

MANAGEMENT ACCOUNTING RESPONSIBILITY AND FIRM VALUE

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ABSTRACT

In the modern world of business, management accounting constantly faces ethical dilemmas and globalization is affecting management accounting concepts, techniques and practices. Therefore, an organization needs to adopt a more realistic approach and have responsibility in management accounting. This paper is to integrate the concept of management accounting practices and responsibility for which the objective is to suggest and discuss a conceptual model of management accounting responsibility. Moreover, this paper also has the objective to suggest the relationship between management accounting responsibility and firm value. Management accounting responsibility consists of six dimensions: cost management concern, budgetary preparation trustworthiness, performance evaluation transparency, environmental management accountability, quality control concentration, and strategy linkage obligation. The consequences of management accounting responsibility consist of information reliability, corporate reputation, stakeholder credibility, and business competitiveness. The stewardship theory was used to develop the conceptual model of management accounting responsibility and firm value. Theoretical, managerial contributions and future direction for research are presented. The conclusion is discussed in the last section.

Keywords: *Management Accounting Responsibility, Cost Management Concern, Budgetary Preparation Trustworthiness, Performance Evaluation Transparency, Environmental Management Accountability, Quality Control Concentration, Strategy Linkage Obligation, Information Reliability, Corporate Reputation, Stakeholder Credibility, Business Competitiveness, Firm Value*