

**Interconnection and improvements of financial and management accounting systems  
in modern conditions**

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**Взаимосвязь и совершенствование систем финансового и управленческого учета  
в современных условиях**

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**Abstract:** *the article analyzes relationship between financial and management accounting systems both from legislative and economic points of view, reviews major peculiarities and tasks of each system. In addition, article shows how these two systems of accounting complement each other as well as paths to improve the way accounting is performed nowadays.*

**Аннотация:** *в статье анализируется взаимосвязь систем финансового и управленческого учета с точки зрения как права, так и экономики. В статье рассматриваются основные особенности и задачи каждой из систем.*

**Keywords:** *accounting, financial accounting, management accounting, reporting, financial document.*

**Ключевые слова:** *бухгалтерский учет, финансовый учет, управленческий учет, отчетность, финансовая документация.*

Accounting – according to the legislation of the Russian Federation is an ordered system of collecting, recording and summarizing information concerning assets, liabilities of organization and their movement in monetary terms with the help of solid and continuous documentary record of all business transactions [1, p. 78].

Accounting is a solid and continuous in time activity, it is strictly documented, uses specific techniques and methods for processing of accounting data and it is usually organized within individual business unit [2, p. 23]. Accounting performs a number of functions in the system of economic management of organization: control function, Informational function, protection of property, analytical function. Financial accounting is a complex accounting information and reporting system which is based on certain principles.

The basis of this system consists of the laws and other normative documents, reflecting the tax aspect of accounting. It should be noted that based on traditional national accounting system to tax guidance, the regulators from the group of indirect effects are often a priority for accountant in determining and selecting accounting procedures [3, p. 99].

The concept of management accounting is not legislatively defined in Russian business and allows for many different interpretations. Management accounting is a comprehensive method inside economic management. The order of management accounting is determined by the leadership of a particular company.

Thus, in market economy, management accounting is an objective necessity. Since every commercial organization chooses areas of development, types of products, volumes of production, sales policy and social investment policy, etc., there is a need in information gathering and storing for all these items [4, p. 29]. Management accounting is one of the basic conditions that enable executives to make correct managerial decisions. This is one of the most important purposes of management accounting.

Management accounting and financial accounting complement each other: data from management accounting about production costs are used in financial accounting in the evaluation of work in progress, finished goods and cost of sales. The accounting of production costs is regulated by instructions, but in general, the management accounting depends on internal managerial decisions.

However, the most important feature that unites two types of accounting is the fact that their information is used for decision making. Thus, the data from financial accounting help investors to assess the potential and prospects of the enterprise, the feasibility of investments, and the data of management accounting is used by managers to address a wide range of management problems [5, p. 51].

From all has been said it follows that financial and managerial accounting are inseparably associated with each other. They complement each other, reveal information about the organization, only for different users. This relationship creates a sufficiently representative base of information for making operative and strategic management decisions.

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