

Factors Influencing Use of Technical Management Accounting Practices (MAP) in Pakistani SME's

By

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DEDICATION

I DEDICATE THIS
THESIS TO
MY PARENTS, TEACHERS,
BROTHER&SISTER MAY THEY LIVE
LONG
AMEEN!!!!

ABSTRACT

Small and medium enterprises has considered as an integral part of any economy. Success and failure of SMEs are dependent upon management accounting practices. In our study, we have tried to analyze internal and external contingent factors, which effect use of management accounting practices. Our study has utilized two external contingent factors perceived environment uncertainty, and market competition and two internal contingent factors firm structure and owner and manager commitment.

We have used survey based research .We collected data of 320 firms operating in leather, paint, textile, food and furniture sector. We have taken four dimensions of management accounting practices, which are costing system, budgeting system, performance evaluation, and decision support system. Results depict that perceived environment uncertainty and market competition have significant impact on MAPs. Firm structure has also significantly related to MAPs whereas owner commitment has no significant impact on MAPs. Which shows that external contingent factor have stronger impact on MAP s Adoption in SMEs. MAPs are significant for survival of SMEs. Our study will help business organization to adopt MAPs and consider factor, which can have an effect on use of management accounting practices. It will provide evidence to policy makers as well to make appropriate decision, which can influence use of MAPs and indirectly success and failure of firm.

Keywords: Perceived Environment Uncertainty, Firm Structure, Market competition, Owner/Manager Commitment and Management Accounting Practices and Small Medium Enterprises in Pakistan.

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List of Abbreviation

ABC	Accounting Based Activity
AMOS	Analysis of moment structure
BS	Budgeting System
CS	Costing System
CFA	Confirmatory Factor Analysis
CMIN/DF	Chi-square Mean/Degree of Freedom
CR	Critical Ratio
CVP	Cost Volume Profit
DV	Dependent Variable
EFA	Exploratory Factor Analysis
FS	Firm Structure
IV	Independent Variable
MAP	Management Accounting Practices
MC	Market Competition
OMC	owner/Manager Commitment
PA	Pro-activeness
PES	Performance Evaluation System
RP	Risk propensity
RBT	Resource base theory
R&D	Research and development
S.E	Standard Error
SEM	Structural equation modeling
RMSEA	Root mean square error of Approximation

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Incorporation Of Amendments By Internal Review

Sr#	Comments	page No
1.	Chapter 1 should be restructured to better understand the research problem, significance of the study and research Gap	2,5
2.	The main script has lack of theoretical contribution to make a conceptual Frame work	67
3.	Chapter 3 should receive with the perspective of target population (What is the way researcher has selected for SME business) sampling technique is not clear researcher has given the vague statement regarding choice of sampling technique.	69,70
4.	Discussion of result with evidence is not present in chapter 4	75,77
5.	Clarify Table 4.14 has standard loading of CFA or EFA? In table 4.29 AVE score OMC is below 0.5 disclosed information with justification	83,85,93
6.	In table 4.31 relationship between OMC and MC reported is reported while page on 82 ,113 is describe the relationship between Market Competition and MAP	93
7.	In text references are missing	101
8.	The diagram of measurement model and structural model is missing	100
9.	References are not According to APA format	ok
10.	For grammatically mistakes carefully proof reading is required	Ok

Incorporation Of Amendments By External Review

Sr#	Comments	Page No
1.	Please emphasize more on the need of this study. What is the usefulness of this study? Explain briefly those contingencies which you intend to use to highlight the research gap (Page-3). Revise statement describing Research objectives and RQ and before that explain clearly what are contingencies (<i>Contingent factors you come up from literature</i>).	3,4,5
2.	The literature provided in the manuscript is too descriptive and elaborated with much detail. Perhaps, a literature review table will help the authors to identify what is the current conceptualization of the afore-said variables and what is that the scholar is adding new, the incremental contribution of this manuscript. Further, it was hard to see the theoretical basis of developing the hypotheses so please elaborate the theoretical nuances used to select these variables in the conceptual framework.	10,12,20,25,41,42,43 44,49,50,51,52,53,60 62,63,64,65
3.	The scholar need to provide a more detailed comparison of their findings to previous research and at this stage, I could not see any theoretical contributions to the existing theories. After reading the discussion part, I felt that the scholar just reported the significant relationships between variables based on the empirical findings instead of providing their theoretical contributions.	69,70,71
4.	As it stands, it is very vague as to how the respondents will be selected. In the document, you have looked at the theory behind sample size in SEM and adopted points without any explanation. Please strengthen the discussion session based on which the scholar is drawing conclusion.	94,95
5.	The practical implications of the study could be expanded a bit more to shed light for the reader on the current prevailing situation of selected mobile markets you are reporting and what is the possible contribution of the study in making a difference in inferences for the generalization purpose that the reader make when looking at the study.	96,97,98
6.	Reference Section: The scholar has built argument based on data whose reference are missing. Please revise references throughout the document; I have highlighted a few places.	101

INCORPORATION OF FINAL AMENDMENTS

Sr No.	Rectification	Page No
1	Analysis should address Research Question. A table should be included in analysis portion to depict extent of use of management accounting practices.	72
2	What changes should be made in governance structure of small & medium sized enterprises to implement management accounting practices.	65
3	Elaborate implications of study in conclusion chapter	98
4	Include all references & Formatted According to APA	102

CHAPTER 1

INTRODUCTION

1.1 Background

Small and medium enterprises has considered as an integral part of any economy .these organizations are great source of financial development, poverty reduction and employment. Small and medium enterprises have huge contribution in economy at national and international level (Ayyagari, Beck and Demircuc-Kunt, 2007). Whole economy of Pakistan is highly dependent upon productivity and development of SMEs. Small and medium enterprises practically comprised of 90% of all the industrial undertakings in Pakistan; these businesses use 80% of the non-rural work force; and have contribution of more than 40% in GDP.. It contributes 25% in Exports of goods like leather, surgical instruments and textile (SMEDA, 2017) which positively affect the exchange rate , foreign reserves and gross national products moreover Small and Medium enterprises provide space to young entrepreneurs to conceive and implement their ideas.

As indicated by SBP (2016), A Small Enterprise (SE) is a business organization, which does not use more than 50 individuals, and yearly turnover is near to Rs.150 million. Small Enterprises can take up funds up to Rs.25 Million. While Medium Enterprise (ME) is a business component, which ideally use more than 50 employees but less than 100employees in trading sector. But for manufacturing sector it can have employees in excess of 50 workers (counting contract representatives) but less than 250 representatives. For all MEs yearly turnover should be greater than Rs.150 million but less than Rs.800 million. Medium sized Enterprises can have assets greater than from Rs.25 Million to Rs.200 Million.

These SMEs can turn out to be a dominating force against the financial power of larger and economically significant enterprises. More commonly the development of SMEs is considered as tool for the achievement of broader financial and social purposes .So to be converted into more powerful force in upcoming future economic scenario, the SMEs should struggle for the competitive, innovative and technologically strong organization, which should be capable of

achieving the increasing demands of globalization and severe cut throat competition (NSDC, 2007).although a lot of efforts have been put to improve tbusiness methods in production, quality improvement, marketing and accounting skill (Nandan, 2010).However there is still lack of exposure to management accounting practices (MAPs) among Pakistani SMEs as explicitly no such efforts have been made, there is no specific reference to the use of MAPs, and infact one can claim there is little awareness about it.

It has been recommended through literature review that MAPs are significant instrument through which management can improve efficiency, and automatically it can have an important influence on performance of business as well (Ghosh and Chan, 1997; Lybaert, 1998; and Mitchell and Reid, 2000). In particular, within Small and Medium sized enterprises MAPs act as the significant information system , that plays an important role in efficient information-processing (Reid and Smith, 2002). Apart from this ,MAPS provide financial as well as non-financial information which allows businesses to effectively face competition in the market, adapt itself with change, survive and thus improve performance and productivity (Mia and Clarke 1999 and Reid and Smith, 2002).

Although it has been argued that mere presence of MAPs may not guarantee success, but however an absence of them, poorly implementation of practices can significantly reduce the competitive advantages of businesses (Folk et al., 2002). Therefore, after considering advantages of use of MAPs , it is extremely important to promote knowledge and awareness about MAPs among businesses in Pakistan so that organizations can get advantages that have been highlighted above.

1.2 Problem Statement:

Much has been written about small and medium sized business and in particular about business failure rates (Watson and Everett, 1996). Richard (2000) states that there are many reasons or contingencies for the failure rate which includes lack of adequate working capital, poor market selection, and rapidly changing external market conditions. However, the most significant reason for this high failure rate is the inability of SMEs to make adequate use of essential business and management practices. Many SMEs do not succeed to develop an plan moreover that make plan, actually fail to make adjustment and then use it as a benchmarking . Similarly, Wichmann (1983) states that one of the cause for failure of business is poor management ability , which

includes management accounting problem-solving. Furthermore, Hopper et al. (1999) concluded in their study that a failure to implement MAPs can be considered a reason in the currently high failure rate of Small and medium sized enterprise. Based on the arguments it can be suggested that MAPs are very crucial for Small and medium sized enterprise if they want to avoid failure.

Another reason of this study is the uncommonness of research into the adoption of MAPs among Small and medium sized enterprise. Regardless of the increasing amount of research in management accounting in the past few decades, very little is known about its forms and effectiveness within Small and medium sized enterprise (McChlery et al., 2004). If we consider previous literature, larger enterprises have been favored for empirical management accounting practices research as it is believed that skill and a ability to innovate and develop management accounting are more likely to subsist in these organizations (Mitchell and Reid, 2000). This situation gives a challenge into the study of MAPs in SMEs. Albu and Albu (2012) states that the investor need to recognize the degree to which the implementation of different management accounting practices of Western world inspires works in a foreign settings. This will allow the developed economies to observe how these initial practices work in a different socio-economic environment. These socio-economic factors depicts to external contingencies. But there are some internal contingencies e.g management commitment, availability of finance etc. Furthermore, an understanding of this is beneficial to the enterprises.

MAP is significantly influenced by decentralization, the changes in the adoption of advanced Perceived Environment Uncertainty (PEU), Firm Structure (FM), Owner/Manager Commitment (OMC), Market Competition (MC). These variables are identified as the contingency factors, indicating that these factors are able to affect a manufacturing firm's MAP design (Adbel-Kader & Luther 2008) especially in developing nation such as Pakistan. Managers would require more relevant information to make decisions as the business environment changes rapidly. Besides, as the government pours in effort to develop and expand the manufacturing firms in Pakistan, there is a need to investigate whether the changes in organizational structure has an impact on the MAP design. On the other hand, as manufacturing technology continues to advance, there is also a need to identify whether advanced manufacturing technology affects the MAP design in Pakistan and whether the best MAP design is able to assist firms to cope with the intensity of the

Perceived Environment Uncertainty (PEU), Firm Structure (FM), Owner/Manager Commitment (OMC), Market Competition (MC). Thus, this study will adopt the contingency-based approach with the objective of investigating the relationship between decentralization, the adoption of advanced manufacturing technology and the intensity of Perceived Environment Uncertainty (PEU), Firm Structure (FM), Owner/Manager Commitment (OMC), Market Competition (MC) with the MAP design among manufacturing firms in Pakistan.

1.3 Research Gap:

Contingency-based research has a long tradition in the study of management accounting (Chapman, 1997; Chenhall, 2003; Gerdin and Greve, 2004). The contingency approach to management accounting is based on the premise that there is no universally appropriate accounting system which applies equally to all organizations in all circumstances (Otley, 1980). Rather, this theory suggests that particular features of an appropriate accounting system will depend upon the specific circumstances in which an organization finds itself (Otley, 1980). Contingency theory must therefore identify specific aspects of an accounting system which are associated with certain defined circumstances and demonstrate an appropriate match. Researchers to date have attempted to explain the development or change of MAPs by examining designs that best suit contingent variables including the nature of the environment, technology, size, structure, and strategy. For example Halma and Laats (2002) view contingent variables While internal contingencies are determined as technology, organizational aspects, and strategy; external factors indicate the features of external environment at the level of business and accounting that shape internal systems.

This study will fill gap that exists between various contingencies and management accounting practices which are used in the context of SMEs. We will use Environmental uncertainty, Firm Structure as contingent factors, these factors have not been utilized earlier in MAP literature. Although Intensity of market competition, Annual sales turnover and Advanced manufacturing technology have been used in previous studies (AhmadK, 2015). In short, the potential implications for theory, the study will expand the existing management accounting literature in two main ways.

- (i) First the study will provide new empirical evidence on the use of MAPs.
- (ii) Second, the study will contribute an additional study in the new context of Pakistani SMEs regarding what contingent factors affect the extent of MAP use.

1.4 Research objectives:

Based on the problem and research questions discussed above, this study identifies two main objectives

- (i) To determine the contingent factors which affect the extent of the use of MAPs by Pakistani SMEs?

1.5 Research Questions:

RQ1: .What factors affect the extent of the use of MAPs by Pakistani SMEs?

1.6 Significance of Study:

MAPs are significant for survival of SMEs. Our study will help business organization to adopt MAPs and consider factor, which can have an effect on use of management accounting practices. It will provide evidence to policy makers as well to make appropriate decision, which can influence use of MAPs and indirectly success and failure of firm.

This study will have useful implications for theory and practice. Regarding the potential implications for theory, the study will expand the existing management accounting literature in two main ways. First the study will provide new empirical evidence on the use of MAPs. Second, the study will contribute an additional study in the new context of Pakistani SMEs regarding what contingent factors affect the extent of MAP use. The focus on Pakistani SMES is especially important because research on MAPs and SMEs is very limited in this country and developing countries more generally. Benefits for practice will include the following: the creation of an awareness among SME managers of the importance of management accounting as a means of improving performance and maintaining competitiveness in the marketplace. the provision of results that may assist policymakers, such as the level of use of MAPs among SMEs and factors that affect the use of MAPs, that may ensure that future policy decisions made by the Pakistani government, financial institutions, and other groups with an interest in SMEs are evidence based.

CHAPTER 2

Literature Review

It has been uncovered through past investigations, that costing and planning MAP are ordinarily utilized however execution assessment, choice emotionally supportive network and key administration bookkeeping have been less every now and again utilized.

Research showing the data on item costs produced by estimation frameworks have a wide number of employments. These are using incorporate, of instance, estimating choices; price control, an assessment of creation measures; and substitute value (Bjornenak, 1997). The two principle costing techniques received were ingestion costing and direct (factor) costing. Retention costing framework is general favored all inclusive.

As of late there has been a pattern towards examining bookkeeping by and by (see 1993; Bruns , Kaplan, 1984, and Kaplan, 1987). In any case, small consideration is given how and why are change happen In any case, much of the time 'bookkeeping is viewed as it is as opposed to the way toward getting to be' (Hopwood, 1987). In concentrates they accentuate the dissemination of bookkeeping developments (Sorter et al., 1966, Johnson and Kaplan, 1987 Comiskey and Groves, 1972) change is viewed as a result of financial objectives. Small consideration has given to the dispersion procedure fundamentally.

A standout amongst the most imperative contemporary bookkeeping advancements has been Activity Based Costing (ABC). In spite of the fact that the enthusiasm for ABC is recorded in study ponders from numerous nations (Bright et al., 1992; Innes ,Mitchell, 1995 Ask and Ax1992) that is minimal experimental proof why ABC frameworks had been implemented or what impacts such frameworks have on the moves made by the adopters (Young and Selto1991). Truth be toldtheyaresmall research on who receives ABC and for what reasons. Be that as it may, the ABC writing gives rules on the circumstances which are helpful for ABC selection (Cooper,1988). (Cooper et al 1992)This is likewise certain there is a connection thatamong a portion of those properties and attributes of the early adopters of ABC.

These examination have an explorative nature for use to case of ABC, centers around enhancing to comprehension for the dispersion to bookkeeping advancements. These are some points of the examination

- (i) To advance improvement of a reasonable calculated system they can be utilized to structure an examine of the dispersion of bookkeeping developments.
- (ii) (Cooper 1988) To portray and remark ahead the interest side of the allocation procedure, including the connection between 'When I do need a Activity Based Cost System and attributes of the adopters.
- (iii) To describe and observation upon the dissemination procedure of ABC in Norway dependent on a market and basis point of view.

The introduction is isolated into four segments. The main segment exhibits a dissemination typology, which goes for giving a reasonable structure for the investigation. Section two shows the plan of the examination and talks about some legitimacy issues. The third part investigates a portion of the regularizing contentions on when an ABC framework is required. The exchange depends on exact information. The most recent part incorporates they can supply side of the dissemination procedure to accentuate the connection between possible adopters to propagators. It is part of mirrors that market and framework point of view.

(Youthful and Selto, 1991). Truth be told that is small examination on who receives ABC and for what reasons. (Cooper 1988) In any case, the ABC writing gives rules on the circumstances which are helpful to ABC selection This is (Cooper et al 1992). additionally guaranteed and that create a connection between a portion of these properties and attributes of the before time adopters of ABC.

These examination have an explorative nature for use to case of ABC, centers around enhancing to comprehension for the dispersion to bookkeeping advancements. These are some points of the examination .To advance improvement of a reasonable calculated system they can be utilized to structure an examine of the dispersion of bookkeeping developments. (Cooper 1988) To portray and remark ahead the interest side of the allocation procedure, including the connection between 'When I do Need a Activity Based Cost System and attributes of the adopters. To describe and

observation upon the dissemination procedure of ABC in Norway dependent on a market and basis point of view.

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H1: There is significant relationship between firm structure and Management accounting Practices.

H2: There is significant relationship between perceived environment uncertainty and Management accounting Practices.

H3: There is significant relationship between market competition and Management accounting Practices.

H4: There is significant relationship between , owner/ manager commitment and Management accounting Practices.

Dispersion of developments: an expressive typology

A development is the fruitful presentation of thoughts, saw as latest social framework into a given (Bradford, Kent 1977). It is fundamental that is perceived as new in a certain territory and collective gathering, it may be seen as an development. This implies it might have been existed earlier in another shape or in another territory. To descried additionally gives the idea a wide significance which incorporates marvels, for example, TVs, bits of gossip and cost bookkeeping standards. From such a viewpoint, ABC can be viewed as a development. Despite the fact that the components of ABC are finding in variation based frameworks (Israelsen 1993 and Madsen, 1963), (Staubus, 1971 and Kohler, 1952) Activity Costingand others, it is introduced and seen as an advancement practically speaking.

Dispersion is that procedure has been the advancement are extend, or scattered. (Webster 1971) define that underscores the collective procedure The collective procedure for which an advancement spreads to a collective framework after some era. Distinctive sorts to members could be recognized has a dispersion procedure. The leaders had been underlying innovation , who imagined, acquired or imitated the thought. On account for ABC the pioneer could be distinguished of various level. Business School is most conceivable meaning for the pioneer. The following gathering are the principal locate of adopters, which may assumed essential job are propagators in shortly stages in the dissemination forms. that is exemplified by the instance for ABC jobs for the dissemination of ABC in Norway, both as contextual analyses utilized to training or furthermore such a source of perspective for fruitful presentations of this concept.

To significant purpose for enthusiasm for dispersion hypothesis is the means by which and why (or why not) a few operators embrace thoughts or wonders. In topography various types of potential adopters are regularly spoken to in arrangement of maps of a territory at progressive purposes of time, showing those individuals who have embraced the development. Scholars ponder why a few people get an infection, and others not, sociologists may concentrate on how and why gossip is received, et cetera. Dispersion hypothesis has in this manner an awesome multidisciplinary trademark,.

All in all there are two noteworthy kinds of dispersion forms (Mu'ller, 1985, DeBlij). Both can be connected to bookkeeping advancements. This is first migration dissemination would be centers around for thoughts (individuals) go into a region not including essentially expanding to quantity for adopters (individuals). A case of that compose is the increase of activity dark (ghetto and Morrill, 1965). Utilizing people such as study objects, one cab be think about to dissemination for individuals and ABC information such migrations compose. Such as point of view infers concentrating to the development for ABC specialists, and don't to the organizations that receive.

This work ABC specialists has a method for migrating ABC learning. In any case, this investigation centers around the dispersion of the bookkeeping development and doesn't on the migration of ABC specialists. That procedure has been accordingly improved depicted as an extension dissemination, like as, the advancement are embraced to an ever increasing number of operators (firms), with the goal which is aggregate number of adopters is developing after

sometime. Accentuating firm as opposed to individuals as adopters of bookkeeping developments, or, in other words this investigation, suggests seeing the procedure as an extension kind of dissemination.

Development dispersion expect two noteworthy structures, infectious and various leveled. In the five star the spread are even and ceaseless. write to with prior adopters and the nature of correspondence directs are imperative factors in this type of dispersion forms. Therefore, close objective nearness impacts to likelihood for reception, however is definitely don't a fundamental condition as dispersion to happen. Run for the mill precedents of this compose are the dissemination of illnesses or the dispersion of gossipy tidbits.

A various leveled dissemination process is a 'streaming down' process from huge to middle of the road to little units. The pecking order might be characterized in an unexpected way. A dissemination (Channels) from ale to littler urban communities is one precedent. Wage for the dispersion on TV sets is another option.

2.1 Costing System

“A **cost accounting system** (also called **product costing system** or **costing system**) is a framework used by firms to estimate the **cost** of their products for profitability analysis, inventory valuation and **cost** control. Estimating the accurate **cost** of products is critical for profitable operations”

Research showing the data of item costs produced for costing frameworks has been a large number of employments. That are utilizations incorporate, to instance, valuing choices; price control, an assessment for creation procedures and replace evaluating (Bjornenak, 1997). The two fundamental costing strategies received were ingestion costing and direct (factor) costing. Retention costing framework is general favored internationally.

Conventional retention costing frameworks have for quite some time been liable to feedback. Two long-standing issues have been the decision of fitting overhead recuperation rates like as, number of plants or more specific, and also to discussion about they need for recoup/assign (ingest) overheads by any means. The minimal costing versus assimilation costing banter (see Dugdale and Jones, 2002) "came up short on steam" in the UK when SSAP 9 was received,

however we investigate our desire that the detachment among fixed and variable expenses is "particularly alive" practically speaking. Amid the most recent two decades the issues of conventional assimilation costing were again brought under the spotlight. This time the focal point of feedback was that these frameworks don't precisely quantify costs for basic leadership purposes and action based costing (ABC) has been produced and advanced. Likewise, target costing and the "costing of value" were presented as instruments for going up against expanded rivalry

To find out the degree to which professionals connected their costing framework to give more exact cost data to basic leadership purposes, respondents were requested to demonstrate how regularly and how vital are seven procedures identified with costing frameworks.

It tends to be seen that 48 for every penny (29 for every penny þ 19 for every penny) of the organizations either "regularly" or "all the time" recognize variable/incremental expenses and fixed/non-incremental expenses for basic leadership purposes. The significance of this detachment was recognized by 83 for each penny of respondents rating it as either "reasonably vital" or "critical". By difference just a modest number showed high utilization of the three methods (far reaching, different rate or ABC) for allotment of overhead to cost objects; overhead portion does not have all the earmarks of being done as often as possible. The blend of these two findings recommends that variable costing is substantially more typical than different types of ingestion costing. While retention (counting ABC) costing has a generally low use rating (76 for each penny "never" or "seldom" utilizing ABC), it by the by appears to have significant seen significance; 44 for each penny, 51 for every penny and 46 for every penny of respondents evaluated the three structures either "respectably essential" or "important". Ernst and Young LLP (1995) and Groot (1997) announced that ABC was connected in 18 for every penny and 12 for each penny individually in nourishment part organizations in the USA and Holland. It appears that respondents know about the significance of overhead allotment procedures however many trust that it does not merit actualizing them much of the time. This may show that they are believed to be critical in non-routine "costing/evaluating considers" did every now and then, however that, in the sustenance division, supervisors depend upon immediate and variable expenses for impromptu basic leadership. In like manner the costing of value apparently is

critical yet not as often as possible figured. At last, numerical displaying of cost connections and conduct is neither seen to be critical nor regularly utilized.

2.2 Budgeting System

‘‘A **budget** allows businesses to meet specific goals by creating a **system** of saving and spending money efficiently. Simply defined, a **budget** is a plan for using corporate funds in a way that best meets the firm's wants and needs.’’

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Planning is a critical control framework in all associations (Ekholm and Wallin, 2000, Merchant and Van der Stede, 2003) and that keeps on being a broad measure of work committed to seeing how it functions. Most earlier examinations, in any case, have concentrated on the supposed broken results of budgetary controls with regards to spending use for execution assessment (Hope and Fraser, 1997, 2000, 2003, Marcino, 2000, Schmidt 1992 and Hartmann, 2000), however that had been extensively low spotlight for other spending utilizes to associations, for example, for set arranging to procedure development. That are ignored spending utilizes for critical, the same number of the ongoing calls for enhancing customary planning forms center around their absence of association with vital and set arranging (Hansen et al 2003). Besides, which the possibility of the presence of numerous employments of spending plans isn't latest and have been examined in standard course readings (Horngren et al 2003, Garrison and Noreen 2003), earlier investigation had been tended to appear to be identical (one) purpose behind planning (essentially execution assessment) in detachment. It isn't clear, in any case, that when an association spending plans to design tasks, it adopts a similar strategy (e.g., regarding spending target trouble) or thinks about similar conditions (e.g., concerning wild factors for earth) then which has spending plans for gather key data of assess directors' for their units' exhibitions.

They can stretch out earlier work for looking at extended arrangement of motivations to-spending plan and investigate the drivers for the significance to execution of planning to every one these reasons. In particular, they focus on four conceivably unique reasons associations spending plan, two of which are essentially here and now and set of nature (set of planning and execution evaluate which the other two are basically long-term and key in nature (association of goal and procedure structure). We examination utilizes information for an overview to members to the Consortium of Advanced Manufacturing-International (CAM-I). We got reactions from 57 directors in charge of setting up the financial plan for their authoritative unit. We continue in four phases to break down the significance and execution of these four motivations to-spending plan, and additionally their precursors.

In the primary stage, we extricate every one of the four motivations for-spending plan's uniqueness vis-à-vis other three motivations for-spending plan. Earlier work proposes this is the reasons associations utilize spending plans are not decided in segregation of each other (Yuen

and Moores, 2001), and in this manner, recommends that motivations to-spending plan are probably going to be related or show cover (Shields, Shields 1998). Rather than focusing to the normal factor among that different motivations for-spending plan, or, in other words approach for before work, we expel to basic factor from each motivation for-spending plan to spotlight on and "one of a kind" component. Removing the extraordinary component for each motivation to-spending plan is imperative on the grounds that our goal is to see how associations consider different planning attributes (e.g., as for spending target trouble) and different relevant variables (e.g., concerning wild factors in the earth) when utilizing spending plans for various reasons. We find that in spite of the fact that the four motivations to-spending plan are connected, each motivation to-spending plan is additionally adequately interesting to warrant examination without anyone else. With the end goal to center around the uniqueness related and each reason, so utilize the remaining to relapsing specific motivation for-spending plan on the other three as the main key variable to the consequent examinations.

In second step, they can explore the basic precursors, or drivers, of each motivation for-spending plan (residual).¹ Our investigation recommends that each motivation to-spending plan is related and a generally extraordinary arrangement for predecessors; they are, while mainly forerunners are huge in something like specific motivation to-spending plan, none is huge are more than three. This fortifies that motivations for-spending plan emerge in various conditions. Also, the indications of the coefficients for a portion of the precursors invert crosswise over motivations to-spending plan. For instance, we find that the utilization of spending plans for correspondence of objectives and procedure development is more common when rivalry is higher, however rivalry seems to repress the utilization of spending plans for execution assessment. These outcomes propose that the motivations to-spending plan emerge in various conditions, as well as expect associations to make tradeoffs among different spending utilizes given by conditions that confront.

In third step, they look at well associations perform to utilizing spending plans of specific reason; this is the manner by which viable the utilization of each motivation to-spending plan is seen We utilize two-arrange minimum squares (2SLS) to evaluate the impact of planning attributes mutually with the significance of each motivation to-spending plan and its forerunners on the execution of each reason.² This 2SLS outline decision perceives that both the motivation to-

spending's significance and its predecessors are en-dogenous to the motivation to-spending's execution. For instance, it perceives that separation system (a predecessor) is probably not going to drive the utilization of spending plans for procedure arrangement (one reason to-spending plan)

2.2.1 Independent of decisions about target trouble and target investment (planning qualities).

Utilizing this methodology, our examination of the execution of the motivations to-spending plan creates a comparable finding as the predecessor investigation: the execution of the different motivations to-spending plan is related with generally extraordinary planning qualities, (for example, decision of target trouble, measure of interest in the planning procedure, and measure of accentuation on meeting spending targets). What's more, there are again cases where the indication of the indicators of motivation to-spending execution turn around crosswise over various motivations to-spending plan. For instance, while the utilization of moving spending plans seems to improve the execution of spending plans for operational arranging, it likewise seems to restrain the execution of spending plans for execution assessment. These outcomes again propose that the drivers of motivation to-spending execution are not constantly "good" crosswise over motivations to-spending plan.

In the last phase of our examination, we research how each motivation to-spending's execution influences two hierarchical results: generally speaking spending fulfillment and authoritative unit execution. The outcomes demonstrate that the motivation to-spending execution on operational arranging, execution assessment, communication of objectives, and procedure development is emphatically connected with in general spending fulfillment. Be that as it may, just the execution on three of these motivations to-spending plan (operational arranging, execution evaluation, and system arrangement) is emphatically connected with hierarchical unit execution. These outcomes recommend that a few, however not all, spending utilizes influence hierarchical unit execution.

In entirety, our investigation gives proof that financial plans assume diverse jobs in associations, and that vary ent motivations to-spending plan have distinctive forerunners that impact each motivation to-spending's execution in various ways. These outcomes emerge in light of two

imperative plan decisions fundamental our examinations: first, we center around each motivation to-spending plan's "one of a kind" component, and secondly ,they were handle the connection between to the forerunners, significance, and execution for specific motivation for-spending plan to a framework utilizing 2SLS.

This study continues to pursues. Area depicts they can picked to rundown to motivations for-spending plan. Area 3 talks about the measures and the study information gathering process. Segment 4 displays the investigation of the motivations to-spending plan, the precursors of the significance and execution of the motivations to-spending plan, and shows how the individual motivations to-spending influence two hierarchical results. The last area closes, talks about the impediments of this investigation, and gives proposals to future research.

2.2.2 The motivations to-spending plan

The beginning stage for our investigation is to produce a rundown of the potential explanations behind which associations utilize spending plans. The possibility of numerous employments of spending plans in associations are not new, and thar are numerous possible sources to create a rundown of motivations for-spending plan: administration bookkeeping and control course readings (Luft and Shields, 2003, Anthony and Govindarajan, 1998; Fisher et al., 2002,Horngren et al., 2003; Simons, 1995), scholastic research (e.g., Collins et al., 1997; Merchant and Van der Stede, 2003 Ekholm and Wallin, 2000; Epstein and Manzoni, 2002; Shields and Shields, 1998), and hone (Hope and Fraser, 1997, 2000, 2003 and Barrett and Fraser, 1977;). Specific source makes a marginally unique rundown, and that is hard to decide to do best

In this wake of looking at all the different conceivable outcomes, we felt that the most solid way to deal with create a rundown of motivations to-spending plan is to include specialists. The advantage of this methodology is that it doesn't, from the earlier, reject some prospective reason to being expressed. A few rounds For recommendations from had been businessmen from the CAM-I further two scholastics, they sharpened down to the accompanying 4 motivations for-spending plan: (1) prepared and arranging, (2) execution assessment, (3) correspondence for objectives, and (4) techniques formation.Given these focal job of the motivations to-spending plan in our examination, this rundown warrants advance exchange. Our rundown of motivations to-spending plan is fundamentally hone characterized , which makes it more inclined to catch an

administration bookkeeping marvel (the utilization of spending plans) they experts wish for comprehend in there very owneddialect. That is A typical detriment for training characterized factors, and in this way preference of hypothesis characterized factors, is that the last will probably have all around characterized, steady, unitary implications (Luft and Shields, 2003). Despite the fact that this favorable position for the most part applies, our writing audit represents that there is no such very much characterized, steady, unitary significance in earlier work with respect to the distinctive employments of spending plans (see reference 3). Every one of the creators utilizes marginally extraordinary conditions, some coin there very own terms, and in that way, to bringing together, for the most part settled upon structure does not exist.

They review pre analysis findings that this rundown covered by the primary employments for the financial plan in mostly organizations. It has been covered that arranging capacity—same here and now (set of arranging) with long haul (procedure development)—and in addition the job of imparting those plans (correspondence of objectives). What's more, at last, it covers execution assessment; an imperative job of spending plans perceived both practically speaking and also scholastic research (Hartmann, 2000; Luft and Shields, 2003).

2.2.3 Predecessors of the motivations to-spending plan

The second phase of our structure inspects the connection between the motivations to-spending plan and highlights of the authoritative setting. It examines the sources of why associations utilize spending plans for a particular reason.

In view of a survey of the writing, our examination incorporates factors that catch the impact on the motivations to-spending plan from the outside condition (level of rivalry Khandwalla, 1972), and also from the working condition, for example, generation/assignment and asset stream attributes (Eisenhardt, 1985, Gordon and Narayanan, 1984; Pitts, 1980; Govindarajan and Fisher, 1990; Krumweide, 1998; Macintosh and Daft, 1987; Ouchi, 1979; Thompson, 1967). We likewise incorporate to a proportion for association methodology (Collins et al 1997; Govindarajan and Gupta, 1985; Vancil, 1980, Govindarajan, 1988), structure (Goold, 1991; Gordon and Narayanan, 1984; Ouchi, 1977; Bruns and Waterhouse, 1975;), with estimation (Merchant, 1981 and Bruns and Waterhouse, 1975). they concede nitty gritty portrayals of the exact proportions of these precursors.

While there is some direction from earlier work with respect to how every one of these precursors may influence a portion of the motivations to-spending plan, especially execution assessment (see Luft and Shields (2003) for the latest and most broad survey), there is less direction concerning how they may influence alternate motivations to-spending plan. Besides, growing the rundown of motivations to-spending plan to four, and researching the impacts of seven forerunners on every one of them, offers ascend to an extensive number of possible between connections. For those two reasons (however absence for direction to earlier work being had been the most imperative), they abstain to detailing unequivocal theories to every conceivable hub. Rather, our examination is exploratory and intends to exactly observe the between connections. Our general desire, in any case, is that every forerunner will be huge in somewhere around one motivation to-spending relapse.

2.2.4 Motivation to-spending execution

The third phase of our system looks at the association's execution for each motivation to-spending plan. While the earlier advance analyzed the precursors that produce the interest for each motivation to-spending plan, this progression examines how well the monetary allowance performs for every one of the motivations to-spending plan.

Similarly as with the predecessors, producing a sensibly exhaustive rundown of potential planning characteristics that may influence the apparent motivation to-spending execution is imperative. Our rundown again attracts upon earlier work to produce these factors. A broad writing on the utilization of spending plans for execution assessment has kept up they such factors to the level as spending accentuation (Otley, 1978; Van der Stede, 2001 and Hopwood, 1972), spending investment (see Brownell (1982) and Shields and Shields (1998) for broad audits), and spending goal trouble (Kenis, 1979; Dunk, 1993; Epstein and Manzoni, 2002; Hirst and Lowy, 1990; Merchant and Manzoni, 1989;) are probably going for influence spending results to execution. For example, they supervisors' convictions about that strain for meet spending goals may influence that craving for report honest data to the planning procedure (Hofstede, 1967), and consequently, they viability and which the monetary allowance possibly accomplishes its expected destinations in every one of the motivations to-spending plan.

They can supplement this arrangement to often considered factors and factors that they have been examined low broadly in that writing, especially, these quantity for emphases they takes for finish the financial plan, regardless of whether the unit utilizes a moving spending plan (Wallin, Ekholm 2000), to the degree for which the spending interfaces and the unit procedure. This factors is in any case liable to influence the apparent motivation to-spending execution likewise, expecting that, for instance, extensive planning procedures may be seen as sick performing, in any event for a few motivations to-spending plan (e.g., execution assessment), yet perhaps not to different reasons (technique arrangement) which the procedure to data assembling with learning could really compare to spending fruition in essence (Simons, 1987b, 1990, 1995). We give point by point portrayals of the exact inquiries

The motivation to-spending execution investigation includes an extra six informative factors to our examination. As previously, instead of planning express theories for every conceivable between relationship, we utilize an exploratory way to deal with observe which planning attributes possibly influence the execution of every one of the four motivations to-spending plan. In any case, we again expect that each planning trademark will be noteworthy in no less than one motivation to-spending execution relapse.

The majority of the factors talked about in the previous segments show up on the rundown (at times with differing names and marks) of the right now most broad audit of the administration bookkeeping writing (Luft and Shields, 2003). Be that as it may, in light of the fact that our larger goal is to investigate the drivers of execution on different motivations to-spending plan, our determination of measures was additionally guided by late cases why they don't function admirably (e.g., they require an excessive number of cycles with take too long for finish) and proposals how to for settle the planning procedure (Marcino, 2000, Hope and Fraser, 1997, 2000, 2003; Jensen, 2001; Schmidt, 1992 and Ekholm and Wallin, 2000).planned changes to settle the planning procedure incorporate permitting more successive spending modifications and refreshing so some arrangement of re-planning or moving spending plans is built (Serwen, 2002), and in addition diminishing the accentuation on meeting spending focuses for execution assessment (Hansen et al., 2003).

2.3 Decision Support System

“Decision Support System is a set of related computer programs and the data required to assist with analysis and decision-making within an organization”

Wu et al. (2007), held that powerful basic leadership are the most essential key factors to the present fast and varying focused condition. They are choice help examination could be partitioned with here to now and extended haul investigation. Abdel Kader and Luther (2006) battled that for standard or without further ado decisions organization accountants can use cost-volume-advantage (CVP) examination, thing profitability examination, customer productivity examination, and stock control models. For longer-term capital endeavor decisions organization accountants can make and overview accounting rates of return and recompense periods and also complex signs in light of diminished pay. Capital arranging strategies get both non-decreased and set apart down procedures. One of the expressed targets of administration bookkeeping in the 1970s was to give significant data to inside basic leadership. For normal or here and presently decisions organization accountants can use cost-volume-profit (CVP) examination, thing profitability examination, customer profitability examination, and stock control models. For capital theory decisions organization accountants can make accounting rates of return and compensation periods and additionally more mind boggling signals in light of reduced money flow. Additionally data on non-financial factors, for example, nature of yield, flexibility of procedures and lead-times could influence capital venture ventures. At last, chance examination strategies, for example, likelihood investigations, PC reproduction and "imagine a scenario where" investigation can be utilized. It tends to be seen that item profitability examination and client profitability investigation are "frequently" or "all the time" CVP examination, prescribed for the sustenance business by LeBruto et al. (1997), apparently is "critical" or "reasonably essential" .Stock control models are generally "reasonably essential" and "once in a while utilized."

As to speculation choices, respondents utilized conventional bookkeeping estimates, for example, bookkeeping rate of return and restitution period to assess significant capital activities, while the equal figure for marked down money flow models, This evident wariness of "cutting edge" speculation evaluation is confirmed noting that ascertaining the expense of capital was "not essential"! There is clear confirmation here that the lower significance ascribed to financial

execution, in respect to organizations in different businesses, found what Mann et al. (1999a), seems to have persevered. Moreover, while non-financial factors identifying with capital ventures are seen to be either "critical" or "respectably essential" respondents, of organizations "regularly" or "all the time" report and record such factors. At long last "imagine a scenario in which" investigation is the most well known system in assessing the danger of undertakings however respondents utilized it regularly or all the time.

The highlights of the present business condition shaped that the characteristics for administration bookkeeping hones (MAP) utilized to organizations. They are expanded globalization for business sectors, they can transnational for exchange assentions, and the harmonization for money related bookkeeping standards, internationalization for educating, to the calling, with the multinational practice produce an assembly toward that a worldwide arrangement for administration bookkeeping hones (Granlund and Lukka, 1998). Be that as it may, a count attempt's national cultures, enactment, with chronicled foundation that are main components they were incite varieties to different nations. Appropriately, MAP rise as "exceptionally arranged wonders restricted by verifiable circumstances they are particular to gived occasions with place" (Baxter and Chua, 2003) bringing about to the need of inquire about the impact for various specific setting for administration bookkeeping frameworks (MAS) (Bhimni2007).

Creating nations share equivalent money related characteristics, for instance, low rates of per capita compensation, capital course of action, and regard included (Hopper et al., 2009). These countries have pulled in growing attention over the span of the latest 20 years, financially, politically, and from the examination perspective (Hopper et al., 2009), Luther and Longden, 2001; Jaruga and Ho, 2002; O'Connor et al., 2004; Anderson and Lanen, 1999; Alattar et al., 2009). As creating nations speak to appealing speculation goals confronting fast and now and again radical changes, budgetary pros need to perceive how accounting structures function with the degree for where that he usage for different bookkeeping with non-bookkeeping methods to Western motivation works in a remote environment. Created economy as accordingly give these chance to see that Western heritage below restoration" (Hopper et al 2009). Furthermore, they are just moderately some investigations for (administration) bookkeeping practices in numerous low created nations (LDC), with one new examination that chance for a new point of view on that rich unemployed investigate condition. Learning about MAP on any for these count attempts

isn't broad, and that most noticeable exemption being China (Hopper 2009). Not slightest, creating nations may profit by the experienced for others with benchmark there very own improvement.

These are unique circumstance, our address the hole to the writing and a comprehensive examination to the components related and the reception with utilization for customary administration bookkeeping methods (MAT) to Romanian organizations. Romania is an ex-socialist nation in Central Europe and Eastern Europe (CEE) and has seen as the "Cinderella" condition to the district as a result of the difficulties experienced in the initial 10 years after that they fall of socialism in 1989 (Coopers, 2009). In this late 2000s, Romania turned into undeniably appealing venture open door for remote financial specialists, and the nation's increase for the European Union on 2007 with the "development story" following it prompted more elevated amount for monetary execution then more expected (Middleton 2007).

that reason for this article are in this way for research with break down through these perspective of possibility hypothesis that presence with the utilization to MAT on Romanian organizations, with a specific spotlight to the institutional factor describing to earth of this nation. They utilize a quantitative methodology to an example of 109 substances. Give by the problems in social occasion information with such settings, they example estimate are equivalent and other administration bookkeeping (MA) contemplates led to LDC with respect of (Van Triest and Elshahat, 2007).

We examination adds for the MA writing in LDC to a few different ways. To begin with, our explore independently they reception with utilization for MAT, in this manner picking up a more profound comprehension of these related points of view. Secondly they are propose and utilize a hypothetical structure for study with feature that significance for a few variables with the reception for utilization for MAT, in view of that institutional components they portray the Romanian setting. At long last, we build and utilize a few records to explore the components related and the selection with utilization for MAT.

This rest for the article are sorted out for pursues. with area 2, they survey the MA writing on LDC with in Romania. Segment 3 portrays for hypothetical structure with research strategy. they

next present with talk about their outcomes to segment 4. At last, ends with future research bearings as laid out.

They view of our hypothetical structure, we formed a survey isolated into three areas. The main segment contains statistic questions (respondent's age, sexual orientation, and earlier bookkeeping knowledge). The second area centers around hierarchical attributes, which is the third part contain inquiries concerning to the elements' MAS and MAT.

Describe in past research (Duh et al., 2009; Henri and Journeault, 2010, Widener, 2006;),they are quantified a portion for the factors utilizing perceptual tools. They requested that respondents showing their own or these are substance's apparent dimension for the factors with MAT. Earlier writing exhibits they utilizing a perceptual tool do not impede that examination (Journeault ,Henri2010).

They requested that our respondents has been rate on a 5-point Likert scale the per-ceived level for security and consistency with their substance's condition (for 1 "truly steady with unsurprising" for 5 "entirely temperamental and unpredictable"), thinking about that element's relationship and its customers, providers, with administrative bodies. Industry is the clear cut unpredictable demonstrating the element's center business: administration, trade, producing, money related,for further (respondents was approached for show). They further recognized assembling and nonproducing elements, in view of the differences in the assets used for contend (according to Widen, 2006). they gauged substances' size to the quantity of workers according for the official European Union classifications: little elements (10– 49 utilize ees), medium-sized elements (50– 249 representatives), with expansive elements (in excess of 250 workers). We barred from our investigation small scale entities³ (under 10 workers) since they have explicit requirements and earlier writing in Romania (Volka'n, 2010) records that a large portion of these substances don't utilize any MAS.

Past writing (Duh et2009) contends they are the apparent nature for the challenge completes a superior occupation thenas outer calculate as that impacts inward basic leadership. We in this way requested that respondents rate by the 5-point Likert scale the level for rivalry at seen to their substance (from 1 "decreased" to 5 "serious"). Sort of capital is a clear cut variable ("completely Romanian capital," "winning Romanian capital," "winning remote capital," and

"totally outside capital"). Posting on a stock trade is a twofold factor. We requested that respondents demonstrate to the 5-point Likert scale the level of influence they see tax collection has on their substance's MAS (from 1 "extremely decreased" to 5 "amazingly critical"). A similar 5-point Likert scale has been utilized by rate the apparent dimension of MA abilities to staff (where 1 has been "restricted" and 5 has + "great").

We planned that rundown for MAT after past examinations, (for example, (Szychta, 2002; Duh et al., 2009). Past examinations to LDC research essentially they presence for MAT, or mostly they utilize a solitary Likert scale of gauge in that meantime they presence and either that level for value to the dimension for utilization to the particular MAT; in this manner, perplexity may have occurred.⁴ Consequently, for an increasingly significant examination, we explored the selection of different MAT independently from their dimension of utilization. In this way, we structured an inquiry they are asking respondents to) demonstrate the reception for the particular MAT (set with a Yes/No parallel variable) and) to the degree they addressed "Yes"), to rate to the 5-point Likert scale the dimension for utilization to specific MAT for administrative purposes (from 1 "exceptionally restricted" for 5 "incredibly noteworthy"). The poll has been revised after pretesting on two Romanian scholastics which are additionally professional accountants and on bookkeepers. The changes mostly identified with the expressing utilized, to illuminate the inquiries and to make the outcomes increasingly important.

As uncovered in the writing, gathering information for LDC is a problem undertaking, prompting shortage for MA experimental investigations in such count attempts (Hopper et 2009). We in this manner utilized two wellsprings of information. To begin with, we disseminated the survey for Master of Science (MSc) stain prints in bookkeeping programs there are our college December 2010 and January 2011, and we requested that they completed it just in the event that they have been MA experience. Generally, Romanian has been bookkeeping MSc understudies have relevant work involvement and are as of now during the time spent getting to be qualified. We consequently acquired 25 answers (out of an aggregate of 103 understudies going to the projects). Second, we conveyed the survey to proficient bookkeepers qualified with that primary expert accountancy association, that is, the Body of Expert and Licensed Accountants of Romania (.CorpulExpert, CECCAR), inside a similar timeframe. We got answers constantly,

with reactions being gotten until early March 2011. The standard example was to convey the survey

2.4 Performance evaluation

‘Performance Evaluation is defined as a formal and productive procedure to measure an employee's work and results based’’

Emmanuel et al 1990) noticed they are execution assessment has been essential capacity for administration bookkeeping. Execution assessment gives data to chiefs to help the accomplishment of their association's vital targets (Jusoh and Parnell, 2008). (Corridor 2008) contend they are as of late links have been looked for growing much extensive effecting estimation frameworks (PMS) for give boss with delegates information to help with managing their exercises. He incorporated that sweeping PMS consolidate a progressively different course of action of execution measures, and execution appraises that are associated with the procedure of the firm. (Lobby 2008) has additionally expressed the cases for the prominent systems for conveying a more extensive arrangement of execution measures are the adjusted scorecard.

Jusoh and Parnell, 2008) motivation add to a superior comprehension of focused system and execution estimation at the Malaysian setting for applying an altered variant to Conant et al non specific technique scale and classifying Malaysian firms along the Miles and Snow business methodology typologies. spirited procedure with execution estimation were evaluated by means of review. A sum to 975 firms were have been haphazardly chosen to the catalog of Federation for Malaysian Manufacturers (FMM) has been recorded in 2003. Generally speaking, 133 overviews has been returned, 120 of which have been working for examination. Findings recommend they are Malaysian firms see aggressive technique contrastingly and are more probable than their Western partners to accentuate the utilization of monetary proportions of hierarchical execution. Discoveries additionally feature the troubles confronted when Western estimation scales are utilized in non-Western developing countries. Because more prominent accentuation was set on budgetary as opposed to non-money related measures, results demonstrate a factually critical diverse change just in deals development and ROI execution among the three procedure classes. System analysts should concentrate to the utilization of various execution measures in evaluating association's execution as appeared by the noteworthy

changed in the utilization of consumer loyalty and dedication measures, and also worker fulfillment and preparing measures the idea that different focused procedures impact firm execution in various ways non specific procedure typology is generally outstanding. As shown by Porter, a business can make high ground – and obviously extend execution – either by trying to be the insignificant exertion creator in an industry or by isolating its line of things or organizations from those of various associations; both of these two techniques can be joined by a point of convergence of definitive undertakings on a given piece of the market.

Various examinations have shown the convenience of Porter's approach A first typology Concentrates in rising economies have been constrained, be that as it may for instance, findings they are execution for Malaysian SMEs changes and the decision for the dealing methodologies that are embraced.

Secondly noticeable typology planned to (Miles and Snow 1978) recommended they are three of any stable key composes are similarly liable to perform well, given that they react to the difficulties of the versatile cycle in a steady mold . A fourth methodology compose, the reactor, does not speak to a high performing system. By and large, investigate has bolstered the legitimacy of the Miles and Snow typology, in spite of the fact that there have been irregularities. Miles and Snow battled that every one of the three vital composes, This thought is steady with the idea of equifinality, which recommends that similar results can be accomplished in numerous routes with various assets, differing change forms, and different techniques

While these issues stay uncertain, a significant part of the unmistakable effort in the dealing system writing had been moved for a typology introduction for an uplifted part to association particular factors as described by the asset based viewpoint This emphasis on firm assets has additionally characterized the nature and complexities related with varieties crosswise over associations The expanding enthusiasm for firm assets, in any case, does not imply that testing methodology typologies is never again helpful, particularly in rising economies To be sure, the pace and power of progress in the worldwide business condition have turned out to be considerably more articulated amid the previous two decades. Thus, speed has turned out to be more important as a focused weapon, which the Internet has been limited that significance of physical limits with remove, with the empower firms to provide bigger markets all the much proficiently (Kim 2004).

Research not just recommends a connection among system and execution, yet in addition return on resources (ROA), rate of profitability (ROI), and profit for deals (ROS) had been connected for various examinations (Daily et al., 2002; Jacobson, 1987; Bromiley, 1986;). They can new budgetary calculate, financial esteem included (EVA), additionally had been connected for a few investigations (Chen and Dodd, 1997 Bacidore et al1997). In any case, they are utilization for EVA isn't they are mainstream since it has been excessively mind boggling of chiefs, making it impossible to comprehend and utilize (Larcker, 1998). Defenders for utilizing monetary calculated underline that objectivity related with looking for the execution level for different specialty units along institutionalized position (Sieger,1992). Notwithstanding, money related calculated regularly don'tfindings in the legitimate judgment for exclusive resources (Husel 1995). In any case, money related dealings remain the much prevalent with broadly acknowledged come up to methodology execution examines (Geringer1989).

Secondly, showcase depends proportions for execution had gotten extensive consideration in the writing (Livnat, 1988). Market esteem included (MVA) had been tout in the mainstream press at the most exact methods for assessing how will be a firm makes investor riches (Tully 1994).

Thirdly, subjective calculated incorporate emotional territories for execution, for example, moral conduct, partner fulfillment with execution, consumer loyalty, and administration fulfillment with execution (Parnell et al., 2000). They may likewise incorporate representative fulfillment, conveyance execution, process change, proportions at material with parts conveyance time, throughput time, due-date execution, quality, machine adaptability, with stock levels (Hendrick 1996). In particular, various Internet organizations depend intensely to proportions for web movement for measure execution. Review execution through a non-money related focal point cangive understanding into hierarchical procedures and results that can't be seen by means of budgetary measures. Truth be told, non-money related measures are markers of elusive resources with key drivers of organization esteem with might be best indicators for future monetary execution then recorded bookkeeping calculated with, and consequently ought to has been unveiled (Kaplan and Norton, 1996 and Wallman, 1995).theapproach relationship winds up complicationwhichspecific considers the immense range to execution estimates that could be used. Further, estimation blunder has been referred to as a basic worry all through the administration field (Gerhart 2000), and the degree of which that exists in the evaluation for

execution could bring up main legitimacy issues for look into at the focused procedure execution relation (Parnell et al., 2006 and Ketchen et al.2004).

Strategy same for associations and specialists could impact they decisions all about methodologies execution relation(Parnell 2006). Surely, numerous associations has utilizing various proportions for execution, instead of a solitary benefit measure that may have been utilized before.These are Following this rationale, (Kaplan 1992, 1996) built up to far reaching execution estimation framework recognized at the adjusted with scorecard (BSC). It have been multi-dimensional with nature this offers an unrivaled blend for monetary dealings and non-money related measures. Non-monetary dealings incorporate somewhere around three different points of view: clients, inner business procedure, with learning and development. These focal point for the BSC is at vision with technique. These BSC interprets at association's specific vision with procedure at' thorough arrangement for execution estimates that gives the structure to the vital estimation with administration framework.Performance estimation all in all with the BSC specifically are same focused at enhancing failure methodology implementation (Edwards, 2001). One reason which organizations regularly neglect for make an interpretation of methodology energetically needs to do with the execution estimation framework, since they neglect to gather the correct data to screen advance towards their vital objectives (Edwards, 2001). Further, extraordinary systems originating from various elements of an association likewise turn into an obstruction to methodology usage as most associations have awesome trouble in imparting and organizing over these strength capacities (Kaplan and Norton, 2001). Since conveying business technique and adjusting singular objectives to corporate objectives are basic in numerous associations, a BSC approach can give an intend to correspondence and arrangement of corporate methodologies by falling with connecting calculated to specific level of association as well as specialty units, bolster unit, with workers

Since every methodology is one of a kind, each requires diverse sorts of execution calculated with goals.There are Following rationale, (Slater and Olson 2002) contended at the reception for multi measure strategy estimating execution, yet tested all measures are similarly vital independent of the item advertise system embraced. They inspected the connection between the item showcase focused technique utilizing the Miles and Snow (1978) procedure and the accentuation put on alternate points of view of the BSC. They found that miners underlined the

development and development point of view more than analyzers, minimal effort safeguards, and separated protectors. The high performing analyzers put more prominent accentuation on advancement and development points of view while low entertainers set more noteworthy accentuation on budgetary viewpoint. The high-performing and ease safeguards set more prominent accentuation on money related viewpoint and lower accentuation on both client and development and development points of view, while the high-performing separated protectors set more noteworthy accentuation on the client viewpoint. All the more as of late, that are finding variety for the estimation decent variety approach has the most grounded relationship with securities exchange execution which was organization that make much broad utilization of a wide arrangement for money related with nonbudgetary calculated then those are comparative techniques to esteem drivers acquire with higher stock with returns.

(Miles and Snow 1978), as per the miner association has a tendency to create expansive based data frameworks with non-monetary and outer execution measures too keeping in mind the end goal to suit with its adequacy and results introduction. Then again, protectors tend to utilize cost-arranged data frameworks that are proficiency and information situated. Analyzers require an adjusted arrangement of data framework underlining both on productivity and adequacy. From these properties, it is certainly accepted that miners utilize more non-money related execution measures and are more creative than protectors.

Since miner, protector, and analyzer compose techniques require altogether different interior structures and managerial procedures, the plan parameters of administration data frameworks (MIS) are additionally liable to contrast (Abernethy and Guthrie, 1994). For instance, data frameworks that have the attributes of a wide extension framework have a tendency to be more compelling in miner firms than in protector firm

As indicated by (Larker 1998), critical determinant to the weight set on monetary procedures incorporates, among with other things, that degree to where the organisation look after a development situated technique. Further related investigation, Gupta (1985) inferred they abstract extra frameworks (considered at specific part of administration manage frameworks accentuating on non money related measures) were advantageous for rising firms subsequent "form" techniques, however hindering to firms following "collect" procedures.

(Gupta 1985) found that the advantages to non money related pay criterion has been dependent upon a specialty unit's procedure. In addition, prove revealed to (Guilding 1999) contemplate expressed for miner firms has been make more prominent utilization of, and see more noteworthy supportiveness in client centered bookkeeping (CFA) rehearses. Guilding (1999) contended that the utilization of intensely situated investigation will be findings to a superior educated evaluating with costing choice since it has been considers non monetary variables as contender value response, value flexibility, and market development. In the interim, (Larcker 1997) finding that they are communication impacts on quality arranged techniques and key control frameworks on execution give blended outcome and that a quality-situated procedure without anyone else's input has little impact on organizations' execution. They contended that key control rehearses are regularly adversely identified with execution in light of the fact that off base estimates that couldn't be connected to the coveted vital result are utilized by the association. (Ittner 1997) additionally gave confirm that non money related estimates assume a consistently expanding part in the chiefs' execution assessment which they have been noticed they are miners – firms and long run center have a tendency to depend much for non budgetary dealings than do for safeguards firms and a short run center.

Albeit much has been thought about that they are procedure execution correlation, holes continue, particularly with regards to developing economies and various execution measures. Because of the exploratory idea of the present examination, be that as it may, particular speculations were not created. Comprehensively, be that as it may, the investigation tries to use different execution dealings for help an utilization for the Miles and Snow typology to Malaysia.

Various Malaysian firms increase upper hand through less creation price, at crude materials and work are accessible at bring down costs contrasted with contenders from created nations. Another extra upper hand is the economic Competitive what's more, political dependability for the district. Another, Malaysia market arranged economy with strategy steady management strategies as far as liberal value arrangement, work of ostracizes, and alluring duty motivating forces, furnish organizations with the open door for development and achievement and have changed the country into an exceptionally aggressive assembling with charge base. Malaysia had been likewise encouraged towards an information base economy that has been enables organization for execute business in a domain that has been geared towards data innovation with

taught and trainable employees. As a result for the ongoing rising effect for a few factors to assembling enterprises, for example, of the utilization of new and propelled fabricating condition and late patterns of estimating fabricating execution, the assembling business is seen as an especially significant zone of study. Further, the utilization of execution measures are relied upon to be more differing and broad in assembling enterprises as contrasted with benefit or different sorts of businesses. Moreover, the assembling areas that Malaysia has been developing with assumes for prevailing part for the Malaysian economy by being that they are second biggest part (behind administrations) regarding its offer in all out GDP which was it contributed 31.4 percent in 2005 with fares for produced products make has been additional then 70 percent for the nation aggregate fares. Firms had been arbitrarily chosen for the registry to Federation of Malaysian Makers (FMM) to recorded as 2003.

These Malaysia's chief financial association that have been reliably driven Malaysian makers to initiating and country's development with modernization. These FMM index records more than 2,000 assembling furthermore, mechanical administration organizations of differing sizes. Firms picked are from different ventures and are situated all through Malaysia, especially and Klang Valley, Penang and Kedah. Just organization and no less than 25 representatives has been incorporated into that has been target test with a specific end goal to have enough firms speaking to little and vast organization. As per poll together and as an introductory letter has been sent via mail for the CEO officers (CEOs) with other best chiefs and executives requesting has been cooperation for the examination.

As a result of their various foundations and differed duties, they are regarded to be the most suitable work force including with technique making and generally strategies of the organizations, for example, controlling and basic leadership, and they moreover have duty regarding the execution of their organizations. This reaction rate is less however does not strange, given by that are Malaysian has been directors are normally hesitant for take an interest in mail studies. Likewise, the touchy and classified nature of the data asked for may add to the less reaction rate. On those reacting, 47 percent really held an upper administration position (President, overseeing executive, general supervisor, furthermore, executive), while the rest of the 53 percent served in different limits (e.g. advertising supervisor, asset/work force chief,

monetary controller/bookkeeper, producing supervisors, task chiefs, and business advancement directors). The greater part had been held there present position to no less than five years.

These degree for which associations used different execution measures was evaluated utilizing a 29-thing scale containing four measurements: money related, client, inward business are process, and learning with development. They are measures spoke to non specific estimates that are regularly utilized by assembling firms. Twenty things were adjusted from crafted by (Hoque2001), which were initially embraced from(Norton 1992) the staying some things has been self-built. The respondents has been solicited for show that degree from there association's utilization forevery measure over the four measurements utilizing for seven point Likert type scale running for 1 (in the least) to 7 (all things considered).

Late enhancements in genuine firm execution were estimated tothat self ratingdegree utilizing 12 markers taken to(Clarke 1999) and (Govindarajan1984). These are numerous pointers move toward fuses all these parts for quantitative with subjective, money related with non budgetary execution to the appraisal (Mia 1999). Respondents have been requested they are distinguish that adjustments to the execution dealings over for most recent three years utilizing the size of 1 to 7 (diminished immensely ¼ 1 change ¼ 4, and expanded colossally ¼ 7). A weighted normal execution record was gotten for each firm. An unwavering quality keep an eye on the execution pointers delivered a Cronbachs alpha estimation for 0.88.

Business technique has been estimated toutilizing three vital composes and proposed to(Miles and Snow 1978): miner, analyzer, with protector. The fourth sort, that reactor, has been considered with alert since ponders by Teoh (1997) with Abdul (Rashid 1997) demonstrate that they can reactorshad been hard to distinguish in Malaysia. A multi-thing **scale** created to (Parnell 1997), in this light of crafted to(Conan1990) has beenusing to operationalize the Miles and Snow key typology. This new multi-thing scale speaks to a multivariate estimation of technique that contains a wide arrangement of key factors (Hambrick, 1980). These are parallel with Parnell's (2000) proposal that they can mix methodology to be suitable as time goes on and could be related with predominant execution. There has been 12 inquiries altogether, each comprising for four proclamations, one for every conceivable methodology. Every respondent has been required for show to understanding they conflict with every announcement concerning that their association with utilizing to seven point Likert scale going to "1 ¼ Strongly deviate" to "7

¼ Strongly concur". The terms miner, analyzer, safeguard, with reactor has been precluded from these inquiries all together not to show that they are sorts fundamentally speak to great or less procedure.

The strongest factor includes several characteristics – innovation, production efficiency, and customer orientation (hereafter termed IEC) – that are not usually found in a single strategy in these Western studies. In some respects, however, this strategy represents what scholars have called the “combination strategy”. Porter (1980) originally suggested a business attempting to combine emphases on more than one pure strategy – in his typology, low costs and differentiation – invariably will end up “stuck in the middle” (Porter), a notion that received considerable early support (Hawes and Crittendon, 1984, Dess 1984; Hambrick, 1981, Hambrick, 1983). However, his contention was challenged by a number of studies Buzzell and Wiersema, 1981, Hall, 1983, Hill, 1988 and Murray, 1988, Parnell, 1997, White, 1986 and Wright, 1987). Whereas Porter contends that the assumptions associated with low costs and differentiation are incompatible, those in the “combination strategy school” have argued that businesses successfully combining strategic approaches that appear to be in contention may create synergies that overcome any tradeoffs that may be associated with the combination. This argument can be extended to the ostensible opposites identified in the IEC strategy, namely innovation and production efficiency.

For least arrangement of MAPs is included by vital administration bookkeeping (SMA). And Bromwich (1990) characterized SMA at they can arrangement with investigation for budgetary data for the company's item markets with contenders' expenses with cost structures with the observing for the undertaking's techniques with those of its rivals in these business sectors over that various periods. Drury (1994) contended that regular administration bookkeeping do not give that they have money related data required for screen existing systems for bolster methodology plan. SMA looks they can cure this circumstance to giving that monetary investigation by help the plan to fruitful upper hand

The firstly define of these new theoretical supports by strategic administration bookkeeping had been given to a monetary viewpoint which has been financial merchandise at being wanted not for all these themselves but instead for that fundamental characteristics or characteristics they have beengive to the shopper, (Lancaster 1966,) which was looks for fuse these properties these

models for market equilibrium. With this point of view, products are viewed and packed with attributes. It has been these qualities or characteristics that yield wares which are valued in the commercial center and which give products their esteem. This point of view permits these attributes to wind up focal in that definition of big business methodologies concerning matters, for example, advertising fit with item expansion.

It additionally proposes that the bookkeeper may assume a more vital job in key choices, particularly in enhancement choices by costing traits and checking the execution of these properties after some time. This viewpoint provides an unmistakable job for vital administration air conditioning considering in light of the fact that will be demonstrated the expenses of the traits given by the endeavor's master channels are regularly pivotal to the maintainability of the venture's item techniques in that passage by contenders is unrewarding even with these systems. It will likewise be contended that the expense and other market qualities of the traits of items are interwoven and can't be assessed independently. This implies accountants can't limit their consideration just to cost data concerning the undertaking's expert pipes however should likewise incorporate key information in their reports. This gives one motivation behind why bookkeepers may wander into the some-what new territory of procedure definition and control that is spoken to by key oversee meant bookkeeping.

The second define monetary point of view that is utilized to help a more extensive job for administration bookkeeping is an as of late blended assemblage of learning in the financial aspects of modern organization. This hypothesis for contestable markets displays that conditions at an association's cost and yield system to be manageable notwithstanding potential rivalry, focusing on cost conditions (Baumol 1988). Advocates of contestable markets hypothesis contend that they have dread for potential rivalry could, under certain conditions, be depended upon for control the activity of syndication payer by occupant firms. Manes et al. given a reasonable introduction to this hypothesis from a bookkeeping perspective (1985). These are hypothetical perspective will be utilized there have been to decide cost and different conditions that guarantee the supportability of the endeavor procedures not just notwithstanding both potential rivalry from outside the market, or, in other words of these who sub copyist to the contestable markets school, yet in addition potential rivalry from existing business sector rivals. Along these lines, in this article the discoveries concerning costs to contestable markets

hypothesis will be connected to what have been customarily called aggressive markets in financial aspects (Shepherd, 1984). The pith of contestable market hypothesis is the requirement for viable cost points of interest over adversaries if the endeavor's strategies are to be reasonable. This finding gives extra help to key administration air conditioning tallying in light of the fact that it necessitates that the bookkeeper broadens cost investigation past the firm and give an account of the cost structure of opponent undertakings to enable administration to settle on sensible choices in competitive markets. The two hypotheses utilized here supplement one another; one underlining professional channel qualities other than expense and the other being worried about item costs.

A structure for considering the idea of key needs was created by Porter (1980) who contended that to contend adequately, a firm must determine its upper hand in one of two different ways: item contrast initiation to give consumer loyalty from variables, for example, predominant quality, item edibility, conveyance and item plan; or minimal effort generation, which permits the firm to contend by offering its items at a lower cost than contenders. While Porter fought that a firm ought to pick between contending on either item separation or low cost, firms may concentrate on an assortment of mixes of item separation and low value procedures (Shank, 1989).

In seeking after they have upper hand, numerous associations have tried to execute manufacturing forms and authoritative functions which bolster their specific key needs. The terms will be all out quality administration, or all the more as of late best practice, regularly are utilized to incorporate a scope of discrete, however complementary the executives procedures which all in all synergistically affect organizational execution (Selto et al., 1995, Schonberger, 1986; Dertouzos et al., 1989). Nonetheless, the questionable idea of wide philosophies, for example, all out quality administration and in the nick of time frameworks, makes difficulties in defining and examining these administration strategies (Dean, 1994). Therefore, in these paper, we center around specific

Both of these are assemblages of thought pressure the requirement for market orientated data for decision production. Growing administration accounting to envelop components of these methodologies gives another center that positions administration bookkeeping to contribute straightforwardly to which has been Porter (1985) has called the three nonexclusive systems to

guarantee supportable aggressive advertisement advantages. As describe examination right off the bat adds to what Porter calls the separation technique which has the undertaking looks to give a one of a kind item and furthermore to the separation variation of the center procedure. Following this present, Porter's second nonexclusive methodology, ventures center around a tight fragment of an industry. The expense elements of contestable markets hypothesis, will have be utilized to look at how the firm could make sure that it has an aggressive cost structure and could be helped in following either Porter's third conventional procedure of cost initiative in an industry or that of focused cost authority for a limited industry section. Using a more organizational point of view, Child (1987) has additionally recognized these systems, however he shows them rather as key difficulties which has require the utilization of looser organized associations with the end goal to accomplish more noteworthy adaptability in hierarchical response. He showing these authoritative structures as depending vigorously on advancements in information innovation, including more extensive and more followed access to data outside to organizational units (1987). They Key administration bookkeeping may be relied upon to add to this prerequisite for extra and contrastingly focused data.

The investigation in this article contends that this inarrangement should help firms in reacting to rivalry and to changes in shopper request, the two of which are weights that originate outside the endeavor. Obviously, a few firms effectively gather and dissect this kind of in arrangement, especially some vast organizations in Japan (Hiromoto, 1988). This investigation may not be thorough as authoritative responsibility for these undertakings has been a tendency to dwell with the advertising or item arranging capacity and the bookkeeper may not in this manner assume a noteworthy job in this procedure. The significance of expenses in vital administration and their personal connection with other key factors in the two speculations talked about recommends, in any case, that a more grounded case can be made for key oversee meant bookkeeping than by and by exists in the literature.

Every one of the association's methodologies for items and markets should yield the client some advantage aside from where key activities are intended to enhance the association's restraining infrastructure control (Shepherd) by expanding, for instance, the number or stature of obstructions to passage (be that as it may characterized, Shepherd, 1984). Indeed, even such

fortifications to imposing business model power frequently must be established on giving clients benefits which different firms can't without much of a stretch give.

2.5 Firm structure—decentralization

Chenhall and Morris (1986) define decentralization as the level of independence assigned to administrators. It gives specialty unit chiefs more prominent duty over arranging and control exercises and more noteworthy access to data not accessible to 'the inside'. For decentralized organizations to succeed, they have to outline a MAS that gives important data to help administrators in their arranging, controlling and basic leadership. Speculation H2 states that organizations portrayed as decentralized receive more advanced MAPs than firms described as concentrated.

Organizations underscoring item differentiation procedures concentrate their vital needs on fulfilling client requirements for amazing genius conduits, particular outline highlights, quick and relicapable conveyance and compelling post-deals bolster (Porter, 1980). Certain administration strategies may have been particularly upgrade a firm's abilities to contrast entiate its items. As of late high caliber has turned into a typical characteristic of most vary initiation methodologies (Porter, 1990). To implement these systems effectively, organizations may utilize fabricating strategies which upgrade their capacity to convince clients that their items are of high caliber. Regularly this includes increasing quality certification (Crosby, 1979). Systems, for example, measurable process control give an approach to identify and amend process varieties that may has been influence items quality. These are various methods help guarantee to large amounts for value and accomplished with that are conveyanced goals are met at an auspicious and dependable way (Schonberger1994). They allude for strategies that they have attention for creating quality items and procedures at quality frameworks.

Separation is a systems expect organizations to give items to suit clients' specific needs for item specifications identifying with quality, conveyance and the items' physical characteristics. To guarantee that organizations create customer centered production lines, they may grow nearer linkages among all phases of the musical dramational procedures and business systems (Hayes et al., 1988). Much more specifically, organizations may create incorporating systems that expressly interface client prerequisites to item outline and generation planning. Additionally, to

guarantee auspicious and solid conveyance, organizations may improve throughput time by growing close linkages between components of good business procedures and capacities. Similarly, close linkages with providers can enable an organization to accomplish its quality and conveyance focuses by guaranteeing the auspicious supply of fantastic materials (Drucker, 1990; Galbraith, 1993).

They can viable usage of client centered techniques may required representatives for the operational level to receive a solid client introduction (Prahalad, 1994; Storey,1995). Representatives will probably create client center if that is high level of strengthening is energized (Hamel, 1994).

Further two wide methodologies can prompt a working environment condition helpful for worker empowerment. To begin with, group based structures might be acquainted with urge representatives to take responsibility for centered activities and creation yields (Walton, 1990). Teams might be either work-based or cross practical. Work based groups are conformed to proceeding with work forms and regularly require colleagues to accept obligations for controlling procedures, recognizing openings and actualizing upgrades. This may upgrade inspiration and responsibility towards association strategies(Ledford, 1993). Cross functional groups are shaped to address specific issues or activities and comprise of individuals from various useful zones. Crossutilitarian groups benefit from the blended foundation of the colleagues (Cohen et all, 1993). Second, a scope of human asset administration arrangements might be acquainted with set up a work condition that urges workers to share the association's client centered introduction. These incorporate empowering a participative culture, giving centered preparing, and executing word related wellbeing and security techniques (Story, 1995).

For organizations underlining item differentiation procedures, conventional financial accounting execution measures are probably not going to be sufficient for evaluating how creation forms bolster an assortment of client centered techniques (Lynch and Cross, 1992 and Shank, 1989). Money related measures are excessively total with not sufficiently convenient to give compelling input on how the association is keeping up item quality and opportune conveyance (Vollmann, 1990).

Generally speaking, our examination of the execution of the motivations to-spending plan produces a comparable finding as the forerunner investigation: an association's motivation to-spending execution is related with moderately contrast ent planning attributes for each spending reason (i.e., distinctive factors are critical in various relapses, and no factor is noteworthy in more than three). What's more, there is again one occasion where the indication of an indicator of planning execution switches crosswise over two distinct motivations to-spending plan; that is, despite the fact that the utilization of moving spending plans seems to improve the execution of spending plans for operational arranging, it additionally seems to restrain the execution of spending plans for execution assessment. This outcome is predictable with the expert's contention that moving spending plans improve the exactness of operational fore-throws and help tasks, however moving spending plans will likewise change the director's execution targets making it conceivably increasingly hard to assess (and propel) the administrators (Gurton, 1999). At long last, the finding that planning execution for both system development and correspondence of objectives increments when spending plans are all the more firmly connected with procedure is steady with the earlier writing on planning technique arrangement (see Langfield-Smith (1997) for an audit).

A few structures have been created to guarantee that execution estimation frameworks give an adjusted spotlight on different parts of separation procedures (Norton,1996; Nanni 1992). Adjusted performance estimates connect proportions of client fulfillment, for example, opportune and solid conveyance, with different proportions of key creation activities, for example, process duration and throughput rates, while exhibiting the suggestions for financial results (Kaplan 1992). Contemporary performance measures,also,may bolster separation methodologies by professional viding approaches to evaluate straightforwardly the adequacy of different administration systems in helping vital needs (Nanni1992). For model, formal measures, for example, group based execution measures and hierarchical climate reviews, assess the adequacy of organizational structural innovations and human asset administration arrangements (Pfeffer and Wilson, 1994). Furthermore, these measures frequently center specifically around representative performance, accentuating both non financial and subjective data (Peffer1994). We distinguish representative based measures as encompassing immediate, non financial proportions of representative execution, groups and organizational atmosphere. Benchmarking underscores an outward core interest also, tries to enhance execution by learning

from the encounters of viable associations (Elnathan 1996). This includes more than building up best practice gauges, and incorporates analyzing the procedures utilized by high performing organizations. Benchmarking is probably going to be especially beneficial for high performing organizations underscoring item vary initiation methodologies. It can help concentrate managers' attention on expansive business standards and presumptions that fortify the definition of an assortment of arrangements that may maintain customer service, conveyance and conveyance strategies (McNai, 1992). Benchmarking regularly enhances execution crosswise over various management procedures, by recognizing between national best practice (Leibfried,1992). All the more for the most part, benchmarking promotes greater worker responsibility by building up.

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H1: There is significant relationship between firm structure and Management accounting Practices

Articles	Studies
<p>“THE “NEW PUBLIC MANAGEMENT” IN THE 1980S: VARIATIONS ON A THEME’ CHRISTOPHER HOOD London School of Economics and Political Science”</p> <p>“Management Accounting Research, 2000, 11, 3-25 doi: 10.1006/mare. 1999.01 19 Available online at http://www.idealibrary.com on”</p>	<p>Changes in public sector accounting in a number of OECD countries over the 1980s were central to the rise of the “New Public Management” (NPM) and its associated doctrines of public accountability and organizational best practice.</p> <p>Starting from the position that management accounting systems and practices constitute organizational rules and routines, this paper describes an institutional framework for the conceptualization of management accounting</p>

<p>“Organizational learning and management control systems : responding to environmental change Louise Kloot*2002”</p>	<p>change. Drawing from (old) institutional economics, the framework explores the complex and ongoing relationship between actions and institutions, and demonstrates the importance of organizational routines and institutions in shaping the processes of management accounting change. The inherent stability and continuity of organizational life is discussed, and three categorizations of institutional change are explored. The framework is offered as a starting point for researchers interested in studying management accounting change, and through such studies framework will be extended and refined.</p> <p>Organizations must find ways of surviving in times of rapid, transformative environmental change. Organizational learning is the process of changing the organization to fit the changed environment, and may be either adaptive (not involving paradigmatic change) or generative (moving to new shapes and structures). Management control systems may help or hinder organizational change. They may be reactive, changing in a passive way to reflect environmental change or used to reinforce existing rationales for action. However, basic management control and budgeting systems are designed to ensure that problems or errors of environmental fit are detected. If the correction of these problems results in fundamental</p>
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<p>“Management control systems as a package— Opportunities, challenges and research directions Teemu Malmi a,*, David A. Brown 2007”</p>	<p>changes, generative learning will take place. There are four major constructs associated with organizational learning :knowledge acquisition, information distribution, information interpretation and organizational memory. Management control system design may include features which fit each of these constructs, and appropriate system design can assist organizations to learn and survive during periods of change. To illustrate the links between management control and organizational learning, this research undertook case studies in two organizations which approached a common environmental change dif ferently and exhibited dif ferent levels of organizational learning related to dif ferent management control</p> <p>There has been very little explicit theoretical and empirical research on the concept of management control systems (MCS) as a package despite the existence of the idea in management accounting literature for decades. In this editorial we discuss a range of ways researchers have defined MCS and the problems this has created. We provide a new typology for MCS structured around five groups: planning, cybernetic, reward and compensation, administrative and cultural controls. The typology is based on the distinction between decision-making and</p>
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	control and addresses those controls managers use to direct employee behaviour. We discuss the conclusions of the articles included within this special issue and provide ideas for further research.
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2.6 Perceived environmental uncertainty (PEU)

“**Perceived environmental uncertainty** and its impact on **environmental scanning**. **Perceived environmental uncertainty** occurs when an organization's decision-makers **perceive** unpredictability in their **environment** (Buchko 1994; Milliken 1987).”

Milliken (1987: 136) characterized ecological vulnerability as 'a person's apparent failure to foresee [an association's environment] precisely' due to a 'need... of data' or 'a powerlessness to separate among significant and immaterial information.' Many scientists have researched the connection among PEU and some particular qualities of MA. Theory H1 states that organizations seeing a higher level of natural vulnerability embrace more advanced MAPs than firms that see bring down ecological vulnerability.

vulnerability had been a focal arrangement to the alliance hypothesis creating, especially for theories which had been illuminated that these thought for the association among affiliations and their environment (Duncan, 1972; Lawrence 1967; Thompson, 1967 Dill, 1958;), In his excellent book. Relationship, all things considered, Thompson, honestly, asserted that weakness has that the critical issue with which top-level various leveled administrators must adjust (1967), Organization researchers have been focused explicit consideration on a variable which has come to be known as "biological helplessness" or "saw characteristic powerlessness, " (Quotation marks have been put around these terms since one of the fundamental jobs of this paper is to investigate the criticalness of these fabricates,) These thought of "common defenselessness" is a focal variable in talks for the affiliation condition interface, particularly in hypotheses of definitive blueprint (Galbraith, 1977; Lawrence 1967; Thompson, 1967 and Burns and Stalker, 1961) with in models of key course of action ning systems (Lindsay and Rue, 1980), For organizations stressing item differentiation methodologies, conventional money related recording execution measures are probably not going to besufficient for surveying how creation forms bolster an assortment of client centered techniques (Shank, 1989;Cross, 1992).

Monetary measures are excessively total and not sufficiently auspicious to give successful criticism on how the association is looking after item

quality and auspicious conveyance (Vollmann, 1990). Several frameworks have been created to guarantee that execution estimation frameworks give a reasonable spotlight on different parts of separation systems (Kaplan, 1999). Adjusted performance estimates interface proportions of client fulfillment, for example, convenient and dependable conveyance, with these different proportions of key generation activities, for example, process duration and through of put rates, while demonstrating the recommendations for money related outcomes (Norton, 1992). Contemporary execution measures, also, may be reinforce detachment methods by master viding ways to deal with overview honestly the feasibility of various organization systems in helping key needs (Nanni 1992). For point of reference, formal measures, for instance, gather based execution measures and definitive atmosphere thinks about, evaluate the sufficiency of organizational structural innovations and human resource the administrators approaches (Pfeffer, 1994). Additionally, these measures as often as possible revolve clearly around delegate execution, pushing both nonfinancial and emotional information (Pfeffer, 1994). We perceive agent based measures as incorporating quick, nonfinancial extents of delegate execution, gatherings and authoritative atmosphere. Benchmarking underscores an outward center premium what's more, endeavors to improve execution by gaining from the experiences of convincing affiliations (Elnathan 1996). These incorporates more than setting up best practice standards, and consolidates examining the strategies used by high performing organizations. Benchmarking is at risk to be particularly valuable for high pershaping organizations accentuating item vary entiation methodologies. It can help center directors' consideration on wide business standards and suppositions that animate the detailing of a assortment of approaches that may support client administration, appropriation and conveyance systems (Leibfried, 1992). Benchmarking frequently improves execution crosswise over different the board procedures, by distinguishing between national best practice (McNair 1992). All the more for the most part, benchmarking advances more prominent representative responsibility by setting up

The exploratory criticalness of the ecological helplessness construct joined with the some-what bewildering state of the definite composing prescribe a need to rethink the possibility of this fundamental create. This paper reconsiders "saw regular defenselessness," It is conjectured that

three sorts of "natural vulnerability" can be experienced by an affiliation's directors as they try to appreciate, look good out of, and respond to conditions in the outside condition, A powerlessness to isolate among these three sorts may for the most part illuminate a bit of the bewildering results of past research.

2.6.1 For State Uncertainty (or Perceived Environmental Uncertainty)

One sort of defenselessness which various leveled regulators can experience is helplessness about the state of the earth. Directors experience "state" helplessness when they see the progressive condition, or a particular portion of that condition, to be eccentric. Top-level boss might be strange about what exercises noteworthy associations or key progressive casting a ballot open (i.e., suppliers, contenders, buyers, the administer implied, financial specialists, etc) might take, or they might be questionable about the probability or nature of general changes in state in the significant condition (i.e., socio social examples, measurement shifts, major new upgrades in innovation). Vulnerability about the condition of the earth implies that one doesn't see how components of the earth may change. A powerlessness to anticipate the future conduct of a key contender is an appearance of state uncertainty similar to a failure to foresee whether Congress will deregulate one's industry and in addition vulnerability about whether a key worker's organization will require an across the country strike. In like manner, the state vulnerability may incorporate an insufficient grasp of the interrelationships between parts in nature. For example, one might be questionable both about the likelihood of deregulation and furthermore the possible lead of contenders if deregulation occurs. Along these lines, for this circumstance one knows neither the probability of deregulation nor the probability of an esteem war if deregulation occurs. Of the three sorts of vulnerability about the environment talked about here, it is this kind of uncertainty which is reasonably nearest to utilizing the expression "natural vulnerability" to depict the condition of authoritative situations. It contrasts just in that it is being utilized here to depict a perceptual affair of vulnerability, not a target condition of the world.

Researchers who describe "natural vulnerability" as the feebleness to dole out probabilities to the likelihood of future events (Pennings, 1981; Pfeffer and Salancik, 1978) seem to use the term to depict an undertaking of state powerlessness. This usage of the term isn't exactly equivalent to definitions that propose "environmental vulnerability" is an inability to grasp or foresee the

future consequences of decisions (Conrath, 1967), what makes a difference is that the experience of state defenselessness isn't fixing explicitly to assessing the conceivable results of a choice.

The experience of defenselessness about the state of the earth is most likely going to be to some extent a component of qualities of nature in which the affiliation is working. To the extent that flightiness, multifaceted nature, and heterogeneity make conditions less obvious, all things considered, regulators who work in circumstances with these traits will see more vulnerability about the possibility of their condition than officials who work in simpler, progressively stable circumstances.

Naming this kind of weakness as "state defenselessness" has been improved the circumstance two reasons. To begin with, this is the only a solitary of the three sorts of vulnerability that relates explicitly to unconventionalities of the state of the world. Second, it was so named to confine perplexity since this create and furthermore the others have been now subsumed under the name "saw common helplessness," it may be stated, nonetheless, this kind of weakness is the unique case that should be named "seen natural powerlessness,"

2.6.3 Effect Uncertainty

A second sort kind of vulnerability about the earth relates to a person's ability to foresee what the impact of natural events or changes will be on his/her affiliation. Effect helplessness, thusly, is described as a frailty to anticipate what the possibility of the impact of a future state of the earth or environmental change will be on the association. Knowing, for example, that an ocean storm is going in the general course of your home does not mean you know how it will impact your particular house (will your house be left standing?).on the focal relationship at all and furthermore vulnerability about the nature, reality, and timing of the impact. While this sort of powerlessness is clearly related to the conditions of the association's external condition, it doesn't really infer that there is weakness about the possibility of these conditions. One may, for example, be sure that there will be a diminishing in the amount of 18-multi year-olds in this country in the accompanying ten years yet feel unfit to envision what the effect of this characteristic change will be on offers of your affiliation's thing. Honestly, helplessness about the effect of a possible future event, or set of events, may end up being progressively wonderful

when there is a really abnormal state of assurance about what the potential future state of the earth is most likely going to be.

Effect defenselessness incorporates a nonattendance of under-staying of cause-sway associations (Duncan, 1972;Lorsch, 1967), Rather than being certain that "given X, by then Y," an individual can't decide a causal verbalization about which he/she is sure. In case state vulnerability incorporates helplessness about the future state of the world, by then effect weakness incorporates defenselessness about the implications of a given state of events to the extent its believable impact on the affiliation's ability to work in that future state.

2.6.5 Reaction Uncertainty

A third sort of powerlessness has been connected with undertakings to understand what response choices are open to the affiliation and what the regard or utility of each might be. Response vulnerability is described as a nonappearance of data of reaction options or conceivably an inability to anticipate the practical aftereffects of a response choice (Conrath, 1967; Duncan, 1972), Response defenselessness is likely going to be remarkable when there is a clear need to act (Jackson, Schuler, burgh, in press) in light of the way that a pending event or change apparently represents a hazard or to give somebody of a caring opportunity to the affiliation. This sort of vulnerability is nearest reasonably to meanings of vulnerability offered by choice scholars (Conrath, 1967; Taylor, 1984), for instance, conceptualized uncer-tainty as an absence of information about:

- (i) These are choices or reaction choices benefit capable;
- (ii) These are conditions of nature or results prone to be associated with each
- (iii) They can esteem or utility related with every option condition of-nature combine.

There are sort for vulnerability is knowledgeable about the setting of a need to settle on a prompt choice. Along these lines, an association's best level chairmen would be well on the way to encounter reaction vulnerability either over the span of browsing various conceivable systems or throughout detailing a reaction to a quick danger in the earth.

H2: There is significant relationship between perceived environment uncertainty and Management accounting Practices

Articles	Studies
<p data-bbox="188 260 695 384">(Gordon & Narayanan, 2009) Management accounting systems, perceived environmental uncertainty and organization structure: An empirical investigation</p> <p data-bbox="188 680 760 821">(Loot, 2007) - Organizational learning and management control systems: responding to environmental change</p> <p data-bbox="188 1646 740 1822"><u>C Guilding, L McManus - Accounting, Organizations and Society, 2002 - Elsevier</u> THE INCIDENCE, PERCEIVED MERIT AND ANTECEDENTS OF CUSTOMER ACCOUNTING</p>	<p data-bbox="824 260 1430 621">In this study concerns the relationships among an organization's environment, structure and information system. Based on an empirical study it appears that information systems and organizational structures are both a function of the environment. However, after controlling for the effects of the environment, it does not appear that an organization's information system and structure are significantly related to each other</p> <p data-bbox="824 659 1430 1608">Organizations must find ways of surviving in times of rapid, transformative environmental change. Organizational learning is the process of changing the organization to fit the changed environment, and may be either adaptive (not involving paradigmatic change) or generative (moving to new shapes and structures). Management control systems may help or hinder organizational change. They may be reactive, changing in a passive way to reflect environmental change or used to reinforce existing rationales for action. However, basic management control and budgeting systems are designed to ensure that problems or errors of environmental fit are detected. If the correction of these problems results in fundamental changes, generative learning will take place. There are four major constructs associated with organizational learning: knowledge acquisition, information distribution, information interpretation and organizational memory. Management control system design may include features which fit each of these constructs, and appropriate system design can assist organizations to learn and survive during periods of change.</p> <p data-bbox="824 1646 1430 1892">MAP appraising the frequency and perceived merit of customer accounting (CA) practices are reported. Given the limited attention afforded the subject in the normative and empirical literatures, CA usage appears to be greater than what might have been reasonably anticipated. Evidence of a positive association ,</p>

CD Ittner, DF Larcker - Journal of **accounting** and economics, 2001 – Elsevier
"Christopher DittnerDavid FLarcker"

"John J. Williams^a Alfred E. Seaman"
Management Accounting Research, 2002 – Elsevier
Management accounting systems change and departmental performance: the influence of managerial information and task uncertainty

"Annette Baines Kim Langfield-Smith"
A Baines, K Langfield-Smith - **Accounting, organizations and society**, 2003 – Elsevier
Antecedents to management accounting change: a structural equation approach

as well as a weak positive association between competition intensity and CAP is provided.

Despite the proliferation of new management accounting techniques amidst pressures of organizational and global change, the issue of changes in firm-wide management accounting and control systems (MACSs) has largely been ignored in the research literature. This study explores the indirect effect of MACSs change on departmental performance for a cross-sectional sample of 232 medium-sized Singaporean firms. It is hypothesized that MACSs change affects performance but not directly. Instead, this relationship is mediated by managerial-relevant information (MRI) that is impacted by MACSs change, which, in turn, enhances performance. Task uncertainty is expected to moderate the intervening linkages; specifically, the latter are anticipated to strengthen under conditions of more task variability and task difficulty and, thus, augment the indirect effect of MACSs change on performance.

MAP manufacturing companies, and uses structural equation modeling to examine the relationships between the changing competitive environment, and a range of organizational variables as antecedents to management accounting change. The results indicate that an increasingly competitive environment has resulted in an increased focus on differentiation strategies. This, in turn, has influenced changes in organizational design, advanced manufacturing technology and advanced management accounting practices. These three changes have led to a greater reliance on non-financial accounting information which has led to improved organizational performance.

There has been sustained interest in explaining why firms adopt different management accounting practices (MAPs). This paper applies contingency theory to respond empirically to calls by Gerdin [2005]. Management accounting system design in

<p>“MagdyAbdel-Kader^aRobertLuther^b” <u>M Abdel-Kader, R Luther - The British Accounting Review, 2008 Elsevier</u> Abdel-Kader, M. and Luther, R. (2008), The impact of firm characteristics on management accounting Practice</p> <p>“SimonCadez^aChrisGuilding^b” <u>Accounting, organizations and society, 2008 - Elsevier</u> An exploratory investigation of an integrated contingency model of strategic management</p>	<p>manufacturing departments: an empirical investigation using a multiple contingencies approach. Accounting, Organizations and Society , Tillema [2005. Towards an integrated contingency framework for MAS sophistication.. Management Accounting Research and Chenhall [2007. Theorizing contingencies in management control systems research.In Chapman, C., Hopwood, A., Shields, M. (Eds.), Handbook of Management Accounting Research. Elsevier, Amsterdam.] to increase understanding of factors that explain management accounting (MA) sophistication.</p> <p>We examine the impact of a range of potentially contingent variables on a broad set of MAPs in a sample of companies selected from the UK's largest industry sector. The variables relate to external characteristics, organisational characteristics, and manufacturing or processing characteristics. The method differs from prior studies in not testing association between contingency factors and a single, or a limited number of, accounting practice(s) but in looking for relationships with aggregate levels of sophistication based on the emphasis that respondents place on 38 practices and techniques. Furthermore, the 10 contingency factors considered in this study include two constructs (product perish ability and customer power) not previously explored.</p> <p>This study examines the effect of strategic choices, market orientation, and company size on two distinct dimensions of strategic management accounting (SMA) and, in turn, the mediating effect of SMA on company performance. A model is advanced and tested using structural equation modelling and data collected from a sample of 193 large Slovenian companies. The validity of the quantitative data findings has been appraised using qualitative data collected in ten exploratory interviews. The study's findings support contingency theory's tenet of no universally</p>
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<p>accounting</p> <p>T Malmi, M Granlund - European Accounting Review, 2009 - Taylor & Francis.</p> <p><u>In search of management accounting theory</u></p>	<p>appropriate SMA system, with factors such as company size and strategy having a significant bearing on the successful application of SMA.</p> <p>The motivation for and role of theory in management accounting. We argue that theories in an applied field such as management accounting research should provide explanations that are useful for those we study – managers, organizations and society. We evaluate the nature of theories currently used and developed. Those theories that are considered theories by the research community are largely imported from other disciplines, but have hardly anything that makes them unique to management accounting. Those theories that are not currently regarded as theories by many of our colleagues attempt to explain how to apply management accounting to achieve superior performance. We argue that both forms of theories.</p>
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2.7 Market competition

‘**Competition** is the rivalry between companies selling similar products and services with the goal of achieving revenue, profit, and **market** share growth. **Market competition** motivates companies to increase sales volume by utilizing the four components of the **marketing** mix, also referred to as the four P's’

Market rivalry perhaps has a more prominent by and large effect on SMEs in light of the fact that the number of inhabitants in SMEs, which speaks to the biggest offer of the business populace in Pakistan, makes huge components of rivalry in the market. It has been contended that the power of market rivalry can assume a noteworthy job in urging administration to improve administration bookkeeping frameworks and receive modern MAPs (O'Connor et al., 2004; Al-Omiry and Drury, 2007, Bjornenak, 1997). As rivalry expands, a more dependable administration bookkeeping data is probably going to be required by the organizations to contend successfully and abstain from arranging dependent on wrong data when deciding (Cooper, 1988). Accordingly showcase rivalry seems, by all accounts, to be a more important with that are end goal of these examination and will have been utilized in testing regardless of whether outside components emphatically influence the degree for that utilization of MAPs to Pakistan SMEs.

To clarify that assorted variety for administration bookkeeping hones specialists have received possibility hypothesis to show how particular parts of a bookkeeping framework are related with different con-printed factors. A lot of possibility based research has been embraced identifying with administration bookkeeping control frameworks (Chenhall, 2003). Little consideration, in any case, had been given for distinguishing that variables they are clarify the substance for item costing and frameworks. This has been amazing considering the immense measure of exposure given to growing more complex item costing frameworks (Kaplan, 1992; Cooper, 1998). The need to enhance the modernity of item costing frameworks has been driven by changes in assembling innovation, worldwide rivalry, data expenses and clients' requests for more noteworthy item jumper sity. These progressions provoked reactions of the capacity of conventional administration bookkeeping frameworks to report adequately exact item expenses and ABC frameworks were elevated as the answer for over-come the twists in the item costs detailed by customary costing frameworks (Cooper, 1988; Kaplan, 1994).

The survey confirmation suggests that the ABC allocation rate has been really low, being generally 15% of the associations diagramed by UK ponders (Drury and Tayles, 2000). This low rate of choice has induced a couple of writers to examine the estimation of ABC in making increasingly exact thing costs (Noreen, 1991; Yahya-Zadeh, 1997; Marais, 1998) and the costly arrangement, use and undertaking of such structures (Cobb et1992). Research has recently been starting late grasped into taking a gander at the potential outcomes influencing the possibility of thing costing structures. Basically most of this examination has concentrated on the segments influencing the choice or non-gathering of ABC systems. This examination has all things considered been questionable and has been not capable develop strong associations between the gathering of ABC and those intelligent segments that have been perceived in the composition that are useful for the choice of ABC systems. Two possible reasons may speak to this situation. In any case, there may be no relations between the works of interest and thusly any critical disclosures may have been phony and not reproducible. Second, the systems gotten by past research may have deadly flaws relating to poor measures, estimation screw up, inclination, etc. The nonattendance of dependable disclosures from past research prescribes that there is a necessity for continuing observational research on this topic.

Other than utilizing the measure received by past research (the reception or non-selection for ABC frameworks) that has examination additionally utilizes elective intermediary calculated for recognizing the attributes of nudge costing frameworks. This study has looks at the degree to which diverse relevant variables impact the decision of item costing frameworks utilizing these elective intermediary measures. Subsequently, the recognize ing highlight of the examination is that gives the possibility to testing the strength of the logical components dependent on utilizing diverse intermediary measures to distinguish the qualities of item costing frameworks.

2.7.1 Grouping item costing frameworks by their level of refinement

Thing costing system diagram choices can be viewed as changing along four estimations: the amount of cost pools, the amount of different sorts of cost drivers used in the second period of the two compose overhead undertaking procedure, the sorts of second stage drivers used and how much organize assignments or resource drivers are used in the central period of the allocation methodology. Costing structures are requested by their dimension of refinement subject to where they fit on a continuum addressing the four estimations for distributing

underhanded costs.¹ Fig. 1 shows the model we use to orchestrate thing costing structures by their dimension of multifaceted nature.

The most distorted system is a quick costing structure and this is arranged on the phenomenal left of the continuum showed up .Moving along the continuum addresses different multifaceted nature levels similar to consigning abnormal costs to cost objects. Towards the phenomenal left are the foolhardy structures (single far reaching cost pools). Increasingly raised measures of refinement are believed to be connected with growing the amount of cost pools subject to the initiate that creation a progressively unmistakable number of cost pools engages the costing structure to all the almost certain catch the irregularity in cost pool resource use by things/organizations. The second estimation influencing the dimension of headway relates to the amount of different sorts of second stage cost drivers that are used. Using a progressively imperative arrangement of cost drivers that are the basic determinants of costs enables conditions and final products drivers to be set up for each cost pool that even more exactly measure the benefits eaten up by cost objects.

The dimension of cost structure advancement in respect of the third estimation relates to how much trade or length drivers are used in the second period of the portion system (Cooper, 1998). Trade drivers are less current since they expect that a comparative measure of benefits is required each time an activity is performed. Strangely, term drivers are progressively current since they address estimates subject to the proportion of time required to play out a development. Finally, bigger measures of advancement are also practiced by depending even more broadly in the vital period of the bit strategy on straight forwardly selecting costs to each cost pool or using conditions and final products first stage drivers

Costing structures with many cost pools and unmistakable sorts of cost drivers that depend extensively on using direct first stage assignments or resource drivers and second stage range drivers refined ABC systems) would be arranged at the silly right of the continuum. Discovering costing systems at midway and distinctive concentrations along the continuum is increasingly precarious. All around costing structures that have both an increasingly noticeable number of cost pools and unmistakable sorts of cost drivers can be named more present day than those with both less pools and sorts of drivers. Issues develop, regardless, in choosing the solicitation of the territory of costing structures along the continuum while differentiating systems that have an

increasingly critical number of cost pools with those that have less cost pools anyway a progressively imperative number and arrangement of second stage drivers.

In these summary, the above trade has perceived four estimations that can be used as a guide for choosing the refinement of thing costing structures. Appallingly, they are not homogenous and can't be combined. It is as such only possible to rank costing structures as being more present day than others exactly when the past outperforms the toward the end in wording most of the four above determinants of headway. Then again, the unpredictability of costing structures can be requested by general classes, for instance, direct and ingestion costing systems or ABC and non-ABC structures. The shortcoming of such requests is that they include only two incredibly broad classes.

Information relating to the more than four estimations is likely not going to be constantly conceivable from postal survey outlines. Just information relating to the amount of first stage cost pools and the amount of different sorts of second stage drivers is presumably going to be constantly sensible. In any case, these two determinants do address the prevalent factors in choosing the course of action of thing costing structures (Cooper, 1998). As needs be, to evaluate the dimension of cost system multifaceted nature far reaching scale reviews must rely upon using either single delegate measures (the amount of cost pools or possibly unprecedented sorts of second stage drivers) or wide dichotomous classes, for instance, ABC adopters or non-adopters, to perceive where costing structures are arranged on the cost structure continuum.

The perfect cost structure is assorted for different affiliations and is dependent on various consistent parts (Cooper, 1988). Consequen,tly, this investigation endeavors to precisely perceive where cost structures are extensively situated along the refinement continuum and perceive the important components that sway their region along this continuum subject to the going with middle person measures:

- (i) These are Number of first stage have drivers.
- (ii) These are Number of various kinds of second stage cost has been drivers.
- (iii) These are ABC or customary costing had frameworks.
- (iv) These are Direct or retention has been costing frameworks.

H3: There is significant relationship between market competition and Management accounting Practices

2.8 Pricing Decisions

2.8.1 Activity based costing with attributable cost

Generally progressing enhancements in our cognizance of cost direct have achieved the rise of activity based costing, or, at the end of the day get longer-term avoidable cost. It is still, regardless, only a minority of firms which use ABC (Drury 2000). For sure, even where it is used, the conditions which would make an OK go-between for long run avoidable costs are not regularly fulfilled the cost of various undaunted settled costs being doled out to thing units in view of the multi-arrange divides used in most cost accounting structures. As Woods (1992) clears up:

All costs realized inside a various leveled unit, close by expenses doled out from various units whose cost drivers it uses, are moreover doled out to the unit's organizations or things, with its cost drivers as a base. In case the conveying unit is a creation division, the recipient of its costs will be its physical things .(in this way) ABC mixes settled and variable costs already doling out them to yields, a circumstance that can incite risky decisions.

(Noreen 1991) has been that recognized they basic with satisfactory conditions for that an ordinary, two stage development based costing system they give steady (avoidable) thing costs for that given by course of action for information costs simply like that:

All out costs can be bundle into free cost pools, all of which is driven by one and only a solitary development driver. Noreen raises that, on a key dimension, each cost is a consequence of an expense and a measure of something which could be seen as a development. In any case, the amount of different activities that can be in every practical sense obliged in cost systems, and consequently the amount of cost pools is limited. It is, along these lines, essential to pick a development that is an appealing middle person for all these simple activities.

Expenses in each cost pool are completely in respect to the dimension of the development in that cost pool. As Noreen watches, this rules out, at the dimension of the cost pool, non straight cost limits and direct limits in which there are non zero catches (for example settled cost parts). That

is, costs that are not by any stretch of the imagination factor at the dimension of the cost pool should be maintained a strategic distance from the assignments made inside the formal cost gathering structure and oversight in some other way.

Each activity can be distributed discrete segments, all of which can be credited to a particular thing. That is, the total volume of development in a cost pool for a period can be directed by gathering the activity aggregates required by each thing from that cost pool. This, says Noreen, limits all conditions between things in the age technique. In particular, this standards out joint techniques. In joint strategies, the solicitations on an advantage are managed by the most extraordinary of the solicitations put by the individual things and not by their entirety.

Together, these conditions ensure that cost pools address the steady cost of the activity concerned and that the charge made to each thing mirrors the gradual cost of that thing its solicitations on the cost pool's benefits).

Bromwich (1999) have demonstrated the prerequisites that must be put on advancement and data costs, for an ordinary two stage ABC structure to satisfy Noreen's conditions. .For total cost to be divided independent cost pools addressing gradual activity costs requires:

- (i) Production work uniqueness. This suggests commitments to a cost pool must be unmistakable from those of various activities, for example the mix of commitments of a development must be unaffected by the dimension of commitments to various activities. This condition has alluded to in the money related angles composing as creation work noticeability (Chambers, 1988). This quality depends upon whether the affiliation's age assignments can be parceled into a plan of segregated exercises, with the objective that perfect decisions input mix choices) for every game plan of exercises can be settled in imprisonment from various errands.
- (ii) Non is jointness between activity cost pools. This infers, errands in a solitary cost pool must not impact the costs of other cost pools. This proposes the nonappearance of economies of degree between cost pools. Economies of expansion between cost pools exist where it is more affordable to perform two activities together rather than each freely.

Despite the fact that that creation work uniqueness concerns whether commitments for different activities can, on a basic level, be demonstrated self-sufficiently of each other, non jointness concerns whether practices are, frankly, performed freely. An advantage enlarging firm will perform practices together if this expenses not as much as indicated by forming them freely. Costing structures should not, as such, view them as confined cost pools the joint cost will be not as much as the aggregate of the gradual cost of the distinctive activities.

2.The use of a singular complete cost driver to address the simple commitments of a cost pool, with the objective that a thing's usage of the cost driver reflects the gradual cost of the cost pool resources, requires a consistent mix between all arrangements of data sources free of activity volume. A reliable data mix, paying little personality to the dimension of yield, is a typical for a homothetic advancement. For homothetic creation works, the negligible rate of substitution for the perfect mix of information sources will be the comparable at all dimensions of yield. Along these lines, a proportionate change in all wellsprings of information will be reflected by the equal proportionate change in the single all out cost driver. As Bromwich and Hong watch, the steady data mix extent infers that the all out information (for example cost driver) is a complete middle person for changes in the store of simple data sources.

3.For each development to be allotted among things to such a degree, that the bit credited to each thing depends just upon that thing, requires that the proportion of benefits used by a cost pool for a thing ought to be invariant with the proportion of advantages used for various things balanced by the cost pool; and this must be substantial for all cost pools used by the thing. The gradual cost of a thing will at that point be unaffected by additions or reductions in the volume of various things. This requires the nonappearance of economies of augmentation inside each cost pool.

Bromwich and Hong perceive a further essential simply like the nearness of a perfect market for wellsprings of information. This is vital to ensure that data costs are immediate with yield or development volume, by and large vague information sources may have differing costs. Also, there should be no fake goals on the supply of components, causing the open entryway cost of units of an offered commitment to differ dependent upon paying little mind to whether any prerequisite is authentic.

As these makers watch, in so far as the picked cost pools and cost drivers don't reflect the above conditions, this will make thing cost turns. They in like manner see that present logical learning isn't sufficient to propose the dimension of these turns. By recommendation, in this manner, there are no from the prior defense for expecting that ABC structures will ideal derived avoidable cost over do 'ordinary' costing systems.

Their choice is that the conditions required for ABC structures to get the gradual/avoidable cost of a thing are astoundingly stringent and just every so often met eventually.

In the latest decade various associations have created and completed activity based costing (ABC) structures. There is creating verification, regardless, that countless associations are experiencing issues with realizing ABC and, in the absurd, are not having achievement with it. An essential reason is that the introduction of ABC in various associations has focused on the compositional and programming plan of ABC, with insufficient thought being given to social and definitive factors included (Cooper et al. 1992; Hankinson and Lloyd 1994; Argyris and Kaplan 1994). In various associations, ABC is treated as a particular headway find not the administrative improvement that it is. Particular diagram issues round section of huge worth to ensure that fitting cost information is given to support decisions and exercises. The composition on executing ABC usually gives separated, particular instructions on ABC plan anyway little incorporation of how to truly complete it to the extent overseeing human issues.

2.9 An owner/manager

“In most small businesses, the **owner**/manger is the driving force behind the business, and as such can be the catalyst for change in the business that occurs through or around IT. In some small businesses, the positions of **owner** and **manager** are separated”

An owner/director by definition will be related with the organization of the firm, the speculation of the owner/head of the firm - yet the dimension of this participation may change and this might be a factor which impacts the level of usage of MAPs. Past research in organization accounting supports this contention (Shields, 1995; Lybaert, 1998; or Brown et al., 2004), thus this variable will be an unexpected variable for testing the essential theory that there is a positive association between the enthusiasm of the owner/executive and the level of use of MAPs in SMEs.

Achieving architectural and programming style, in any case, isn't adequate for the general or whole deal accomplishment of an ABC structure. Since ABC is embedded in a social and progressive setting that describes the expert grams and headways that are executed and succeed and miss the mark, it is important that an ABC utilization framework be revolved around these behavioral and authoritative factors. Shields and Young (1989) have recognized social and hierarchical factors which they place are important to making the execution of cost administration frameworks, for example, ABC effective. Tragically, minimal experimental data exists about firms utilization of these and different factors and how they connect with the accomplishment of an ABC framework. Such data could be valuable in distinguishing how organizations are executing ABC and the usage strategies that are fruitful.

The motivation behind this paper is to give experimental proof on the degree to which different conduct, authoritative and specialized elements are related with the accomplishment of ABC usage. The exact evidence depends on a study of 143 firms, rather than the predominately little example, contextual investigation and meeting approach of the earlier research. The rest of this article is sorted out by first giving a system to the overview dependent on a survey of the surviving writing on executing ABC. Next, the review and a measurable examination of it are displayed. This is followed by a dialog of the outcomes as far as suggestions for research.

2.9.1 SMEs that has better educated about R&D and their rivals will perform superior to average;

Regarding the contenders, we have no intention to follow to what degree the level of concentration in the division influences the accomplishment of the firm. The individual activities of the firm that is, the degree to which data about a contender is obtained, prepared and translated that draws our consideration. A similar methodology is assumed for R&D. It isn't the significance of these exercises in the division, nor the degree to which the firm performs R&D, that is considered, but instead the degree of data utilize concerning this factor. This methodology is by all accounts of significance especially for the SME. They may not appear to put resources into R&D themselves, but rather wind up educated about it.

In the systematic part we likewise point, as mentioned, to look for the attributes that decide the data use in a SME. Some individual particular components are the age of the response scratch,

the sex, the individual and authority characteristics, the level of instruction, the expert foundation, the status as proprietor/administrator, the control of the guardians, the job with the establishment, individual encounters, qualities and propensities, objectives, desires, and the aptitudes. Different components have been made reference to or potentially inquired about. We restrain ourselves to five individual attributes, as a result of the best importance that has been appeared in the writing.

The section of writing survey incorporated the definitions pertinent speculations and relationship among variables. Main focus of research methodology chapter will be on conceptual and theoretical framework, hypothesis and furthermore, subtleties of the examination approach and philosophy utilized for this investigation. This section will audit the examination configuration testing system and size, information gathering technique instruments of factors and the information investigation strategies.

H4: There is significant relationship between, owner/ manager commitment and Management accounting Practices

Articles	Studies
<p>R Whitley - Accounting, organizations and society, 2009 – Elsevier</p> <p><u>Firms, institutions and management control: the comparative analysis of coordination and control systems</u></p>	<p>It is becoming increasingly recognized that management accounting and management control procedures and systems vary significantly between organizations, sectors and societies. Four characteristics of control systems, in particular, differ considerably between institutional contexts. These are: the extent to which control is exercised overwhelmingly through formal rules and procedures, the degree of control exercised over how unit activities are carried out, the</p>

“The evolution of management accounting routines in small businesses: a social construction perspective

Author links open overlay panel [LewPerren](#) [PaulGrant](#) 2003

influence and involvement of unit members in exercising control, and the scope of the information used by the control system in evaluating performance and deciding rewards and sanctions. These four characteristics can be combined to constitute four distinct types of control system: bureaucratic, output, delegated and patriarchal. The relative use of these kinds of control systems—and their effectiveness—reflect major variations in the kinds of organizations and firms that coordinate economic activities through administrative procedures, and their related institutional contexts. The key features of firms here are the diversity of activities coordinated, their rate of change, shareholder lock-in and the degree of owner management. These in turn reflect the nature of the financial system and state structures and policies

This paper explores the development of management accounting in small firms through a social construction perspective. Taking Dirsmith’s (1998) (Dirsmith, M. W. 1998. Accounting and control as a solution to technical problems, political exchanges and forms of social discourse: the importance of substantive domain, *Behavioural Research in Accounting*, **10 (Supplement)**, 65–77) lead we examine the evolution of control and decision-making processes within four growth-orientated service sector businesses. Key to the perspective is the notion of the owner–manager

“The adoption and non-adoption of modern accounting practices: A study of 20 manufacturing firms

Author links open overlay

panel [P.Walley](#)^a [S.Blenkinsop](#)^b [J.Duberley](#)^b”2004

and his/her employees as creators of management accounting routines that form through a cycle of action, externalization and habitualization. These routines still remain in the control of the originator and are flexible in nature. As the business grows these routines may become objectified into localized management accounting ‘facts’ and they may also be challenged by externally imported accounting conventions. This paper explores the creation of idiosyncratic accounting knowledge and the effects of its transmission over the history of the businesses.

A number of questionnaire surveys have indicated that potentially up to 90% of companies intend to make changes in their accounting systems, but at present fewer than 20% have actually done so. As several authors have commented, there are inconsistencies in the responses to such questionnaires and a case study method was adopted for the purposes of the research described in this paper. A sample of 20 manufacturing firms were selected to discover what practices have been adopted and why changes have or have not taken place. The following primary reasons for the adoption or non-adoption of new accounting methods were found: ownership and history; pressure from management, sister companies and customers; management satisfaction with existing systems; availability of resources; changes to marketing or manufacturing strategies. The

	survey also revealed that where changes were made, their potential impact was limited by a lack of managerial commitment to change.
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2.10 Governance Mechanism:

Corporate governance in office hypothesis viewpoint is alluded to as partition of possession and control [Barle and Means (1932)]. There are two most basic ways to deal with corporate administration to ensure speculators' privileges. First approach is to give financial specialists control through lawful insurance from seizure by supervisors. Assurance of minority rights and legitimate forbiddances against administrative self-managing are instances of such instruments. Corporate governance is a method for administering exercises of a partnership for the prosperity all things considered (not just for investors) that at last prompts better money related execution. It is the arrangement of procedure, traditions, strategies, laws, and foundations influencing the way an enterprise (or organization) is coordinated, regulated or controlled. "Corporate administration alludes to the way where the issues of a corporate body are or ought to be directed so as to serve and secure the individual and aggregate interests all things considered" (Butt 2008) Corporate governance basically includes adjusting the interests of the numerous partners in an organization these incorporate its investors, the board, clients, providers, agents, government and the network. Since corporate administration likewise gives the structure to achieving an organization's destinations, it incorporates for all intents and purposes each circle of the executives, from activity plans and interior controls to execution estimation and corporate revelation. Corporate administration turned into a problem that is begging to be addressed after the 1992 presentation of the Sarbanes-Oxley Act in the U.S., which was introduced to reestablish open trust in organizations and markets in the wake of bookkeeping extortion bankrupted prominent organizations, for example, Enron and WorldCom. Most organizations endeavor to have an elevated level of corporate administration. Nowadays, it isn't sufficient for an organization to just be gainful; In such manner security and trade commission of Pakistan has taken a few activities for the adequacy of corporate administration in Pakistan. Over all it was center that expansion of the free chiefs in the Pakistani organizations is critical for achieving the better position in the worldwide market by receiving the real idea of corporate governance.

CHAPTER 3

RESEARCH MODEL AND DESIGN

The chapter of literature review included the definitions relevant theories and relationship among variables. The focus of research methodology chapter will be on conceptual and theoretical framework, hypothesis and details of the research approach and methodology used for this study. This chapter will review the research design sampling technique and size, data collection method instruments of variables and the data analysis methods.

Research Model

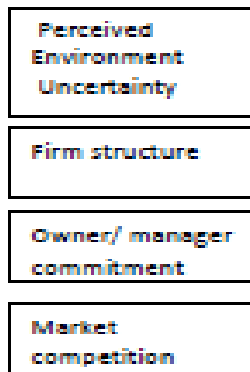
3.1.1 Conceptual Framework

Conceptual framework can be defined as depiction of the variables of interest to the researcher. It highlights the model the researcher is keeping under investigation all the possible linkages and relationships, thus stimulating the need of the study.

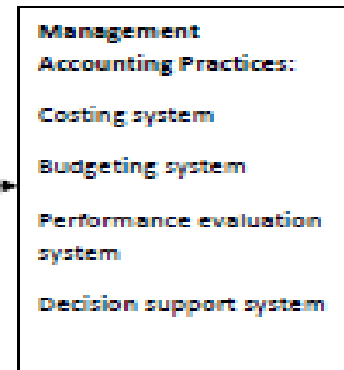
The framework for this study consists of dependant variable as Management accounting Practices which have four different dimensions such as costing system, budgeting system, performance evaluation system and decision support system which is linked to Independent variable perceived environment uncertainty, firm structure, owner/ manager commitment and market competition. The variable of Management accounting Practices has been studied from an overall perspective and in the context of its four dimensions. On the basis of this, research framework is established.

Conceptual Model:

Independent Variables



Dependent variables



3.1.2 Theoretical framework

According to Miles (1994), the theoretical framework shows the diverse relationships that exist among variables of the research study. The terms Conceptual and Theoretical framework has sometimes used interchangeably. The research model of the study is given below

3.1.3 Hypothesis Development

Hypothesis has usually defined as a testable statement, about a relationship between two or more variables. Hypothesis development is a very significant stage in research process by which hypotheses has usually developed based on hypothesized model for rejection or acceptance.

Following hypothesis has been developed for this study based on theoretical and literature support:

H1: There is significant relationship between perceived environment uncertainty and Management accounting Practices

H2: There is significant relationship between firm structure and Management accounting Practices

H3: There is significant relationship between market competition and Management accounting Practices

H4: There is significant relationship between, owner/ manager commitment and Management accounting Practices

3.2 Research Design

Research Design is a structured and systematic plan which helps in the the process of collecting data to achieve the defined research objectives. It attempts to explain in detail, the procedure, instruments for data collection, measurement of associated variables and statistical analysis to answer the research questions

Research design for this study has the following characteristics:

- (i) **Deductive Approach:** This thesis has deductive approach since data collected has going to be used to test theory. In this study, the theory under investigation is contingency theory.
- (ii) **Descriptive Research:** This type of research has used to gain accurate profile of people, events or situations and to answers the descriptive questions. This provides profile of organizations using MAP
- (iii) **Quantitative Research:** Quantitative employs numerical data. This thesis involves collecting data through questionnaires for statistically analyzing in order to establish the relationship among variables of interest.

3.2.1 Population

A population is a community, from which sample is selected to measure the variables of interest. Depending on the research questions, the target population for this study consists of organizations operating in manufacturing sector . The research questions in this study concern the

use of MAPs among Pakistani SMEs. The target population identified for gathering information regarding this concern is Pakistani SMEs from among the firms in the various industries that comprise the manufacturing sector. The research concentrates only on manufacturing sector in order to avoid irrelevant distractions arising from variations between sectors. The SME manufacturing sector in Pakistan is responsible for an increase in Pakistan exports, contributes substantially to the economy in terms of employment and has been a key factor in sustained rapid economic growth.

3.2.2 Sampling Technique

According to Plessis (2010) , sample is a part of a population which is statistically studied and analyzed. The aim of sampling is to determine the target population's characteristics by investigating a section of the population.

Multi-stage non-probability sampling has been used in this study. There are certain reservations about non-probability sampling, as it has limitations, it is not considered a good representative of the population but it is especially beneficial when the researcher has limited budget and time which makes randomization impossible (Etikan, Musa and Allkassim, 2016).

Convenience Sampling and Purposive Sampling are Non-probability Sampling methods which are used by a researcher to select the sample of subjects/units from target population.

In convenience sampling a sample is usually derived on the basis of close proximity easy access and willingness of respondent to participate.). For purposive sampling, a researcher has a specific purpose of study in mind and selects sample accordingly. In purposive sampling it is also considered that the subjects must have sufficient experience or ability to communicate the purpose.

Hence, initially the selection of organizations was done on the basis of Convenience Sampling from Multan city , Pakistan. Then, in the second stage, using Purposive Sampling, the senior level managers or owners of organizations were chosen to fill questionnaire

3.2.3 Sample Size

Data accuracy is very important in quantitative research, it is necessary to identify and rectify possible errors in data because of missing values (Hair 1998).The data collection started with

circulation of 380 questionnaire in different manufacturing sectors. Response rate was 90% so 342 questionnaires were received,22 questionnaires were rejected because they were not filled correctly and there was missing data filled. Therefore,22questionnaires were excluded from data analysis and 320 were entered in excel sheet for final data analysis.

3.2.4 Instrument

The survey questionnaire was broken down into different sections, which focused on demographics,

- (i)** Perceived environment uncertainty
- (ii)** Owner/manager commitment
- (iii)** Firm structure
- (iv)** Market competition
- (v)** Management accounting practices,

It has further divided into

- (i)** Costing system
- (ii)** Budgeting system
- (iii)** Performance evaluation and
- (iv)** Decision support system

Section a, demographic profile of organizations, for example sector in which organizations are operating, years of operations and number of employees

Section B concentrate on the perceived environment uncertainty variable which was measured with thirty different statements, using five point Likert scale ranging from strongly disagree – strongly agree for every statement. All items in the scale hs then averaged to form a perceived environment uncertainty composite score.

Section C, concentrate on the owner/manager commitment which was measured with six statements, using five point Likert scale ranging from strongly disagree – strongly agree for every statement. All items in the scale has averaged to form a composite score for owner/manager commitment.

Section D , focuses on firm structure which was measured with five statements, using five point Likert scale ranging from strongly disagree – strongly agree for every statement. A sample item for this was all items in the scale has averaged to form a composite score for firm structure.

Section E, was for market competition with three statements, by using five point likert scale ranging from strongly disagree – strongly agree for every statement. All items in the scale has averaged to form a composite score for market competition.

Section E was for management accounting practices with four different categories , using five point likert scale ranging from strongly disagree strongly agree for every statement.

3.2.5 Data Collection Method

Data Collection is the primary step in any research. Inaccuracy in data collection can negatively affect the results of a study rendering it even invalid. In this research, only primary data was gathered to answer the research question. No secondary data has used.

Primary data is the one, which has collected for the purpose of research from the real world directly (Purdue University, 2010). The primary data for this research was quantitative and Cross-Sectional i.e., collected once at a specific point of time.

Survey research has conducted when the sample of respondents selected from a population has administered with a structured questionnaire. Surveys has commonly used in quantitative social science research (Saunders, Lewis and Thornhill, 2015). Surveys attempt to give a bigger picture of the sample representing a large population (Mouton, 2001).

It is best to use Questionnaire for Descriptive Researches, e.g., when gathering information about organizational practices to determine the variability in phenomena. Questionnaire is the way of collecting data by asking each subject to respond to a similar set of questions in a predefined way (De Vaus, 2014). Therefore, for this thesis Survey and Questionnaire seemed most suitable method.

Response rate was 90% so 342 questionnaires hasreceived, 22 questionnaires has rejected because they has not filled correctly and there was missing data filled. Therefore,22 questionnaires were excluded from data analysis and 320 were entered in excel sheet for finally

data analysis. Data has collected from managers/owners who had experience and working in firm for longer period

3.2.6 Data Analysis & Processing:

For processing and analysis of the data, SPSS, and AMOS has used. Collected data has first entered in SPSS by giving correct code to each variable chosen for the research. This software has used for preparation of data sheet. Exploratory Factor Analysis (EFA), Reliability analyses and hypothesis testing has carried out through SPSS. Whereas Confirmatory Factor Analysis (CFA) has carried, out though AMOS.

3.3 Matrix Of Independent And Dependent Variable:

Variables	CS	BS	PES	DSS
PEU	70%	54%	44%	40%
FS	40%	62%	77%	45%
OMC	67%	38.8%	44.9%	30%
MC	77%	97.3%	76.2%	25%

Perceived environmental uncertainty has 70% impact on costing system. Perceived environmental uncertainty has 54% impact on budgeting system, Perceived environmental uncertainty has 44% impact on performance evaluation system whereas Perceived environmental uncertainty has 40% impact on Decision support system. Firm Structure has 40% on costing system, Firm Structure has 62% impact on budgeting ,Firm Structure has 77% impact on performance evaluation system, Firm Structure has impact on 45% on Decision Support System, Owner manager commitment has 67% impact on costing system, Owner manager commitment has 38.8% impact on budgeting system , Owner manager commitment has 44.9% impact on performance evaluation system, Owner manager commitment has 30% impact on decision support system. Market competition has 77% impact on costing system, Market competition has 97.3% impact on budgeting system, Market competition has 76.2% impact on performance evaluation system ,Whereas Market competition has 25% impact on decision support system.

CHAPTER 4

DATA ANALYSIS AND DISCUSSION

4.0 Data Processing and Findings

After collection of data through survey the questionnaires from the respondents, data has entered into the data sheet. All information collected and coded with the scale by utilizing SPSS to get the results. While the descriptive statistics SPSS then reliability, Validity and Exploratory factor analysis(EFA) of adapted instruments were also checked.

There are following point discussed in this chapter:

- (i) Evaluation of Data Collection & Missing Values
- (ii) Descriptive Statistics
- (iii) Measurement of Normality
- (iv) Measurement for multi co linearity
- (v) Measurement of reliability
- (vi) Exploratory factor Analysis
- (vii) Confirmatory Factor Analysis
- (viii) Measurement validity
- (ix) Hypothesis Testing

4.1 Evaluation of Data Collection & Missing Values

Data accuracy is very important in quantitative research, it is necessary to identify and rectify possible errors in data because of missing values (Hair 1998). The data collection started with circulation of 380 questionnaire in different manufacturing sectors. Response rate was 90% so 342 questionnaires has received, 22 questionnaires has rejected because they has not filled

correctly and there was missing data filled. Therefore, 22 questionnaires have been excluded from data analysis and 320 have been entered in SPSS for final data analysis.

4.2 Descriptive Statistics

In the descriptive statistics sample, demographic tests have been done with the help of frequency distribution. Frequency distribution provides a summary of sectors from which data was collected, it includes Textile Sector, Paint Sector, Food Sector, Leather Sector and Furniture manufacturer.

Table 4.1 Profile of responding firms

Profile of firms	Frequency	Percentage
Sectors:		
Textile	150	46.85%
Leather	50	15.62
Food	40	12.5
Paint	40	12.5
Furniture	40	12.5
Total	320	100%
Years of operation		
1-10	35	10.9
10-20	35	10.9
20-30	100	31.25
30-40	85	26.56
Above 40	65	20.3
	320	100%
Number of Employees		
5-50	150	46.875
51-100	130	40.65
Above 100	40	12.5
	320	100%

4.3 Measurement of Normality

Before data analysis, normality of data has checked. Data normality has evaluated by skewness and kurtosis. Accordingly, George and Mallery (2010) Kurtosis and Skewness inform about that whether data is normal or not. The value of kurtosis and skewness should range from + 2 to -2. If the data shows the value of kurtosis and skewness falling in the range of +2 to -2, then data is said to be normal. Mean Values of variables around 4 show the respondents agree to majority of question. The mean value of Perceived Environment Uncertainty is 3.813, Owner/Manager Commitment is 4.2056, Firm Structure is 3.9931, Market Competition is 3.8223 and Management Accounting Practices is 3.9667

Table 4.2 Normality Table

		Minimu	Maximu		Std.				
	N	m	m	Mean	Deviation	Skewness	Kurtosis		
	Statisti					Statisti	Std.	Std.	
	c	Statistic	Statistic	Statistic	Statistic	c	Error	Statistic	Error
PEU	320	1.33	4.33	3.8130	.84409	.706	.181	-.512	.360
OMC	320	2.14	4.57	4.2056	.61401	-.117	.181	-.231	.360
FM	320	2.00	4.50	3.9931	.68658	-.474	.181	-.533	.360
MC	320	1.33	5.00	3.8222	.74777	-1.276	.181	1.633	.360
MAP	320	1.60	4.00	3.9667	.51633	-.684	.181	.269	.360

4.4 Measurement of Multi-collinearity:

Multi Collinearity could be analysis through Variance inflation Factor (VIF)and tolerancelevel .The VIF and Tolerance values of Perceived Environment Uncertainty ,Owner/Manager Commitment ,Firm Structure, Market Competition and Management Accounting Practices collinearity shows that there is no multi-Co linearity as the values of VIF is less than 10 and tolerance value is more than 0.1.

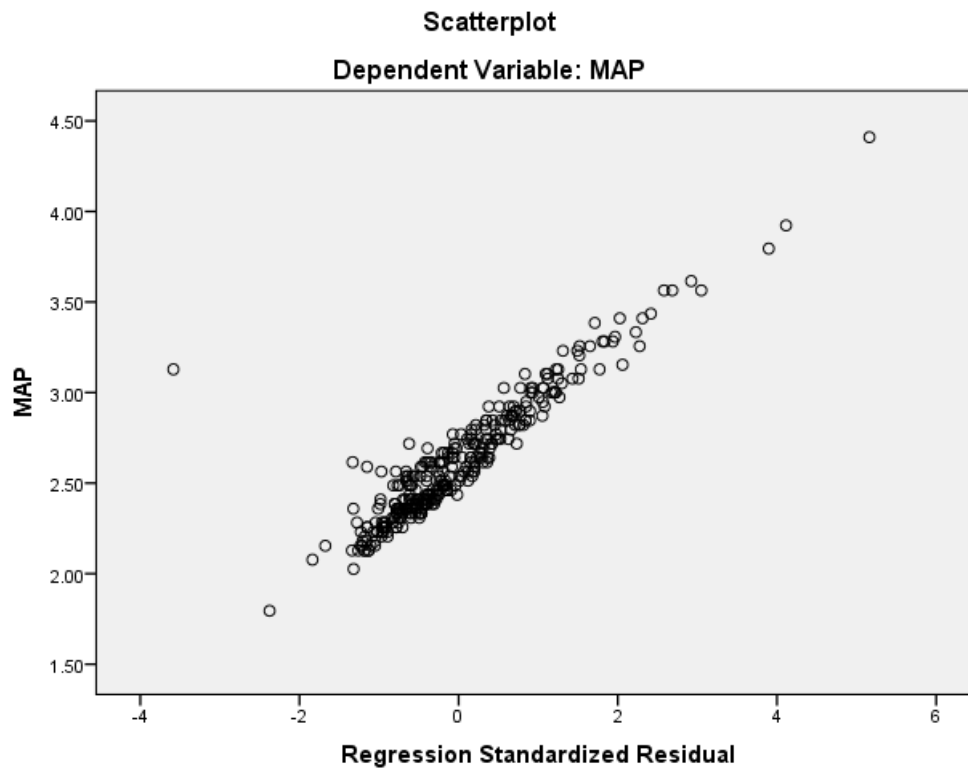
Table 4.3: Multi –Collinearity

Variables	Tolerance	VIP
PEU	.815	1.923
OMC	.772	2.996
FM	.829	1.880
MC	.789	1.996
MAP	.697	2.365

4.5 Homoscedasticity

Homoscedasticity is the extent, to which the predictor and dependent variables show equal variances. In other words, the regression models must have constant variance of the residuals i.e., they must show homoscedasticity. This is an important assumption for regression, which must be fulfilled. This assumption has checked through a scatter plot of standardized residuals and standardized predicting values. This graph shows random dispersion of dots spread around zero. So, this way assumption of homoscedasticity is met.

Figure 4.1



4.6 Auto correlation

To analyze auto correlation Durbin Watson test has used, it tests the null hypothesis that residuals from ordinary least square regression are not auto correlated, against alternative that residuals follows an ARI Process. The Durbin Watson statistic ranges in value from 0 to 4. A value near to 2 indicates non auto-correlation whereas a value towards 0 indicates positive auto correlation a value towards 4 indicates negative auto correlation. In our case Durbin Watson value was 1.98 .Which was near to 2. Therefore, no negative or positive auto correlation existed.

4.7 Reliability of Scales

For analysis of consistency in the responses given by respondents for the selected variable reliability of scale can be checked and calculated through "Cronbach Alpha".Acceptable value for Cronbach Alpha is 0.70 or more than 0.7 .The Cronbach Alpha value for variables Perceived

Environment Uncertainty is 0.733, Owner/Manager Commitment is 0.789, Firm Structure is 0.701, Market Competition is 0.749, Management Accounting Practices is 0.889. All of values and variables are greater than 0.70 So the scale is reliable.

Table 4.4: Reliability

Scale	Cronbach's alpha
PEU	0.733
OMC	0.789
FM	0.701
MC	0.749
MAP	0.889

4.8: KMO and Bartlett's Test of Sphercity

Validity of scale was determined through KMO and Bartlett's test. KMO and Bartlett's test is used to check adequacy of sample. Value of KMO greater than 0.7 has considered acceptable.

Table 4.5 KMO and Bartlett's Test

KMO and Bartlett's Test	
Kaiser-Meyer-Olkin Measure	0.812
Of Sampling Adequacy	
Bartlett's test of Sphercity Approx. chi-Square	4419.987
Sig	0.0000

4.9 Exploratory Factor Analysis

Exploratory Factor Analysis has used to analyze the potential factor structure of the data of measured variables without assigning a predetermined structure to the result. This sets up the connection between the construct and items in the light of the relationships that determine

whether elements are loaded into the same latent variable or into the other latent variables. Threshold value of various measures in EFA has given by Gie Young and Sean Pearce (2013). In order to perform the EFA, SPSS has used and for computing the component loadings, component factor loadings has observed. All factor loadings were high that shows the item used in the variables were appropriate and gave us the required results.

Table 4.6 Factor analysis of Perceived Environment uncertainty

Initial Items (30-Items)	Final Items (28-Items)
Perceived Environment uncertainty Items	Perceived Environment uncertainty Items
PEU1,PEU2,PEU3, PEU4,PEU5	PEU1,PEU2,PEU3, PEU4,PEU5
PEU6, PEU7,PEU8,PEU9, PEU10	PEU6, PEU7,PEU8,PEU9,PEU10
PEU11,PEU12,PEU13,PEU14,PEU15	PEU11,PEU12,PEU13,PEU14,PEU15
PEU16,PEU17,PEU18,PEU19,PEU20	PEU16,PEU17,PEU18,PEU19,PEU20
PEU21,PEU22,PEU23,PEU24,PEU25	PEU21,PEU22,PEU23,PEU24,PEU25
PEU26,PEU27,PEU28,PEU29,PEU30	PEU26,PEU27,PEU28,PEU29,PEU30

Perceived Environment uncertainty has comprised of 30 items and after running EFA the items remained 28 because the 28 items had loading more than 0.7 where as two items had loading less than 0.7.

Table 4.7: Factor analysis of Owner/Manager commitment

Initial Items	Final Items
(6-Items)	(6-Items)
Owner/Manager commitment Items	Owner/Manager commitment Items
OMC 1, OMC2, OMC3	OMC 1, OMC2, OMC3
OMC4 , OMC5, OMC6	OMC4 , OMC5, OMC6

Owner/Manager commitment was comprised of 6 items and after running EFA the items remains 6 because the items were properly loaded.

Table 4.8 Factor analysis of Firm Structure

Initial Items	Final Items
(5-Items)	(5-Items)
Firm Structure	Firm Structure
Items	Items
FC1, FC2, FC3	FC1, FC2, FC3
FC4, FC5	FC4, FC5.

Firm Structure was comprised of 5 items and after running EFA the items remained 5 because the items were properly loaded.

Table4.9: Factor analysis of Market Competition

Initial Items	Final Items
(4-items)	(4-Items)
Market Competition	Market Competition
Items	Items

MC1, MC2,

MC1, MC2

MC3, MC3

Market Competition was comprised of 3 items and after running EFA the items remained 3 because the items were properly loaded.

Table 4.10 Factor analysis of MAP (Costing System)

Initial Items (8-items)		Final Items (8- Items)
Costing System	Items Costing System	Items
	CS1, CS2, CS3, CS4	CS1, CS2, CS3, CS4
	CS5, CS6, CS7, CS8	CS5, CS6, CS7, CS8

Costing System was comprised of 8 items and after running EFA the items remained 8 because the items were properly loaded.

Table 4.11 Factor analysis of MAP (Budgeting System)

Initial Items (11-items)		Final Items (11- Items)
Budgeting System	Items Budgeting System	Items
	BS1, BS2, BS3, BS4	BS1, BS2, BS3, BS4
	BS5, BS6, BS7, BS8	BS5, BS6, BS7, BS8
	BS9, BS10, BS11	BS9, BS 10, BS11

Budgeting System was comprised of 11 items and after running EFA the items remained 11 because the items were properly loaded.

Table 4.12 Factor analysis of MAP (Performance Evaluation System)

Initial Items		Final Items	
(13-items)		(13- Items)	
Performance Evaluation System	Items	Performance Evaluation System	Items
PES1, PESS2, PES3, PESS4 , PES 5		PES1, PESS2, PES3, PESS4 , PES 5	
PES6, PES7, PES8, PES9, PES10		PES6, PES7, PES8, PES9, PES10	
PES 11, PES12, PES 13		PES 11, PES12, PES13	

Performance Evaluation System was comprised of 13 items and after running EFA the items remained 13 because the items were properly loaded.

Table 4.13 Factor analysis of MAP (Decision Support System)

Initial Items		Final Items	
(7-items)		(7- Items)	
Decision Support System	Items	Decision Support System	Items
DSS1, DSS2, DSS3, DSS4		DSS1, DSS2, DSS3, DSS4	
DSS 5, DSS6, DSS 7.		DSS 5, DSS6, DSS 7.	

Decision Support was comprised of 7 items and after running EFA the items remained 7 because the items were properly loaded.

4.10 Confirmatory Factor Analysis:

This has a confirmation method that is theoretically focused. According to Hair et al., (2010), researchers usually want to reduce the variance between the perceived matrix and estimated value.

The dimensions formulated and the loadings observed from the exploratory factor analysis were taken to AMOS for confirmatory factor analysis. In the analysis, all the items of respective variables were observed separately for analyzing the model fit of the conceptual framework of the study.

Table4.14: CFA of Perceived Environment Uncertainty

Question Item	Standardized Loading
PEU1	.710
PEU2	.712
PEU3	.803
PEU4	.819
PEU5	.810
PEU6	.705
PEU7	.716
PEU8	.712
PEU9	.720
PEU10	.713
PEU11	.709
PEU12	.812
PEU13	.840
PEU14	.822

PEU15	.723
PEU16	.719
PEU17	.734
PEU18	.706
PEU19	.701
PEU20	.781
PEU21	.801
PEU22	.806
PEU23	.745
PEU24	.761
PEU25	.718
PEU26	.763
PEU29	.811
PEU30	.870

Table 4.15 Model Fit Indices of Perceived Environment Uncertainty

	CMIN/DF	RMSEA	CFI	GFI
Perceived Environment Uncertainty	2.54	.065	.957	.977

CFA of Perceived Environment Uncertainty gives a good model fit with a maximum loading of .870 and minimum standardized loading of .701 and having the properties of uni-dimensionality with the values of CMIN/DF = 2.54, RMSEA = .065, CFI = .957 and GFI = .977. No item of attitude towards behavior has removed here due to sufficient standardized loading

Figure 4.2



Table 4.16 CFA of Owner/Manager Commitment

Question Item	Standardized Loading
OMC1	.720
OMC2	.713
OMC3	.702
OMC4	.834
OMC5	.819
OMC6	.702

Table 4.17 Model Fit Indices of Owner/Manager Commitment

	CMIN/DF	RMSEA	CFI	GFI
Owner/Manager Commitment	2.64	.061	.910	.923

CFA of Owner/Manager Commitment gives a good model fit with a maximum loading of .834 and minimum standardized loading of .702 and having the properties of uni-dimensionality with the values of CMIN/DF = 2.64, RMSEA = .061, CFI = .910 and GFI = .923. No item has removed here due to sufficient standardized loading.

Figure 4.3

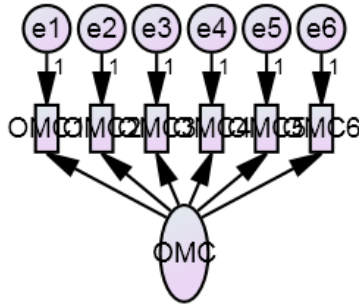


Table 4.18 CFA of Firm Structure

Question Item	Standardized Loading
FS1	.812
FS2	.845
FS3	.781
FS4	.701
FS5	.810

Table 4.19 Model Fit Indices of Firm Structure

	CMIN/DF	RMSEA	CFI	GFI
Firm Structure	2.60	.050	.921	.925

CFA of Firm Structure gives a good model fit with a maximum loading of .845 and minimum standardized loading of .701 and having the properties of uni-dimensionality with the values of CMIN/DF = 2.60, RMSEA = .050, CFI = .921 and GFI = .925. No item has removed here due to sufficient standardized loading.

Figure 4.4

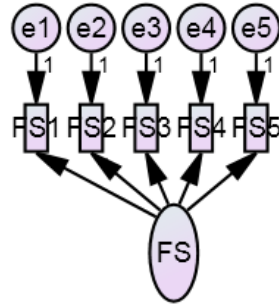


Table 4.20: CFA of Market Competition

Question Item	Standardized Loading
MC1	.805
MC2	.719
MC3	.830

Table 4.21: Model Fit Indices of Market Competition

	CMIN/DF	RMSEA	CFI	GFI
Market Competition	2.78	.030	.934	.965

CFA of Market Competition gives a good model fit with a maximum loading of .830 and minimum standardized loading of .719 and having the properties of uni-dimensionality with the values of CMIN/DF = 2.78, RMSEA = .030, CFI = .934 and GFI = .965. No item has removed here due to sufficient standardized loading.

Figure 4.5

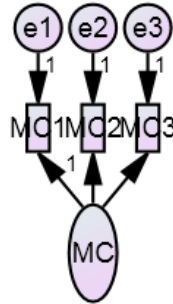


Table 4.22: CFA of Costing System

Question Item	Standardized Loading
CS1	.712
CS2	.766
CS3	.851
CS4	.654
CS5	.639
CS6	.720
CS7	.723
CS8	.756

Table 4.23: Model Fit Indices of Costing System

	CMIN/DF	RMSEA	CFI	GFI
Costing System	3.71	.061	.960	.940

CFA of Costing System gives a good model fit with a maximum loading of .851 and minimum standardized loading of .639 and having the properties of uni-dimensionality with the values of

CMIN/DF = 3.71, RMSEA = .061, CFI = .960 and GFI = .940. No item has removed here due to sufficient standardized loading.

Figure 4.6

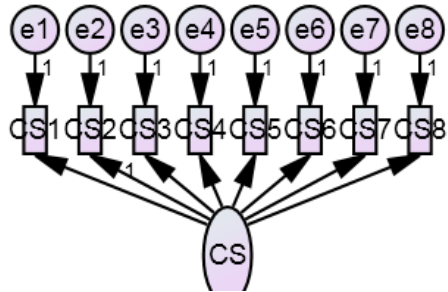


Table 4.24: CFA of Budgeting System

Question Item	Standardized Loading
BS1	.710
BS2	.865
BS3	.723
BS4	.810
BS5	.812
BS6	.754
BS7	.730
BS8	.701
BS9	.816
BS10	.754
BS11	.723

Table 4.24: Model Fit Indices of Budgeting System

	CMIN/DF	RMSEA	CFI	GFI
Budgeting System	3.78	.040	.914	.952

CFA of Budgeting System gives a good model fit with a maximum loading of .830 and minimum standardized loading of .719 and having the properties of uni-dimensionality with the values of CMIN/DF = 2.78, RMSEA = .030, CFI = .934 and GFI = .965. No item has removed here due to sufficient standardized loading.

Figure 4.7

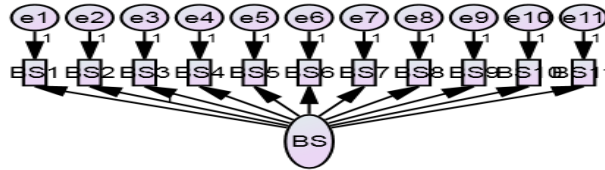


Table 4.25: CFA of Performance Evaluation System

Question Item	Standardized Loading
PES1	.760
PES2	.751
PES3	.812
PES4	.890
PES5	.816
PES6	.865
PES7	.756
PES8	.698
PES9	.750
PES10	.781
PES11	.790
PES12	.745
PES13	.760

Table 4.26: Model Fit Indices of Performance Evaluation System

	CMIN/DF	RMSEA	CFI	GFI

Performance Evaluation System	3.12	.021	.965	.912
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CFA of Performance Evaluation System gives a good model fit with a maximum loading of .890 and minimum standardized loading of .689 and having the properties of uni-dimensionality with the values of CMIN/DF = 3.12, RMSEA = .021, CFI = .965 and GFI = .912. No item has removed here due to sufficient standardized loading.

Figure 4.8

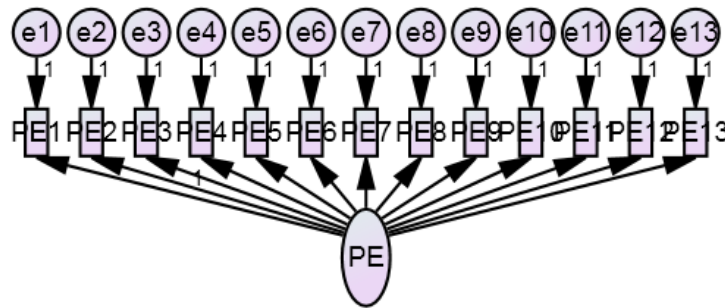


Table 4.27: CFA of Decision Support System

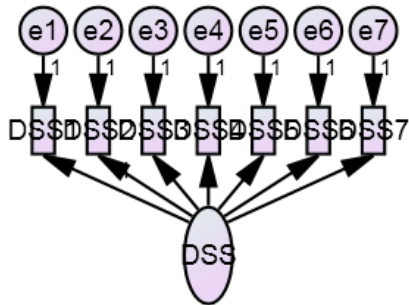
Question Item	Standardized Loading
DSS1	.734
DSS2	.712
DSS3	.720
DSS4	.821
DSS5	.865
DSS6	.789
DSS7	.690
DSS8	.781

Table 4.28: Model Fit Indices of Decision Support System

	CMIN/DF	RMSEA	CFI	GFI
Decision Support System	2.98	.031	.940	.910

CFA of **Decision Support System** gives a good model fit with a maximum loading of .865 and minimum standardized loading of .690 and having the properties of uni-dimensionality with the values of CMIN/DF = 2.98, RMSEA = .031, CFI = .940 and GFI = .910. No item has removed here due to sufficient standardized loading.

Figure 4.9



4.11 Discriminant Validity

Discriminant validity is also known as divergent validity, it actually tests the constructs (that are believed to be unrelated constructs) in fact, do not have any connection /relationship. Bove et al.,(2009) stated about divergent validity that it is basically calculated by referring to the mutual change between pairs rather than the average variance explained (AVE) average of the two models. As stated by Formell and Larcker (1981) that validity means, that the average variance value should be greater than the square of correlation while composite reliability should be higher than 0.7. The average variance values and composite reliability of Perceived environment

uncertainty, owner/manager commitment, firm structure, market competition affect use of Management Accounting Practices (predicted variable), are given below:

Table 4.29: Composite Reliability Discriminant Validity, and Square of Correlation among

Construct	CR	AVE	PEU	OMC	FS	MC	MAP
PEU	0.83	0.50	1.00				
OMC	0.78	0.74	0.88	1.00			
FS	0.87	0.59	0.01	0.01	1.00		
MC	0.78	0.63	0.09	0.09	0.04	1.00	
MAP	0.81	0.62	0.05	0.21	0.11	0.04	1.00

4.12 Regression

Table 4.30 Model Summary

R Square	d R Square	Std. Error	Durbin- Watson
.454	.196	0.3118	1.98

Table 4.31 Coefficients

Variables	Coefficients		t	p
		S.E		
Constant	1.549	.128	12.134	.000
PEU	.204	.035	5.868	.000
OMC	.035	.026	1.315	.190
FM	.085	.027	3.125	.002
MC	.090	.026	3.417	.001

* Predictors : constant, Perceived environment uncertainty, owner/manager commitment, firm structure, market competition.

The model summary of the regression model gives the value of R square value which is .454 whereas Adjusted R square Value is .196. which shows that 19.6% variation in Management Accounting Practices is explained by independent variables

The Breakdown of Variance in the above table tests if the model coefficients have any impact on the model. The p-value, which is less than 0.05 in our regression model, indicates that the coefficient do impact the dependent variable.

The above table of coefficient shows the influence of each coefficient associated with a dependent variable on Management Accounting Practices . According to the results Perceived environment uncertainty, owner/manager commitment, firm structure, market competition. Influence Management Accounting Practices, which means increase any of these independent variables will likely increase the extent of use of Management Accounting Practices.

The value of each coefficient describes the degree of influence the specific variable will have on the use of Management Accounting Practices if the other variables are kept constant for example, the coefficient of Perceived environment uncertainty has the value of .204. This means if all other dependent variables are kept constant, a unit increase in Perceived environment uncertainty will positively influence Management Accounting Practices about 20.4 percent.

The t statistic shows that independent variable has significant impact on dependent variable. Value is greater than 2 in all cases. The p-values for all the variables indicate that the independent variables for the data, significantly impact the predicted variable and can be considered as the part of the model.

To summarize the regression model, it is suggests that all four independent variables i.e. Perceived environment uncertainty, owner/manager commitment, firm structure, market competition affect use of Management Accounting Practices (predicted variable), so the regression model with all tested variables is valid.

With the substitution of the coefficients in the model equation, the final model is given by

$$Y = 2.192 - 0.204 X1 + 0.035X2 - 0.085X3 - 0.090X4$$

Where,

X1 means the Perceived environment uncertainty

X2 means the owner/manager commitment

X3 means the firm structure

X4 means the market competition

and Y means the Management Accounting Practices

Table 4.13: Summary of Hypothesis

Hypothesis Path	β Value	S.E.	<i>t</i>-Value	Results
H1 Significant relationship between perceived environment uncertainty and Management accounting Practices	.204	.035	5.868	Supported
H2 Significant relationship between firm structure and Management accounting Practices	.085	.027	3.125	Supported
H3 Significant relationship between market competition and Management accounting Practices	.035	.026	1.315	Not Supported
H4 Significant relationship between, owner/ manager commitment and Management accounting Practices	.090	.026	3.417	Supported

CHAPTER 5

CONCLUSION AND RESULTS

5.1: Findings and Results

The main object behind this research was to examine the factors influencing use of accounting practices in Pakistani SME's ,for testing the relationship between Percieved environment uncertainty(PEU),Firm Structure(FS), Owner Manager Commitment(OMC),Market competition(MC) with managerial accounting practices. This study investigates the direct relationship of Percieved environment uncertainty (PEU),Firm Structure(FS), Owner Manager Commitment(OMC),Market competition(MC) with managerial accounting practices . For this purpose extensive literature have been presented in chapter , related to independent and dependent variables.

On the basis of research questions, the model of research study is developed and tested that presented.

In which Perceived environment uncertainty (PEU) directly influence on Costing system(CS),Budgeting system(BS),performance evaluation system(PES),Decision support system(DSS).Where firm structure directly influence on Costing system(CS) ,Budgeting system(BS) ,performance evaluation(PE) ,Decision support system(DSS). Where owner manager commitment directly influence on Costing system(CS),Budgeting system(BS),performance evaluation(PE),Decision support system(DSS).Market competition (MC) directly influence on Costing system(CS),Budgeting system (BS),performance evaluation(PE) ,Decision support system.

Hypothesis has formed on the bases of literature evidence. The result shows that H₃ is not supported means this is not prove that Owner manager commitment directly play important in Management Accounting Practices in SME's. Where H₁ has supported Percieved environment uncertainty(PEU) directly influence and play an important role on Management Accounting Practices(MAP). Where H₂ has supported Firm Structure (FS) directly influence and play an important role on Management Accounting Practices(MAP). Where H₄ has supported Market

Competition (MC) directly influence and play an important role on Management Accounting Practices(MAP). This result shows that H₃ is not supported and has insignificant relationship means this is not prove that Owner manager commitment(OMC). Where H₁ has supported and significant relationship, H₂ has supported and significant relationship.H₃ has supported and significant relationship.

5.2 Research Implications

Current study contributes lots in literature and having academic and managerial implications.

5.2.1 Academic Implications

Although the conceptual model and the hypotheses proposed in current study may appear simplistic, they do provide beneficial theoretical innovativeness plus managerial implications. Regarding theoretical contributions, this study postulates an alternative, yet promising, conceptualization of complementary Perceived environment uncertainty(PEU) ,Firm Structure(FS) Owner Manager Commitment (OMC),Market competition (MC), and their role in Management Accounting Practices(MAP).

In this study observed the Management Accounting Practices(MAP) through different perspectives. The findings shows that relationship of non-significant and significant. Here on the literature base has developed Theoretical model. The results shows that perceived environment uncertainty(PEU),Firm Structure(FS) and Market competition(MC) has more significant. Moreover, the Owner Manager Commitment(OMC) has direct relationship with Management Accounting Practices(MAP) outcome is not significant,not supported and not play an important role.

Therefore, this study contributes a lot in literature with new and unique relationship. It also provides new way to analyze Management Accounting Practices with different variables in one framework. Furthermore, literatures up to now have no longer given sufficient interest on specific SME's. Many studies have observed the influence of Perceived Environment uncertainty(PEU),Firm Structure (FS),Market Competition (MC) on Management Accounting Practices (MAP) with one of a kind Small and medium enterprises. However, this study

adopting the phenomena of Management Accounting Practices (MAP) provides to the literature by inspecting this phenomenon especially in SME's.

Current research has significant for SME's of Pakistan, as this study identifies the important issues concerning to Perceived Environment Uncertainty (PEU) Firm Structure (FS), Owner Manager commitment (OMC), (Market Competition (MC) and Management Accounting Practices (MAP) . The SME's in Pakistan is a fast growing . Therefore, this study is conduct inside the context of SME's in Pakistan and intention to interpret the results from have a look at to assist businesses' development and discover new possibilities to recognize those factors in Pakistani environment. Thus, it should be very interesting to identify that how these variables influences on Management Accounting Practices in SME's of Pakistan.

5.2.2 Managerial Implications:

This study shows most importance for different kind of firms. By giving attention on orientations, managers may competent to escape the problems over biased. This study helps the managers to improve and sustain the performance of Management Accounting practices , and can gain advantage against competitors. Another practical awareness from our research is for firms to work to contribution.

Current study suggest for managers some guidelines that involved in development of new practices. Our research finding shows that Precieved environment uncertainty (PEU), Firm Structure (FS), Market competition (MC) with process is critical determinants of management accounting practices and in management accounting practices its role is even superior to Owner Manager Commitment.

5.2.3 Practical Implications:

A **practical implication** is the outcome or end result that occurs if specific events take place. "**Practical**" applies to actual results while an "**implication**" refers to a logical connection between the condition and the outcome. **Practical implications** are based on logic and reasoning. The fiscal, labor and enterprise regulations of the Federal and Provincial Governments in Pakistan do not provide for a focus on SMEs that is in line with their specific needs. Generally, fiscal regulations divide enterprises by income levels and labor related regulations, which realize only two forms of enterprises, small

and large, thus, not providing laws and implementation mechanisms that are sensitive to SME needs.

5.3 Limitations:

The limitation part is fundamental in each kind of research where we need with intentionally observe the issues.

- (i) This study is restricted in Pakistan; Entire 33 SME's has used as sample from Pakistan. Therefore, our results may not be generalizable to SME's in other region all to western countries where environment may be different Future study could magnify by expanding the region and including as well as western countries.
- (ii) More realistic and refined research results can be reduced by using more sophisticated statistical analysis techniques for data analysis.
- (iii) Current study is based on cross sectional study but the results will be different through the data of longitudinal study.
- (iv) To lead this research, there is limited money and time.
- (v) These samples has collected only SME's sector of Pakistan. Therefore in other services sector if we can use then may be results change.
- (vi) The technique of sampling called purposive sampling that has utilized to gather the data for generalization may be questionable.
- (vii) Current survey conduct on SME's in Pakistan and the results in organizations of all type maybe not transferable.
- (viii) This survey has other limitation is that the questions related to independent and Dependent variables has answered by senior and middle managers, which are same respondents of firms.

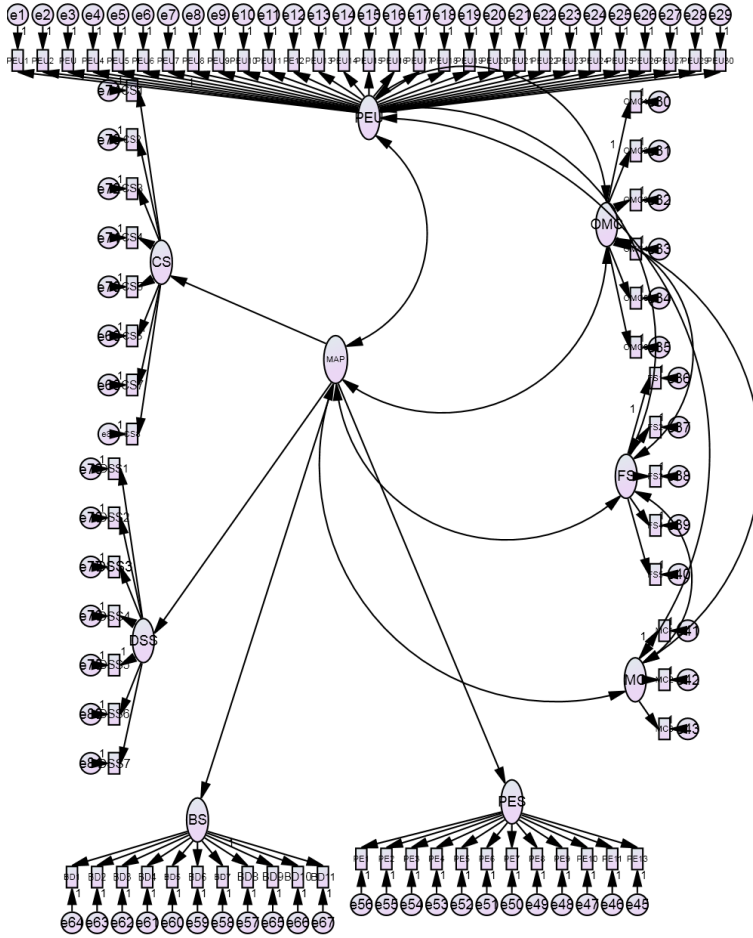
5.4 Future Research Study;

Future research directions are below.

- (i) Through deleting and adding some variable, can improved the model.
- (ii) This Model can used in comparative analysis for the validation in the different sector of local and foreign.

- (iii)** we can use different sampling techniques in this research concept
- (iv)** The model of this research can be used by improving the geographical exposure (not only related to Pakistan as current research).
- (v)** The concept of this research can be applied in different sectors not only of SME's.
- (vi)** Data collection technique as longitudinal method can be used due to quickly changes of firms year to year of innovative ability.
- (vii)** Current survey conducted on SME's in Pakistan and the findings in organizations of all maybe not transferable. Therefore, it has suggested that can be conducted the further researches on large-scale companies in different countries or in Pakistani companies. Different respondents to can fill out in the future research questions prevent same-source bias.
- (viii)** As a final point , Incorporating other potential moderators and mediators into our research model is also very encouraging research field in the future.

Appendix 1 Measurement Model



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Survey Questionnaire

Dear Respondents

National University of Modern Languages (NUML) Multan carries a number of studies for academic purpose. The present study is one of the researches, which is required for the partial fulfillment for the degree of MSBA. You are requested to fill the questionnaire. Options are given for every item and you have to write the category that best represents your view point. Please rate each statement that how much true it is for you. You are requested to represent what you feel correctly because your true response will help us in the better understanding of the issue under study. Information which you will provide will be kept strictly confidential. We assure you that no personal gain will be obtained from this questionnaire and it will be used for only academic purposes. Thank you for your Cooperation.

Demographic data

Designation _____

Sector _____

Please make sure to answer each question and circle the correct response based on how you feel about the statement.

Never	rarely	Occasionally	Frequently	Very frequently
1	2	3	4	5

Rate the behavior of the various factors of the external environment having an impact on your company, where 1 = Never and 5 = Very Frequently in relation to the items listed in Table below

Sr#	Description	Never	Rarely	Occasionally	Frequently	Very Frequently
1.	Government regulation: pricing	1	2	3	4	5
2.	Government regulation: product standards	1	2	3	4	5
3.	Government regulation: financial practices	1	2	3	4	5
4.	Government regulation: labor (personnel)	1	2	3	4	5
5.	Government regulation: laws or policies	1	2	3	4	5
6.	Government regulation: accounting procedures	1	2	3	4	5
7.	Government regulation: market and	1	2	3	4	5

	distribution					
8.	Technology changes: IT	1	2	3	4	5
9.	Technology changes: e-commerce	1	2	3	4	5
10.	Technology changes: telecommunications	1	2	3	4	5
11.	Competitor's actions: quality changes	1	2	3	4	5
12.	Competitor's actions: design changes	1	2	3	4	5
13.	Competitor's action: price changes	1	2	3	4	5
14.	Suppliers design changes are	1	2	3	4	5
15.	Suppliers quality changes	1	2	3	4	5
16.	Suppliers price changes	1	2	3	4	5
17.	Finance: financial instruments short term debt	1	2	3	4	5
18.	Finance: availability credit long term	1	2	3	4	5
19.	Finance: financial instruments long term debt	1	2	3	4	5
20.	Finance: interest rate short term debt	1	2	3	4	5
21.	Finance: availability credit short term	1	2	3	4	5
22.	Finance: interest rate long term debt	1	2	3	4	5
23.	Capital: availability of equity	1	2	3	4	5
24.	Socio-cultural cultural trends are	1	2	3	4	5
25.	Socio-cultural international travel trends are	1	2	3	4	5
26.	Customers demand new products	1	2	3	4	5
27.	Customers demand existing products	1	2	3	4	5
28.	Customers perception of quality	1	2	3	4	5
29.	Customers perceptions of rights	1	2	3	4	5
30.	Customers international consumer trends	1	2	3	4	5

Please indicate the level of your participation in the following, using a five-point scale from 1 = Never to 5 = Very Frequently

Sr #	Description	Never	Rarely	Occasionally	Frequently	Very Frequently
31.	Level of your participation in the Costing Practices	1	2	3	4	5
32.	Level of your participation in the Budgeting practices	1	2	3	4	5
33.	Level of your participation in the Performance evaluation system	1	2	3	4	5
34.	I would only claim a deduction for the actual amount spent for business purposes.	1	2	3	4	5
35.	The level of your participation in the Decision support system	1	2	3	4	5
36.	The level of your participation in the Strategic management accounting	1	2	3	4	5

To what extent level of authority been delegated to the appropriate senior managers for each of the following classes of decisions? (Please rate actual, rather than stated, authority .)

Scale: 1: Never 5: Very Frequently

Sr#	Description	Never	Rarely	Occasionally	Frequently	Very Frequently
37.	Development of new product or service	1	2	3	4	5
38.	The hiring and firing of managerial personnel	1	2	3	4	5
39.	Selection of large investment	1	2	3	4	5
40.	Budget allocation	1	2	3	4	5
41.	Pricing decision	1	2	3	4	5

Scale: 1 strongly disagree and 5 strongly agree

Sr#	Description	Strongly disagree	disagree	Undecided	agree	Strongly agree
42.	How intense is competition for the firm's main product/services ?	1	2	3	4	5
43.	How intense is competition for the firm's main input	1	2	3	4	5
44.	How intense is competition for the firm's employees	1	2	3	4	5

Please indicate the extent to which the following management accounting practices are used in your firm

Never	rarely	Occasionally	Frequently	Very frequently
1	2	3	4	5

Sr#	Description	Never	Rarely	Occasionally	Frequently	Very Frequently
45.	Job costing	1	2	3	4	5
46.	Batch costing	1	2	3	4	5
47.	Contract costing	1	2	3	4	5
48.	Process costing	1	2	3	4	5
49.	Absorption costing	1	2	3	4	5
50.	Variable costing	1	2	3	4	5
51.	Variable and absorption costing	1	2	3	4	5
52.	Activity based costing (ABC)	1	2	3	4	5
53.	Sales budget	1	2	3	4	5
54.	Purchasing budget	1	2	3	4	5
55.	Production budget	1	2	3	4	5

56.	Cash flow budget	1	2	3	4	5
57.	Financial position budget	1	2	3	4	5
58.	Monthly budget	1	2	3	4	5
59.	Annual budget	1	2	3	4	5
60.	Continuous/rolling budgeting	1	2	3	4	5
61.	Flexible budget	1	2	3	4	5
62.	Incremental budgeting	1	2	3	4	5
63.	Zero-based budgeting	1	2	3	4	5
64.	Operating income	1	2	3	4	5
65.	Return on investment	1	2	3	4	5
66.	Variance analysis	1	2	3	4	5
67.	Sales growth	1	2	3	4	5
68.	Cash flows	1	2	3	4	5
69.	Number of customer complaints	1	2	3	4	5
70.	Survey of customer satisfaction	1	2	3	4	5
71.	Number of warranty claims	1	2	3	4	5
72.	On-time delivery	1	2	3	4	5
73.	Manufacturing lead time/cycle time	1	2	3	4	5
74.	Defect rate	1	2	3	4	5
75.	Employee turnover	1	2	3	4	5
76.	Absentee rates	1	2	3	4	5
77.	Break-even analysis	1	2	3	4	5
78.	Stock control model	1	2	3	4	5
79.	Payback	1	2	3	4	5
80.	Accounting rate of return	1	2	3	4	5
81.	Net present value	1	2	3	4	5
82.	Internal rate of return	1	2	3	4	5
83.	Target costing in the design of new products?	1	2	3	4	5
84.	Strategic costing in determining the firm's strategy?	1	2	3	4	5
85.	Monitoring the costs that occur across stages of product development?	1	2	3	4	5
86.	Taking into account any strategic factors when setting price decision?	1	2	3	4	5
87.	The systematic collection of data on competitors' price reaction, demand	1	2	3	4	5
88.	An analysis of the costs incurred in each of the activities in the firm's value chain?	1	2	3	4	5