

Role of Accountancy in the Country Economy

Iqbal Shaukat*

International Institute of Marketing, Pakistan

Abstract

Accounting is an art summarized the transaction between the two persons Book keeping and accounts which was adopted by money lender and gold smith during the Roman Empire With the passage of time need of accounting increased because it is very essentially the persons. During the expansion of population, the need of book keeping and accounting increased. When the business converted in to form of entities the need of accounting and booking keeping realized. After the academia method of education was adopted in eighteen centuries the accounts subject was included in the curriculum of academia and university education. In the nineteen century industrial revolution came various part of world in Asia and Europe. During the eighteen century various multinational was established. The accountancy and book keeping became the respectable profession. In this age when we are living in industrial age accounting system is more effective.

Keywords: Accounting • Professional education • Financial aid

Accountancy

Therefore, international federation came in to being in 2005. In United Kingdom institute of chartered accountant England and wales 1880. In UK institute of association of chartered accountant came in to being in 1929 In Virginia USA first accountant came in to being in 1854 with the chartered of queen. In various countries around the world establish the institute of professional accountant came in to being with the mission of goal and object of professionalism in accounting. Third world can achieve the goal of economic development through book keeping and accounting profession. Third world countries should allocate budget for professional education and development develop countries should give the financial aid for the promotion of professional education. Accountancy help maintain the record with the help of accounting we can maintain our accounts when it is expended on the massive line Just like Branch accounts. We can consolidate our business report in the easily ways, with the help of accounting practice [1]. We can establish our financial leverage such as ratio to estimate the solvency position and debt equity ratio and regarding other financial issues with the help of accountancy we can prepare all the report for all management levels. Amalgamation and reconstruction process of various companies supported by accounting principles and stander With the help accountancy we prepare the budget according to the need of business with the help of art of accountancy we maintain the record of financial record of all financial instruments like shares, debentures. Accountancy art help to calculation of costing of good sold With the help of accountancy we can calculate the various type of cost which are very vital for the manufacturing sector like factory overheads and other cost which are essential for business world With the help of accounting we can prepare the reward report for labors like bonus plan and wages rates. Accountancy help you to prepare the report of various department of various textile sectors Accountancy helps the man in other sector like leasing for the completion of term and conditions [2].

Accountancy is very beneficial for the client regarding establish of good relation and maintain of accuracy of all transactions. Accountancy help you to estimate the risk in business between the events Calculation of risk provide the stander of accuracy between the events Accountancy helpful for the services sector of one country. With the help of accountancy we can measure the monetary value

of services In the light of arguments it can be said accounting and accountant is very beneficial for the country economy. Accountancy helps the gathered the data about Country performance in economic sectors. We can measure the total income of the country and estimate all the monetary value of all the services sector like telecommunication and energy sectors. Accountancy helps the country to value the balance of trade in monetary value with the rest of world Balance of payment is very crucial for every country. Accounting system helps you to estimate the monetary value of balance of payment with rest of world. Accountancy helps the country on the macro level and micro level. Thus, we can say every government should encourage the profession of accountancy. Government should establish such vocational institutes which provide the training to the accounts. Because of the role of accountant transparency can be brought in the financial matters. Accounting system provides the opportunity transparency and true and fairness and accuracy according to governing laws [3].

Type of Accounting personal accounts in which we debit the receiver and credit the giver in which we consider the personal account. Real account we consider the Debit the assets and credit the liabilities. Real account we included the Assets and liabilities. Nominal account in which we consider the Debit the expenses and credit the income.

Thus, we can the import accounts heads Debts; creditor; Assets; Liabilities; expenditure income. These are the main heads of accounts because of the classification we can record the transaction and prepare the financial analyses and final accounts and profit and loss account and balance sheet accounting system success full with the role of Accountant. Accountants record the transaction and record in the ledger and make the trial balance and the finalization of accounts and made the make reconciliation statement and make the subsidiary ledger of various accounts and make the voucher of various transactions of accounts and record the transaction in ledger. Reconciliation of various head of accounts makes the accuracy of a account.

Deposited the tax in treasure and other payment which is relevant in labor department regarding the welfare of employees Accountant makes the financial statement Maintain the cash book provide information regarding the accounts to financial officer Maintain the file of various head of accounts. Deposit the utilities bills to various department Maintain the record of payment of utilities bills Maintain the record of salary advances [4].

The role of finance manager in accounting system Finance manager analyzes the market finance manager make cash manager finance manager make the cash flow statement Finance management draw the cash manager. Finance manager arrange the fund for finance.

Finance manager negotiation with financial institution regarding loan finance manager negotiations with lease institution. Finance manager draw the budget finance manager make decision of investment according to the operation of

*Address for Correspondence: Iqbal Shaukat, International Institute of Marketing, Pakistan; Tel: +9204237582428, E-mail: professionalstudent2020@gmail.com

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business finance manager makes trend analyze. Finance manager have the proper survey regarding the stock market finance manager performs the role of company secretary. Finance manager call the Annual general meeting and extra ordinary general meeting. Finance manager publish the notice of annual general meeting finance manager file the annual return in security and exchange commission. Finance manager submit all relevant form which is required by corporate laws. Finance manager arrange the mediation when some conflicts arise. Finance manager arrange the ratio analyze for the view of financial positions finance manager play role regarding the impairment of assets. Finance manager analyze the risk between the event finance manager forecast of financial position. Finance manager give decision regarding the operation management finance manager arranges the investment opportunities for the company. Finance manager conduct the audit according to the legal requirement finance manager arranges the better flow of funds. Finance manager prepare the financial report according to the international standards finance manager prepare the cash management. Finance manager draw the master budget according to the company needs finance manager look after all the procedure of allotment of shares. The auditor can perform the role with the possible of good accounting system when we have the good accounting system the auditor audit the accounts properly according to the companies it is essential that the accounts should be prepared according to the corporate laws the present of good accounting there will be qualification on accounts. With the good accounting system auditor establish the opinion the investment was incurred according to the purpose which is stated in the corporate laws. Auditor may find can transaction is held is transparent and good in the presence of good audit system audit can easily check the expenditure according to the purpose. With the help of good accounting that director and other high management not run according to the own interest. Auditor checks the flow of investment with the help of good accounting system. Auditor easily check that amount posted in relevant accounts properly With the help of good accounting system auditor check the banking transaction and match with bank. During the good accounting system auditor verifies all the agreement with vendors. Auditor checks that the business is being run by the management of company according to the proper term and conditions [5].

Auditor can check the tax deduction of on various payments. Auditor checks the originality of transactions with the help of good accounting system. With the help of good accounting system that the payment is verified according to roles with the help of good accounting system stream line all transaction of business. Auditor checks the employee welfare system with the help of good accounting system that all the payment is being deposited according to the rules and regulations. Auditor can point out the entire mistake according to the audit frame work. With the help of good accounting system that the directors or any other high officer of company influence the business decision presence good accounting system auditor audit verify the stock according to the rules and regulations. Auditor can give the advice regarding the business operations in the presence of good accounting system. Auditor checks the expenditure incurred according to corporate laws of the relevant country present of good accounting system auditor devalue of assets according to the rules and regulation of assets regulation which is expressed in the corporate laws. During the good accounting system auditor check and verify that companies' management comply all the regulation of the corporate and companies laws Auditor checks the statutory books of company. In presence of good accounting system auditor check that finance manager use the investment according to the purpose. In present of good accounting system the Auditor estimate all the resource including finance and corporate. Finance manager response on the notice of tax department and security and exchange commission of country Taxation is the important part of country economy. Accounting system help the both tax payer and government side to built system with the help of good accounting system we can calculate the taxable income easily and accurate. Good accounting system help to calculate the head of total incomewith the help of good accounting system we can calculate the exemption in tax income. With the help of accounting system we calculate all average relief which accurately mentioned in taxation laws we evaluate the value of assets according to laws. Good accounting system help the corporate regarding the file of return. Association of person can easily file the return with the help of good accounting system Good accounting system is very beneficial when the tax is deducted be the authority. With the help

of good accounting system the tax on goods and services easily calculated In case when we file the appeal against the tax authority good accounting system help in this regard. Statement which is filed by the taxpayer time to time good accounting system help in this regard. Good accounting system creates the good relation between the customer good accounting system help the customer when they needed some information regarding tax and finance. Good accounting provides the opportunity to customer regarding the reconciliation of financial matters. Some time customer preserve the financial information for own purpose good accounting system help in this regard some time during assessment year tax payer.

Sue the claim of over tax liability good accounting system help the calculation in wealth tax. Good economic system help the valuation of assets Wealth tax liability can be easily calculated with the help of good accounting system Various statement can be acquired be by the tax authority can be properly filed with the help of good accounting system wealth statement is mandatory for all the taxpayer proper data can be filed in the presence good accounting system Good Accounting is beneficial for the sales tax correct input and output can be calculated with the help of good accounting system. Drawback of duties can be only possible if we have good accounting system Good accounting system help in the calculation of final sales liability Custom duties are the integral part of taxes. In the light of good accounting system calculation of duties is very easy. There is no chance of evasion of duties when the good accounting system is exit Good accounting system helps the importer and exporter valuation of good under the relevant custom law of country. In the presence of good accounting system we can fight the legal case of duties easily Good accounting system maintain all the record the custom duties and tariff In the case of draw back of duties the claim is more reliable in the present of good accounting system Excise duties are also the important part of taxation system Reliable accounting record help in how the excise duty is leveled a various items Good accounting system show the payment of payment of excise duty properly Thus, we can good accounting system help the government and taxpayer In the economic survey side accounting system how to get the proper price properly with the help of accounting we can get the proper sample size of various classes of goods Accountancy helps the importer and exporter to maintain the account in the name of exporter and importer both exporter and importer maintain the account which the good are delivered and accepted. Both exporter and importer record the expenses Accounting system very beneficial for both parties that reconcile account easily Because of accounting system both calculated the abnormal and normal losses Good accounting system help the reconciliation between the head office and factory The benefit of that there is no chance of fraud between the head office and factory Good accounting system provide the opportunity of consolidation of accounts in that case if your company are the parent and subsidiary or parent of other company, we can easily merge our account and get the maximum profitability of business Good accounting system help the business entity to implement on the accounting and reporting stander The benefit of that maintain of accounting according to corporate laws which is exit in country In that case if two business entities on common objectives They can easily maintain the joint venture account In joint venture account both parties record the transaction of business according to business nature In Good accounting system rectify the wrong entry according to the rules and regulations when the good accounting system exit we can calculate cost volume analysis Good accounting system helps built the effective cash flow statement Cash flow statement consists on operating investing and financing activities cash flow system helps to calculate the profitability of business and budgeting of business. Good accounting system evaluates of cost of goods sold with invoice price we can calculate the absorption cost. Good accounting system helps to calculate the present value method Present value method calculate what is the present value of investment which is invested, with help of cash flow statement. Good accounting system helps the future value of investment Future value investment determine the future value of investment With the help of good accounting system we can calculate internal rate of return Internal rate of return express the highest rate of return Good accounting system helps regard the portfolio investment portfolio investment is very important for investor In this investment the investors decide what proportion of investment is done in activities. Good accounting system guide how to deal with international financial institutes in exchange rate.

Exchange rate is very important in international trade international trade is very attach with exchange rate in international trade all issues are settled including hedging and ups and down trend. With the good accounting system we can get the better interest model which is important for finance management. With the help of good accounting system

Good accounting system analyze the financial statement with the help of good accounting system we can analyze the financial statement at every time example of financial analyze final account, Bank reconciliation statements Income statement horizontal analysis trend and Vertical analyze trend analyze is very important for business, this analyze to help to estimate the financial position quarterly and annually Analysis is very important for the company directors and shareholder Good accounting system is very important for the corporate finance corporate finance mean that companies subscribed the capital from the share holders and loan from the banking and financial institution With the help of accounting system company manage the corporate finance easily and watch the back end resource how to safe this finance from risk factor and right accounting treat meant of all corporate finance transaction Accounting system help how to manage the better return of corporate finance. Accounting system provide the breakup of corporate finance Good accounting system help the better utilization of corporate finance according to the need. With the better accounting we can better utilization of resources Better accounting system help how to reinvest in the various resource and calculate the expected rate of return. Good accounting system help the monitoring the all activities regarding the corporate finance. Auditor are very aware with the activity of corporate finance with the help of good accounting system With the help of good accounting system we can calculate employee compensation easily calculated. Intangible assets are the important part of business operation. With the help of role of accountancy we can maintain the accounts of intangible assets for example good will promote expense scope and patent right these are the very important for business At the end of year we create the reserve just like depreciation of tangible assets with the help of sound accountancy system we maintain the record of intangible assets cash conversion policy is very important regarding business cycle some time we sold and purchase good on credit line with the help of better accounting system we can watch the conversion policy easily cash conversion effect the working capital because it is direct to inventory. Cash conversion process is very important for every company cash conversion policy help the maintain of liquidity position with the help of cash conversion policy we can predict the better financial position of company if the company have not good conversion policy can face the serious melt down. Thus we can say that better accounting system is only help to maintain the better conversion policy. Consolidated financial statement is the important part of business organization if company have the voting power in other company they can merge the subsidiary accounts in own company accounts. The benefit of that we can easily calculate the profitability easily. For example any company is the associate of parent company with the help of consolidation of accounts we can express the accounts of other company in one statement. Derivative are the very important part of business operation Derivatives calculate the ups and down trend in the price it is only possible when we have accounts of certain transaction which is related to risk and other exchange rates if we have the table of business trend expected rate in the accounting form then we easily calculate and apply very easily derivatives. Derivatives are very important for macro and micro economics Derivatives can only possible when we have data

about the risk and expected rate of return and future value of funds flow only proper accounting system can help in this process of derivatives.

Contingent liabilities and assets is the important part of company business without company sound accounting system we can easily maintain the record of contingent assets and liabilities. Contingent mean which is conditional some event these are very important for business operation. For example one company agrees on these conditions the company not pay the credit according to the term and conditions they will pay the damages. In accounting system all this transaction should be recorded according to international standard of reporting if company has the contingent liabilities and assets company record company can sue the other easily because it is certified by the auditor if you have not the good accounting system they will face the audit objection according to international reporting standard. Fair market value is the important part of business operations. Fair market price means difference between the prices of good agrees by purchaser and customer willing. The difference between the two prices is called fair market value The record of market value policy when we have the record the both value we can easily calculate the fair market price.

Conclusion

That is true the role of accountancy in the country economy is very important discussed according to my study and observation and research and professional study in the field of accountancy. Accountancy is the back bone of our economy business corporate sector if one accountant and finance manager perform according to the rules and regulation the country run effectively and better according to international financial reporting standards.

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