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Analysis of the Integration Strategies of Financial Accounting and Management Accounting in Real Estate Enterprises

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Abstract

As real estate companies continue to transform and develop, the current management models of their economic activities are constantly being updated.In financial management, both financial accounting and management accounting are crucial management tools. It is necessary to take reasonable measures to explore pathways for their organic integration, providing the company with more scientific and feasible development and operational decisions.The analysis of strategies for integrating financial accounting and management accounting has received widespread attention, leading to numerous theoretical studies and practical explorations. Based on this, we will briefly analyze the significance of their integration and delve into relevant strategies for reference.

Keywords

Real Estate Companies; Financial Accounting; Management Accounting.

1. Introduction

In recent years,financial accounting and management accounting have been widely carried out in real estate companies across various regions of China.It provides strong support for various tasks such as comprehensively managing financial status, reasonably preparing financial statements,and offering financial management decisions.However, based on actual research, it can be found that some areas still lack coordination in financial accounting and management accounting when conducting work, which affects the overall effectiveness of financial operations.To address this situation, this paper conducts an in-depth analysis of strategies for the integration and development of financial accounting and management accounting within real estate companies.

2. Analysis of the Necessity for Integration of Financial Accounting and Management Accounting in Real Estate Enterprises

2.1. Enhancing Corporate Economic Efficiency

In real estate companies, the integration of financial accounting and management accounting can enhance cost control effectiveness, optimize cost resource allocation, and reduce unnecessary cost expenditures. It also enables comprehensive and real-time tracking and monitoring of the company's costs and performance, allowing managers to clearly understand the company's economic benefits and make targeted adjustments to business methods, thereby improving operational efficiency and promoting further increases in economic benefits.

2.2. Meeting the Needs of Corporate Modernization and Development

The accounting functions of real estate enterprises have been continuously expanding with the deepening development needs of the companies. The demand for financial management within financial work is shifting towards overall corporate development management and business management. The integration of financial accounting and management accounting can

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effectively meet the expanded accounting needs and changing financial management demands under modern enterprise development, aligning with the contemporary forms of financial tools, thereby satisfying the actual modern development requirements of enterprises.

2.3. Optimize the Execution Effectiveness of Corporate Business Operations

In real estate enterprises, both financial accounting and management accounting have different focuses but share common fundamental goals, which are to organize various financial data information through scientific and standardized means, and to conduct precise and professional accounting treatments for specific economic activities based on the actual business needs of the enterprise. The integration of financial accounting and management accounting can further enhance the stability of business development and the effectiveness of economic activity accounting management. Ultimately, the execution effect of business operations can be effectively optimized and improved[1].

3. Pathways for the Integration of Financial Accounting and Management Accounting in Real Estate Enterprises

3.1. Improving Accounting Measurement Models and Recognition Bases

In the process of accelerating the integration of financial accounting and management accounting, real estate companies can re-optimize and review their existing measurement models and recognition bases, which can effectively enhance the company's accounting work, financial management, economic benefits, decision-making accuracy, etc. In terms of measurement models, enterprises can continuously invest in various types of measurement models in financial accounting to standardize and reasonably use different types of financial instruments and provide convenience for efficiently conducting various types of economic activities. For example, companies can use measurement models such as recoverable value, net present value, and present value of future cash flows as important tools in financial accounting. Subsequently, according to actual business characteristics, suitable measurement methods should be invested in management accounting and used together with different financial accounting measurement models to effectively promote the integration of financial accounting and management accounting while ensuring the reliability and authenticity of financial and accounting information. In terms of recognition basis, it is important to promote the integration of financial accounting and management accounting through more accurate and comprehensive recognition bases. For example, based on the actual situation of corporate cash flow, cash flow and accrual basis can be organically combined to form an accounting basis, providing in-depth financial information for enterprises and effectively meeting the different needs for information usage.

3.2. Establish a Comprehensive Institutional System

To further enhance the integration effect of financial accounting and management accounting, real estate companies can establish various institutional systems to provide regulatory constraints and guarantees. First, these companies can create a comprehensive organizational system, setting up dedicated financial accounting management departments and corresponding organizational structures that can accurately and comprehensively collect various financial data generated during daily business operations, generate financial statements, and provide financial decision-making support. Subsequently, more management accountants can be assigned to this department to work collaboratively with financial accountants on various tasks, enabling them to become proficient in the business processes and characteristics of financial accounting, thereby formulating more scientifically sound financial management decisions and achieving integration between financial and management accounting[2]. Additionally, real estate companies can establish a robust supervision system,

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such as enhancing internal supervision among different departments' employees. To ensure that employees at various positions actively participate in accelerating the integration of financial and management accounting, a reward and punishment mechanism can be established. Employees who demonstrate positive attitudes and outstanding performance should be appropriately rewarded and given necessary promotion opportunities, while those who fail to meet expectations should face appropriate accountability measures. This approach maximizes the role of supervision and motivation, enhancing employees' awareness of accelerating the integration of financial and management accounting.

3.3. Enhance Financial Information Integration

Both financial accounting and management accounting involve the input, output, integration, and management of financial information. Real estate companies can start with financial information to promote the integration of financial accounting and management accounting. In the context of information, real estate companies can utilize big data and other information technologies to build a comprehensive financial information sharing platform. Within this platform, various financial information resources can be fully utilized, and it can achieve reasonable classification and dynamic management of information. The company's asset management and financial management can smoothly achieve expected economic management goals through the dynamic updating of financial information[3]. Additionally, standardized and regulated financial processing procedures can be implemented within the financial information sharing platform, with clear specifications for each work step, ensuring the accuracy and consistency of the entire process, ultimately effectively enhancing the integration effect of financial data between financial accounting and management accounting, and implementing their integration. Furthermore, companies can start from the financial information in financial statements to promote the smooth integration of financial accounting and management accounting. In financial accounting work, the financial data information in financial statements usually reflects the actual operating results of the enterprise, fully reflecting the specific implementation status of economic activities. At this point, management accounting work can be integrated to further enhance the comprehensiveness and detail of the financial statement information. For example, management accounting can analyze the company's property transaction data, sales revenue, sales profit, etc., through cost calculation, providing accurate and reliable information for financial accounting work.

3.4. Implement Comprehensive Budget Management

Budgeting work is a crucial aspect of financial operations, evident in both financial accounting and management accounting, representing a key intersection between these two fields. Real estate companies should continuously strengthen comprehensive budget management throughout their daily operations, using it as a medium to gradually integrate financial accounting and management accounting. During the pre -budget phase, both financial and management accountants can jointly conduct thorough research on market transaction price fluctuations, profits, project implementation periods, inventory materials, unit prices, among other factors. They analyze and assess market prospects and actual capital flows, forecasting economic activities of projects to make reasonable cost budget decisions. In the actual budgeting process, financial and management accounting can effectively merge, comprehensively collecting business and financial data from real estate enterprises, visualizing the company's actual production and operation status. They meticulously observe discrepancies and overruns between budgeted costs and actual costs, promptly addressing issues to minimize unnecessary cost losses during business operations, thereby enhancing efficiency, quality, and effectiveness. Post-budget, financial and management accountants can thoroughly review various financial data, fully calculating cost control plans and project production outcomes, promptly improving existing shortcomings. This provides accurate data

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support for future operational planning and decision-making, aiding in the adoption of more scientific and rational management methods when conducting subsequent budget management.

3.5. Establish the Correct Concept of Integration

The concept of scientific integration is a foundational condition for the smooth integration of financial accounting and management accounting. Financial accounting personnel in real estate companies should pay attention to this.In addition to providing auxiliary decision-making and accurate financial data references for a series of business operations according to certain accounting measurement standards, it is also important to fully integrate management accounting concepts such as management control, management services, and accounting statistics during daily work processes like financial report preparation, data collection, recording, and verification. This ensures the full utilization of the synergistic functions of financial accounting and management accounting, achieving their organic integration smoothly. Furthermore, economic activity managers in real estate companies should guide financial accountants and management accountants to jointly foster a positive mindset of continuously improving their professional skills. During work, both parties should exchange perspectives: financial accountants can enhance their understanding of management accounting tasks, while management accountants can improve their financial accounting skills, thus promoting the integrated development of both fields. Additionally, financial and management accountants in real estate enterprises should recognize that the integration process requires gradual progress to ensure quality and mitigate risks. During the integration of financial and management accounting, both parties need to first clearly understand each other's specific connotations and basic situations, then choose appropriate technical means to promote their integration, thereby maximizing their functional roles.Real estate companies can also progressively manage each integration phase during the process of merging financial accounting with management accounting, ensuring the overall integration effect.

4. Conclusion

The integration of financial accounting and management accounting has a direct impact on the overall development quality of real estate companies. It is essential to focus on aspects such as economic efficiency, modernization needs, and business operations to emphasize the necessity of integrating financial accounting and management accounting in real estate companies. Implementing diverse strategies, such as optimizing measurement models, ensuring the integration of financial information input, establishing management institutions, and conducting financial budget management, can facilitate the smooth integration of financial accounting and management accounting. This integration aims to meet the precision management requirements of corporate economic activities under new economic conditions and promote long-term and sustainable development of enterprises.

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