models, taking into account the importance of updating the accounting information for a correct decision-making process.

In second place is Collatto, Dalila Cisco with 3 papers registered in Scopus within which is

the paper entitled "Contributions of consumption accounting to the evaluation of economic results in a family farming unit" (Jacoby et al., 2020). This paper aims to propose and evaluate a cost management tool, based on Troughput Accounting, for a small rural property in the interior of the state of Rio Grande do Sul to help in the process of cost management in the agricultural sector, which is one of the most important in the country, because although there are costing methods. They are complex, so there is still a need for appropriate proposals to help in decision-making in this sector. As a result, the system presented in this research is adequate and easy to apply, presenting valid information necessary for cost management and decision-making in the agricultural sector.

4.6 Type of publication

Figure 8 shows how the bibliographic production is distributed according to the type of publication chosen by the authors.

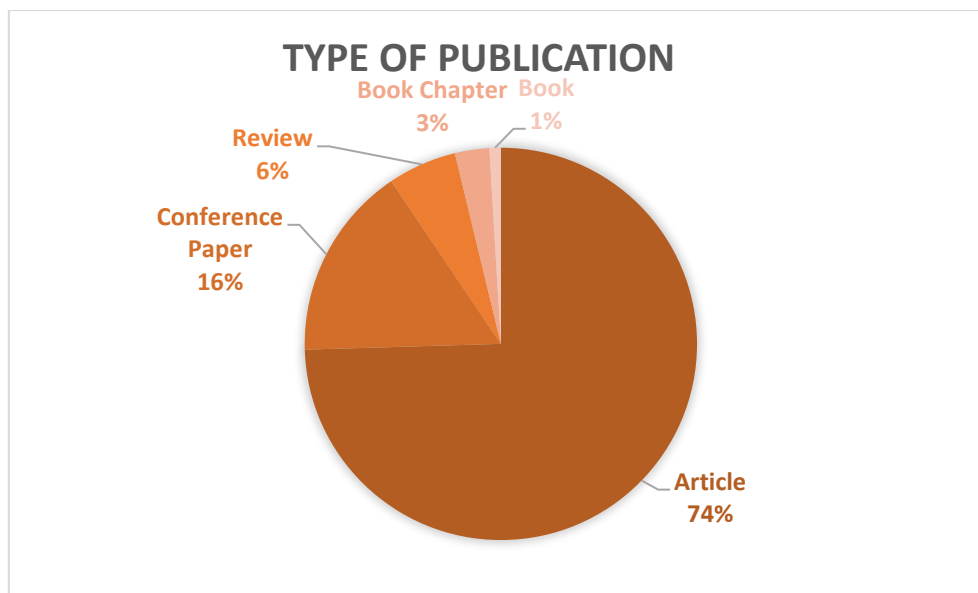


Figure 8. Type of publication

Source: Own elaboration (2022); based on data provided by Scopus.

As shown in Figure 7, within the different types of publications, 74% of the total number of documents identified through Phase 1 of the Methodological Design, correspond to Journal Articles, among which is the one entitled "Financial Management And Its Impact On Financial Decision Making" (Pardo et al., 2020). This paper aims to design a system based on business intelligence in the Commercial Department of Astilleros Mariel through data from the years 2018 and 2019 implementing a system where computer tools are combined and making empathy in business intelligence demonstrating the feasibility of the implementation of these systems that allow improving decision-making processes and problem-solving.

In second place are the conference proceedings presenting 16% of the total of the documents registered in this study, within which we can identify "Identification and

Management of Quality Costs in Companies" (Garcia-Ortega et al., 2021). This document presents a methodology that allows companies to identify, quantify and manage quality costs from an accounting perspective, all this through the analysis of a company and the execution of its accounting records allowing small and medium-sized companies due to the complexity and cost of having accounting and business expense management systems that perform this type of analysis that allow them to have control of business costs.

5. Conclusions

Thanks to the bibliometric analysis proposed in this research, it can be determined that Brazil is the Latin American country with the largest number of bibliographic records in the Scopus database during the period between 2016 and 2021 with a total of 106 documents. The scientific production related to the study

of Functions and Practices in Management Accounting has presented an important growth during the period previously indicated, going from 15 publications in 2016 to 21 units in 2021 being 2019 the year with the highest number of publications presenting 5 documents in total, i.e. it was possible to increase the creation of bibliographic records in a period of 5 years, which indicates the importance of determining the practices and functions that are given to management accounting and its impact on cost control and management of business profits from the analysis of financial information of organizations.

Cost management is a process by which the use of business resources is controlled to obtain a greater range of profits and permanent control of the projects; for this process, the ideal tool is business management accounting which is the branch of accounting responsibilities for the analysis of financial data compiled in a report of understandable and truthful information that helps in decision making, budget planning and cost control of the company. Business management accounting does not have a specific model to be used in an organization. This is adapted depending on the particular characteristics of companies such as their size, economic activity and the region in which it is located, although the practices of business management accounting if their main objectives and accounting trends that companies use are found.

All the above allows this article to conclude, highlighting the importance of knowing the theory or bibliographic resources that seek to awaken the interest in organizations to implement management accounting systems for cost management and decision making that allow a higher profit margin using fewer resources. That is why it is necessary to

highlight the need for studies such as the one presented in this document, which make a tour of those texts that address the aforementioned topic, to give the reader a broad view of the current situation of the literature on Functions and Practices in Management Accounting.

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