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### Management Reporting System in Manufacturing Enterprises

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#### Abstract

Accounting reports are reporting systems that reflect the operating results of an enterprise in a period. Accounting reports include financial accounting reports and management accounting reports. Management accounting reports play an important role, providing information for managers to make decisions. Administrators use financial accounting reports to have a general assessment of the financial situation of the business, however, to manage daily operations and make business management decisions, administrators need to Management reporting in businesses. The article presents management reports, including reports

on the performance of each product, reports on the performance of each customer, and reports on the performance of each branch. At the same time, the article presents the current status of management reporting of animal feed processing enterprises and offers solutions to improve the management reporting system of enterprises, including templates and instructions on how to prepare. of various types of department reports, to evaluate the performance of departments and make appropriate management decisions.

**Keywords:** Management Report, Operations Report, Performance Report of Each Product, Performance Report of Each Customer, Performance Report of Each Branch

#### 1. Theoretical Basis

The reporting system in an enterprise includes financial accounting reports and management accounting reports. Financial accounting reports include balance sheets, Statement of income, Cash flow statement, and financial statement notes. The financial accounting reporting system is mandatory reports, the method and content of financial accounting reports must comply with accounting standards and regimes. In contrast to financial reports are management accounting reports. Management accounting reports are prepared to support administrators in making decisions and managing businesses. At businesses, management reports are not mandatory. To manage a business, administrators need information about each department in the business. The reporting system of responsibility centers is called the department reporting system, which includes the estimate reporting system, performance reporting system and analysis reporting system. The department reporting system will be designed from low level to high level according to the multi-layer principle. Managers of each department, through reports, will orient the operations of their departments more effectively. Businesses can be divided into responsibility centers with specific metrics for each type of center. The application of responsibility centers, especially cost centers, plays an important role in corporate governance in general and cost management in particular, contributing to management, monitoring and improving efficiency. cost efficiency, revenue and increase profits for businesses. Responsibility accounting is important for improving the performance of departments and the entire enterprise. Senior managers need to link the interests of each department with the common interests of the entire enterprise to limit negative effects and enhance the effectiveness of responsibility accounting in corporate governance.

In a business, business departments can be a product, a line, a branch or an activity that the administrator needs to know about costs, revenue, profits... Effective analysis Activities are carried out through departmental reporting. Segment reports, also known as segment business results reports, are reports of responsibility centers to reflect the revenue, costs and results of each department, providing information for managers. to make appropriate decisions. Segment reports are often prepared by classifying costs according to the level of activity, that is, costs are divided into variable costs and fixed costs, in which fixed costs are divided into direct costs and general costs. Direct costs are fixed costs that can be directly identified to a specific department and that arise due to the existence of that department. General fixed costs are fixed costs that cannot be directly determined for a specific department and arise to serve all activities of the business. The difference between contributed profit

and departmental fixed costs is departmental profit, reflecting the department's contribution to the overall profit of the enterprise. Departmental profit after deducting fixed costs will calculate net profit. Normally, to evaluate departmental results, businesses do not allocate common fixed costs to each department, but in some special cases, businesses can allocate common fixed costs to each department but need to Pay attention to choosing appropriate general cost allocation criteria to ensure that departmental profits accurately reflect the results achieved by that department.

Departmental reporting is important in businesses organized according to a decentralized model. Segment reporting is a form of expression of responsibility centers, especially investment responsibility centers, which are centers where administrators are responsible for both profits and investment capital used in the department. that part. Department reports help department managers evaluate the performance of the departments they manage through department profit and net profit targets, thereby taking management measures to bring bring greater efficiency to the department and to the entire enterprise.

## 2. Research Methods

Data collection methods, articles collect data from secondary data sources such as articles, textbooks and documents of manufacturing companies on making management reports, collecting reports Management of animal feed processing enterprises. With primary data, the article collects data through statistics and surveys on the preparation and analysis of departmental reports in businesses. The article analyzes, synthesizes, evaluates and compares to present the current status of corporate management reporting.

## 3. Actual Situation

The financial accounting reporting system of animal feed processing enterprises has been implemented fully and in accordance with regulations. Financial accounting reports are made to provide information to information users outside the business. For management accounting reports, animal feed processing enterprises have prepared cost reports according to the entire method to analyze price fluctuations and perform analysis of price fluctuations. according to each cost element.

RURAL TECHNOLOGY DEVELOPMENT JOINT STOCK COMPANY							
PRODUCT PRICE TABLE							
Product code	Product name	Quantity (Package)	Expense			Price	Cost of 1 unit of product (Package)
			Direct raw materials cost	Direct labor cost	General operation cost		
AB52	Amount of meat (25kg)	20,000	1,765,026,454	10,280,840	1,428,912,514	3,204,219,809	160,211
B52V.05	High quality pork meat (5kg)	1,520	42,833,030	6,511,680	1,331,263	50,675,973	33,339
B52V.20	High quality meat (20kg)	1,400	157,805,900	23,990,400	4,904,653	186,700,953	133,358
B52V.25	High quality pork meat (25kg)	1,152	162,314,640	24,675,840	5,044,786	192,035,266	166,697
C12.25	Mixed pellets for fish with scales from 20-200g (25kg)	320	48,520,300	8,663,200	1,771,125	58,954,625	184,233
C13.25	Mixed pellets for fish with scales from 200-500g (25kg)	650	98,258,020	17,597,125	3,597,597	119,452,742	183,773
.....	.....						
	<b>Total:</b>	<b>402,324</b>	<b>24,524,145,369</b>	<b>3,886,092,857</b>	<b>794,481,793</b>	<b>29,204,720,019</b>	

Fig 1: Product price table of RTD company

Vimark Company Limited							
PRODUCT PRICE TABLE							
No.	Product code	Direct raw materials cost	Direct labor cost	General operation cost	Total cost	Quantity (kg)	Cost of 1 unit of product (Kg)
1	M555	1,258,368,852	7,734,502	37,761,915	1,303,865,268	120,000	10,866
2	M557	38,264,115	257,817	1,258,730	39,780,662	4,000	9,945
3	M559	42,235,335	257,817	1,258,730	43,751,882	4,000	10,938
4	N189	630,256,578	8,636,861	42,167,471	681,060,910	134,000	5,083
5	N85	602,586,125	5,285,243	25,803,975	633,675,343	82,000	7,728
6	N88	689,874,562	4,640,701	22,657,149	717,172,412	72,000	9,961
7	G72	334,809,385	3,222,709	15,734,131	353,766,225	50,000	7,075
8	G71	199,391,338	1,933,626	9,440,479	210,765,442	30,000	7,026
9	G75	36,685,698	386,725	1,888,096	38,960,519	6,000	6,493
ten	N84	53,681,125	515,633	2,517,461	56,714,219	8,000	7,089
11	M521	42,542,688	257,817	1,258,730	44,059,235	4,000	11,015
	.....						
	.....						
	.....						
	<b>Total:</b>	<b>6,245,725,254</b>	<b>47,863,871</b>	<b>233,684,265</b>	<b>6,527,273,390</b>	<b>602,000</b>	

Fig 2: Product price table of Vimark Company

Animal feed processing enterprises have only focused on establishing a financial accounting reporting system. Management accounting reports such as department reports and business performance reports for each department have not been compiled. build. Thus, the management accounting reporting system has not been fully built. Therefore, cost reports and business results reports of financial accounting do not provide useful information for effective business management.

**4. Solution**

Based on the theoretical research and current situation of management reporting, the article recommends that animal feed processing enterprises need to build a reporting system to serve strengthening cost management in their businesses. animal feed processing enterprise. The reporting system includes a system for reporting business results by each product type, by each customer, and by each branch.

**Report business results by each product type. Animal feed processing** enterprises need to prepare business results reports for each type of product to determine the costs, revenue and profits of each product. Thereby, businesses can identify profitable products and unprofitable products to take measures to improve production and business results.

The business results report of each product is prepared on the basis of revenue of each product, direct costs of each product, including direct variable costs and direct fixed costs. The difference between revenue and direct costs will result in the product's profit. Product profit reflects the contribution of a specific product to the overall results of the business without taking into account other general costs. Product profit after deducting the general fixed costs of the product will calculate the target profit before tax and interest of each product. Compare the profits of different products, the product with higher product profits will be better and vice versa. Business results reports for each type of product need to be recorded for actual costs incurred during the period. This report also needs to be prepared according to estimated data to serve as a basis for comparison with actual implementation. The actual business results report of each type of product arising will be compared with the business report of each actual product type of the previous period and the business results report of each type of product according to the estimate of the Company. This period, to calculate the difference, large differences need to be focused on the attention of administrators to improve the situation. Good differences need to be promoted and replicated, on the contrary, bad differences need to be limited and eliminated.

REPORT BUSINESS RESULTS BY EACH PRODUCT						
Month (Quarter): .....						
Targets	Product A			Product B.....		
	1 unit of product	%	Total	1 unit of product	%	Total
<b>1. Revenue</b>						
<b>2. Variable costs</b>						
a. Direct raw materials cost						
b. Direct labor costs						
c. Fixed manufacturing overhead costs						
Product sales commission						
.....						
<b>3. Contribution profit</b>						
<b>4. Direct fixed costs</b>						
Direct fixed costs of the product						
Product research and development costs						
Production franchise costs						
.....						
<b>5. Product profit</b>						
<b>6. Allocation of fixed overhead costs of products</b>						
<b>7. Profit before tax and interest of the product</b>						

Fig 3: Report business results by each product

**Report business results for each customer.** Animal feed processing enterprises prepare business results reports for each customer. The business results report of each customer is prepared on the basis of each customer's sales revenue with the cost price of finished products consumed and other direct costs of each customer. Other direct costs of each customer include salary costs of staff, the department in charge of that customer, commissions of each customer and other direct costs for each customer... Difference between revenue with the cost price and other direct costs of the customer being the customer's profit without taking into account the general fixed costs allocated to the customer. Customer profit after deducting the customer's general fixed costs will calculate the target profit before tax and interest for each customer. Customers with greater profits will bring more profits to the business. From there, businesses have specific policies for each customer, with promotions, discounts, and incentives for each specific customer.

REPORT BUSINESS RESULTS FOR EACH CUSTOMER		
Month (Quarter): .....		
Targets	Value	%
<b>1. Revenue</b>		
<b>2. Cost price</b>		
a. Direct raw materials cost		
b. Direct labor costs		
c. General production costs		
.....		
<b>3. Gross profit</b>		
<b>4. Other direct costs of customers</b>		
a. Salary costs and salary-based payments of officers and customer-in-charge departments.		
b. Commission of each customer		
c. Other costs are reserved for customers		
.....		
<b>5. Customer profit</b>		
<b>6. Allocation of common fixed costs to customers</b>		
<b>7. Profit before tax and interest of customers</b>		

Fig 4: Report business results for each customer

**Report business results by each sales branch.** Animal feed processing enterprises often divide the product consumption market into branches by region, North, Central and South or by administrative boundaries. To evaluate the performance of each branch, animal feed processing enterprises should prepare a Business Results Report of each consuming branch. The business results report of the sales branch is determined on the basis of the branch's sales revenue with the cost price of the product and other direct costs of the branch... Business results report of the branch reflects the profit each branch contributes to the overall profit of the enterprise without taking into account the general costs of the branches. Branch profit after deducting general fixed costs allocated to the branch will calculate the profit before tax and interest target of each branch. Branches with higher profits will operate more efficiently. The branch's business results report is also prepared as a basis for comparison, analysis with estimates and comparison with previous period's reality.

REPORT BUSINESS RESULTS BY EACH SALES BRANCH		
Month (Quarter): .....		
Targets	Value	%
<b>1. Revenue</b>		
<b>2. Cost of goods sold</b>		
a. Direct raw materials cost		
b. Direct labor costs		
c. Fixed manufacturing overhead costs		
.....		
<b>3. Gross profit</b>		
<b>4. Direct operating costs of the branch</b>		
a. Expenses of branch management staff		
b. Sales commission costs for affiliates		
c. Other direct costs of the branch		
.....		
<b>5. Branch profits</b>		
<b>6. Allocating indirect costs of branches</b>		
<b>7. Profit before tax and interest of the branch</b>		

Fig 5: Report business results by each sales branch

**5. Conclusion**

Reporting on business results of products, customers, and branches is the basis for evaluating the performance of the management department of each product, each customer, and each branch. Each product, each customer, and each branch will be considered a part of the enterprise, which needs to be evaluated on the use of costs and revenue, for the purpose of determining the operating efficiency of the departments., and at the same time have a basis to reward or reprimand managers of that department, to learn from experience for better operations in the following periods. However, it should be noted that the officer in charge of that department is only responsible for the costs and revenue that that department can control, the director in charge of the branch is only responsible for the costs and revenue that the department can control. That director has control over salary costs and salary deductions of the branch and other expenses incurred at the branch, but the branch director will not be responsible for cost prices and sales expenses., general business management costs allocated to branches. Recognizing that, businesses will have a basis to evaluate the performance of each product, each branch, each customer or the entire enterprise.

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