

See discussions, stats, and author profiles for this publication at: <https://www.researchgate.net/publication/357407063>

# Bank and Policy The Basic of Structuring Financial Statements and Their Major Role in Making Company Growth Strategies

Article · December 2021

DOI: 10.29228/imcra

CITATIONS

0

READS

5

3 authors, including:



[Imcra Journals Library](#) [Imcra](#)

Kuban State University

509 PUBLICATIONS 49 CITATIONS

[SEE PROFILE](#)

Some of the authors of this publication are also working on these related projects:



Azerbaijan Journal of Educational Studies [View project](#)



Teaching of Azerbaijani language and literature [View project](#)

## The Basic of Structuring Financial Statements and Their Major Role in Making Company Growth Strategies

**Author:** Md. Akash; Md. Faisal Hossain

Dept. of Finance & Banking, Dept. of Accounting, Hajee Mohammad Danesh Science & Technology University, Dinajpur, National University, Bangladesh  
<https://orcid.org/0000-0003-3765-8925>

**Abstract:** The scope of a country's economy, as well as the method in which distinct commercial entities and institutions operate, determines the volume and value of information in general. The approach and the requirement for its distribution to people who are interested are conceived by the diversity of information structure. As a result, the challenge of how to get the appropriate information emerges. Consumers join groups and sift through mountains of information and data to find anything that will help them prepare better and create a more secure future. As a result, accounting supervisors sense this extremely well and meticulously design balance reports by incorporating financial data and information that will serve as the foundation for their future structure. Specifically, the preparation of financial statements allows for the publication of accounting and financial information for certain business dealings and movements undertaken by the organization within a specified time.

**Keywords:** data about accounting, monetary statements, expose, client, commercial dealings

Date: Accepted: 17.Dec., 2021 Reviewed: 14.Dec., 2021 Received: 13.Nov., 2021

### 1. Financial statements serve as the foundation for decision making in the management system

The creation of financial statements and their interpretation to the public is a possible source of developing solutions and making decisions that will safeguard a company's future performance and vitality. Each manager's thinking represents the ambiguity in decision-making based on responsibilities and obligations that would comprise a planned operation of the corporate entity that will give new and improved circumstances for both the organization and its personnel. Specifically, the successful manager, supported by facts and information on the financial records, delivers a response to the issue posed and so demonstrates his dexterity and ability in making a profit, which strengthens and assures the company's already established path toward its prospects. This originates from and underscores the relevance and inevitability of accounting

and accountants who ensure that the balance exposes studied business occurrences and converts them into valuable knowledge.

**Table 1. Relations in decision making**

1	2	3	4
Events	Accounting documents	Financial statements	users

As a result, the establishment of relationships between the incidence, recording, analysis, and presentation of useful data and information to users is an unavoidable process in the operation of businesses and the tabulation of results of operations, resulting in reports that provide assistance and guidance to current problems and shortcomings, as well as discovering and opening up potential opportunities for businesses. In any case, in light of this, we would like to reiterate the authors Needels, Powers, Mills, and Anderson's viewpoint: "Accounting is not an aim in itself, but rather an information system for measuring, evaluating, processing, and disseminating accounting and financial information belonging to a certain identified business,"

As a result, in the practical operation of enterprises, accounting information and financial data included in balance sheet statements and notes to them serve as a starting point for examining the outcomes of its operations and market criteria.

As a result, it is widely assumed that the twenty-first century will be remembered as the century of economic laws, with a particular emphasis on financial accounting data, which is integrated into processes and procedures for assessing and managing business operations in general via information software. Accountants frequently distinguish between financial accounting and management accounting results, but there isn't a significant difference here, except in their orientation toward statement users, where financial accounting provides more information for external decision-makers (stockholders, dealers, banks, and so on), whereas accounting management is more focused on internal decision-makers (executive managers, bosses, deans, health management, etc.).

## **2.Computerized accounting information systems (CAIS) are the heart of a company's growth plan.**

Every business now has an accounting scheme that serves as a vital repository of data. This system illustrates a "walk" in which information is captured and processed before being viewed within the context of financial statements. Accountants assess the information that managers and other users require in order to establish a competent accounting system that meets the needs of decision-makers in the best way possible. As a result, accountants continue to do regular activities such as record keeping and economic data processing using computer programs. As a result, every accounting system is only values what it can deliver in terms of usable, accurate, and believable data. Accounting information systems encompass all company operations. As a result, it may be stated that Companies cannot operate without an appropriate accounting system. These systems begin with the processing of events and transactions by sophisticated computer programs that deliver the necessary data through tabulation steps. Accounting systems gather and arrange financial data for businesses. Accountants provide all of this information to managers, who utilize the outcomes to design a company's development plan. Accounting information systems play a growing role as firms become more complicated

and accomplish growth and development. As a result, accountants must study all aspects of their firms' operations as well as the problems of current times, such as advances in software design. Most businesses rely on sophisticated accounting systems, which are built, monitored, and managed by company accountants. In general, their major function is to give timely, accurate, and trustworthy information and data to decision-makers and future creators. However, it should be highlighted that the use of accounting information systems does not eliminate the need for understanding accounting processes; rather, it is difficult to operate accounting software without prior collected accounting expertise.

The phrase may be found here "You must understand things thoroughly before attempting to apply them," is emphasized.

As a result, we may say: "Accounting is the ideal window through which to see the influence of economic trends on corporate organizations".

The accounting information system delivers answers to the most frequently asked queries through well-processed events and transactions:

Does the organization produce profits?

Is the firm growing or just trying to stay afloat?

Is there enough money in the company?

These are some of the most often asked questions that financial statement users (managers) must be aware of in order to properly build a plan that will allow their firm to continue growing and developing.

In fact, businesses that use these computer accounting tools strive to keep total computing costs as low as feasible. As a result, such programs can serve a variety of functions. The company's computer accounting system is crucial. Large, multinational corporations have massive computing resources and provide communication and data transfer all over the world, which means that accounting information systems or microcomputer accounting systems have become critical components in information processing in both large and small businesses.

Accounting information systems, in actuality, link accounting theory and practice to the design, implementation, and management of corporate operations. Such systems blend modern information technology with traditional accounting controls and processes to provide users with the information they need for quicker and safer business administration and decision-making. Accounting information systems comprise all business functions inside a firm, from transaction processing to financial managerial planning and other instruments for monitoring labor action dynamics. To begin, we may state that it starts at the operational level (production, purchasing, and sales), where such events are classified and summarized for internal use, but it also extends to financial reports and external financial reporting.

As a result, accounting systems for costs are utilized in production and customer service contexts, allowing managers to track expenses related to the manufacture of items, goods, and service performance. And the administration of these systems is utilized to make it easier for businesses to plan, monitor, and regulate their numerous activities.

Accounting information systems in businesses have an established and practical type of practice, Financial ideas prove their relevance and role, especially now in conditions of dynamic

rivalry and open market economies of global countries, where the movement and changes of assets, as well as liabilities and capital, revenue and spending, can be clearly observed. Managers' key involvement in developing a company's development plan is therefore confirmed through the evaluation of structured financial data.

## CONCLUSION

Having been carried away by all we discussed in the article, we will conclude by stating that: Statement Data and information are generated by information systems. Accounting data and financial data are the keys to unlocking and resolving the difficulties and uncertainties that arise in businesses. Accounting (accountants) is the foundation for the collection, processing, and analysis of meaningful data. The financial statements offer a transparent window into the status of operations of businesses. Financial statement users (decision-makers) obtain a realistic notion and so construct a vision of how to create plans and make decisions from them. The analysis of financial statements is used to interpret financial data in order to properly comprehend the condition they provide for the firm. Financial statements play a critical part in the creation of a company's development plan by its executives. These are the last points we mentioned in the article, however, regardless of the opportunities provided by the accounting information system, they should be used in conjunction with other elements affecting the company's operations. As a result, one must evaluate the economy as a whole, the industrial climate, and other effects. Also, macroeconomic issues such as inflation, unemployment, interest rate changes, demographic trends, and so on must be considered. All of this, when compiled and studied, gives the most straightforward approach to dealing with new situations, as well as the key to solving problems and making sound judgments regarding a company's future growth and development.

## Reference

1. P. Horngren, Sundem, Elliott, "Introduction to Financial Accounting," 9th ed. New Jersey, USA: Prentice Hall, 2006.
2. A. Needles, Powers, Mills, Principles of Accounting, 7th ed. IAE, Boston, USA, 1999.
3. F. Warren, Reeve, Financial & Managerial Accounting, 5th ed. ITP, Cincinnati, USA, 1997.
4. H. Block, Foundation of Financial Management, 12th ed. MGH, New York, USA, 2008.
5. M. Hermanson, Edwards, Accounting – a business perspective, 7th ed. MGH, USA, 1998.
6. Z. I. . Zdravkoski Z., Accounting – study and practice. EFP, Prilep, Republic of Macedonia, 2004.