

# Problems and coping strategies in accounting under the economic system reform

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**Abstract:** *With the economic development and social progress, the reform of China's market economic system continues to deepen, a large number of small and medium-sized enterprises have emerged, but many of them are small in overall size and volume, and the technical level is relatively weak and external factors will impact on its development. The accounting of the enterprise is in charge of the funds related to the production and operation of the enterprise, the economic decisions made by the enterprise and the management program to provide data support, but also has the role of supervising the enterprise's income and expenditure of funds, so in the small and medium-sized enterprises in the accounting of the accounting problems, if not dealt with in a timely manner will become more and more serious. Based on this, this paper mainly focuses on the problems in enterprise accounting and the reasons for these problems are analyzed, and at the end of the attempt to put forward a solution strategy, in order to provide experience for the real practice of accounting reference.*

**Keywords:** *economic system reform; accounting; problems and countermeasures*

## 1. Introduction

The reform of China's economic system is distinctly practice-oriented, problem-oriented and development-oriented. On the new journey, China's economic practice presents a series of characteristic facts: the target orientation has changed from growth-oriented to development-oriented, the development mode has changed from catching up to innovation-driven, the external environment has changed from relatively loose to increasingly complex, and the key work has changed from total expansion to structural optimization. Further deepening the economic system reform has significant practical value <sup>[1]</sup>. Accounting is an important issue in the economic system reform, and it is also an issue that we must deal with to adhere to and improve the socialist market economic system, so solving the problem of accounting is an important means to comprehensively promote the general process of economic system reform<sup>[2]</sup>.

## 2. The necessity of strengthening accounting under the reform of economic system

### 2.1 The need to improve the quality of accounting information

With the continuous development of the global economy and the complexity and change of the business environment, enterprises to strengthen accounting to improve the quality of accounting information has become an urgent need, high-quality accounting information is not only an important basis for decision-making by the management of the enterprise, but also investors, creditors and other stakeholders to assess the financial position of the enterprise and the operating performance of the important reference basis <sup>[3]</sup>. Strengthening accounting helps to improve the accuracy, timeliness and reliability of accounting information, and ensure that corporate financial information is truly reflected. On the one hand, high-quality accounting information can help to improve the quality of enterprise decision-making, through accurate and comprehensive financial information, enterprise management can better assess the enterprise's financial position and business performance, and make more scientific and reasonable decisions, including investment decisions, financing decisions, cost control, etc.. On the other hand, high-quality accounting information can enhance the credibility and reputation of the enterprise. By providing high-quality accounting information, it can establish a good corporate image, win the trust and support of investors and stakeholders, and by accurately grasping the enterprise's financial condition and operational performance, it can formulate competitive strategies to cope with the challenges and

opportunities in the market and enhance the enterprise's market position and competitive advantages.

### ***2.2 Form a systematic management mode***

The systematic data management mode can integrate various types of data information, build a comprehensive and accurate data platform, and realize effective management and application of various financial data within the enterprise. Enterprises through the establishment of a systematic data management model can effectively collect and store the financial data to ensure the integrity and reliability of the data. Systematic data management model can promote the automated processing and analysis of enterprise data, improve the efficiency of data processing, reduce the occurrence of human error, improve the accuracy and speed of data processing again, to achieve comprehensive sharing of data and collaborative management, improve the efficiency of communication and collaboration between departments, and promote the organic integration of various businesses within the enterprise and coordinated development. Systematic data management model can also help enterprises to build a comprehensive data security system, strengthen the security management of data and risk control, to prevent data leakage and the occurrence of information security incidents.

### ***2.3 Meet the need to streamline processes***

Enterprises can streamline internal management processes, improve management efficiency and realize rational allocation and utilization of resources by establishing an efficient accounting system. By establishing an efficient accounting system, enterprises can reduce internal management costs and time costs, improve the efficiency and flexibility of enterprise operations. By optimizing the accounting process, enterprises can effectively simplify the process of preparing and reviewing financial statements, reduce redundant links, save human resources, and improve the efficiency and accuracy of financial management. By establishing an efficient accounting system, enterprises can strengthen their internal control and risk management. By optimizing the accounting process and establishing a perfect internal control system, enterprises can improve their ability to monitor and manage financial and business risks, reduce the loopholes and hidden dangers of internal management, and improve their risk response and risk resistance. By establishing an efficient accounting system, enterprises can also improve their decision-making efficiency and flexibility. By optimizing the accounting process, they can quickly obtain accurate financial information and data analysis reports to provide timely and accurate decision-making support for the management of the enterprise, help the enterprise to grasp the market opportunities, cope with the challenges of the market, and enhance the enterprise's resilience and competitiveness.

## **3. The main problems in the accounting of enterprises**

### ***3.1 Accounting is not enough attention***

Accounting as the basis of business management and important means, in reality, sometimes do not get enough attention, which is mainly due to a variety of reasons. Part of the enterprise in the pursuit of short-term economic interests in the process of neglecting the importance of long-term sound development, the accounting of the investment and attention is not enough. The management of some enterprises has insufficient knowledge of the importance of accounting and fails to realize the important role of accounting for enterprise decision-making, management and risk control, and pays insufficient attention to the input and management of accounting. The current enterprise management system pays attention to short-term benefits and neglects long-term development, which leads to insufficient attention to enterprise accounting, and cannot play a more important role in enterprise strategic planning and development.

### ***3.2 Accounting system needs to be improved***

Part of the enterprise accounting system design is insufficient, failed to match the actual situation of the enterprise, resulting in the implementation of accounting efficiency and accuracy is not high. Some enterprises in the construction of accounting system deficiencies, accounting standards and policies do not understand deeply enough, resulting in the standardization of enterprise accounting system is not high, the authenticity and reliability of financial information is difficult to get effective protection. Part of the enterprise lacks advanced accounting technology and information management means, in actual operation, the information processing and management capacity of the accounting system is limited,

unable to meet the needs of the development of enterprise information.

**3.3 Insufficient internal control supervision of quick accounting**

Some enterprises lack perfect internal control mechanisms and management systems, resulting in management loopholes and risk hazards in the accounting process, making it difficult to effectively carry out internal control supervision. Some enterprises have insufficient awareness and training on internal control and lack of full understanding of the importance of internal control, which leads to insufficient attention to internal control supervision in the actual operation process and ineffective implementation of supervision measures.

**3.4 Comprehensive quality of financial personnel is not enough**

Part of the enterprise's financial personnel in the professional knowledge and skills deficiencies, failed to keep up with the latest trends and requirements of industry development, professionalism and practical work needs out of touch, affecting the quality and efficiency of financial work. Some of the financial personnel of enterprises have deficiencies in coping with complex problems and risk management, lack sufficient adaptability and risk awareness, and perform poorly in coping with emergencies and risk challenges, which affects the soundness and sustainability of the enterprise's financial management.

**4. Optimization Strategies of Accounting under the Reform of Economic System**

For the problems in enterprise accounting analyzed above, this paper puts forward a targeted solution strategy, whose correspondence is shown in Figure 1 below:

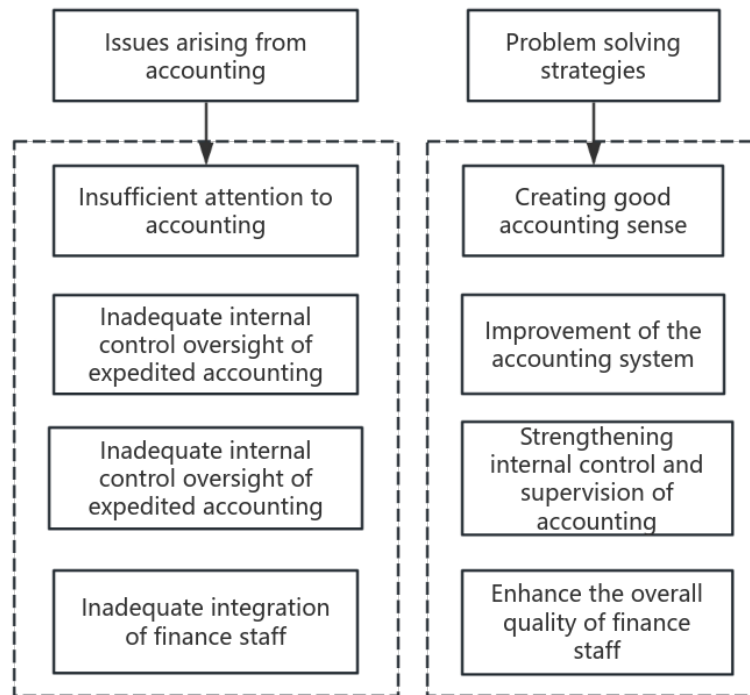


Figure 1: Problems in Accounting and Solution Strategies Corresponding Chart

**4.1 Establish good accounting awareness**

Good accounting awareness helps enterprises strengthen their financial management so that they can timely and accurately grasp the financial status and operation of the enterprise and improve their ability to identify and prevent financial and operational risks. On the one hand, enterprises should clearly formulate applicable accounting standards, including International Financial Reporting Standards (IFRS) or National Financial Reporting Standards, to ensure the accuracy and comparability of financial

statements, and formulate standardized accounting processes, including the establishment of a timetable for financial reporting, a process for the collection and processing of accounting data, provisions for the disclosure of financial information, and standards for internal control [4]. On the other hand, enterprises should establish clear internal control policies and processes, clarify the responsibilities and authorities of each department and position, and develop strict financial control standards and processes to ensure the accuracy and completeness of accounting data. Enterprises should establish an internal audit mechanism, conduct regular audits and inspections of financial processes and data, identify potential problems and risks and take timely measures to correct and improve<sup>[6]</sup>. Enterprises also need to establish a risk management mechanism to assess and control possible financial risks and develop corresponding risk prevention measures to reduce the impact of financial risks on the enterprise.

#### ***4.2 Improve accounting system***

Enterprises should formulate clear financial management policies and procedures, clarify the processes and standards of financial activities, ensure that all financial activities are in line with laws and regulations and internal regulations, establish a financial supervisory organization or committee responsible for supervising and reviewing financial activities, ensure the authenticity and accuracy of financial data, clarify the approval authority and procedures of financial operations, and strictly control the expenditures of financial activities, so as to prevent the misuse of funds and resources. Enterprises should assess their own needs, choose suitable financial management software and information systems to meet the needs of enterprise financial management and report analysis, establish digital financial data processing processes including: data acquisition, storage, processing and analysis, to ensure the automation and digital processing of financial data, reduce human error and operational risk, establish data security and protection mechanisms<sup>[5]</sup>.

#### ***4.3 Strengthen the internal control supervision of accounting***

Internal control supervision can help enterprises find potential financial risks and internal control loopholes, and enterprises can take timely measures to correct them, ensure the accuracy and reliability of financial data, prevent the occurrence of financial counterfeiting and irregularities, and safeguard the financial security and stable operation of enterprises. Enterprises should formulate clear financial management policies and procedures, clarify the operational processes and standards of financial activities, ensure that financial activities are in line with laws and regulations and internal regulations, clarify the division of responsibilities and scope of authority of each department and position, prevent conflicts of authority and overstepping of authority between departments, establish an approval system, standardize the approval process and authority requirements for financial operations, strictly control the expenditure of financial activities, and prevent the misuse of funds and resources. Enterprises should also establish a systematic risk identification mechanism, including the establishment of a risk identification team or committee responsible for the comprehensive and systematic identification and assessment of all types of risks that may have an impact on financial information, formulate corresponding risk assessment standards and assessment models for different types of risks, scientifically assess the probability of the risk and the degree of impact, and determine the priority of the risk and the order of priorities for treatment, so as to provide a scientific basis for the development of risk response measures. Enterprises should set up a professional internal audit team to formulate internal audit plans and work programs, regularly conduct comprehensive audits and supervision of financial activities to identify potential problems and loopholes, establish strict internal audit standards and processes, and clarify the scope and focus of the internal audit to ensure that the audit is comprehensive and in-depth, and to improve the relevance and effectiveness of the audit to establish an internal audit report system, and to organize and summarize the audit results and make recommendations for improvement in a timely manner<sup>[7]</sup>.

### **5. Conclusion**

This paper discusses and analyzes the existing problems and coping strategies in the accounting of enterprises in the new era, and puts forward a number of specific strategies and methods, aiming to help enterprises effectively respond to and improve the quality and level of accounting. Enterprises need to flexibly apply different strategies and methods according to their own characteristics and development stages, gradually improve the accounting system, enhance the level of internal control and supervision, and improve the comprehensive quality of financial personnel in order to cope with the ever-changing external environment and market competition. Through continuous efforts, enterprises will be able to

better cope with the existing problems, improve the quality and effectiveness of accounting, and inject new vitality and power into the sustainable development of enterprises.

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