

# THE RELATIONSHIP OF MANAGEMENT ACCOUNTING SYSTEM WITH CHANGE IN MARKET COMPETITION AND ADVANCED TECHNOLOGY

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## Abstract

*The basic purpose of this paper is to find the relationship of management accounting system with change in market competition and advanced technology. A primary survey was conducted from Nepalese public and listed organizations. Using descriptive and inferential statistic tools, this paper has reached the conclusion that the change level of management accounting systems was consistently higher in the listed company rather than public enterprises and found that management accounting system is important determining factors for the decision-making process. Results have indicated that change in management accounting system is significantly correlated with technology change. It is also found that there is significant relationship between decision-making process with management accounting system. Finally, finding illustrated that change in intensify market competition and technology are significant variables which affect change in management accounting system in the Nepalese organizations. Hence, this study can provide a useful guideline to the managers to make decision for the current changing business environment in Nepal.*

**Key-words:** Management accounting system, decision-making process, intensify market competition, advanced technology.

## Background

Today, business firms are exposed to more volatile, uncertain and complex environment than ever before. The worldwide political, social, cultural and economic transformations, and regulatory changes are quickly taking place because of growing globalization. In this connection Thompson, Strickland & Gamble (2009) have stated that implementation of management accounting system provides an organization with a justifiable competitive advantage over its competitors. Hence, management accounting system ought to be of huge value to the board of directors in formulating and controlling the strategy of business organizations.

## Management Accounting System

The literature of management accounting system proposes that the environment in which management accounting system is practiced certainly appears to have changed with advanced in information technology, highly competitive environments, economic recession, new management strategies, and a new focus on quality and customer services (Hussain & Hoque, 2002). The theory of management accounting system suggests that if organizations implement a management accounting system that suit their organizational and



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