Week 6

Name of the Student

Name of the University

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**Sustainable Innovation, Management Accounting and Control Systems, and International Performance**

**Overview**

This article analyses how changes in management accounting and control systems can lead to acquiring innovation in sustainability in any organization. This article further analyses how the ever-changing role of management accounting and control systems affects the relationship the performance of organizations on the international level and innovation in sustainability. This article found that the international performance of organizations is increased by new and innovated types of management accounting and control systems rather than through old and dogmatic versions of them. Lastly, through management accounting systems monitoring of organization activities is relatively easier and promotes sustainable innovation (Lopez-Valeiras, et al, 2015).

**Critique**

Management accounting and control systems are great tools for promoting efficiency in an organization. By keeping a check on how the management is performing in different areas of the organization and by compiling said data, the owners of organizations can figure out where there is a lack of managerial capability. Through management accounting and control systems, sustainable innovation, not only in managerial capability but also in accounting methods, can be implemented implementation. This is very vital for any domestic and internationally operating organization to increase performance within the company which will eventually affect performance externally.

**The innovation of Management Accounting Practices and Techniques**

**Overview**

This article attempts to research the variety of new management accounting methods and their implementation in different companies. This article further looks at how these management techniques are used to bring about innovation and development in the daily workings of companies. To understand this thoroughly, the article focuses on how management accounting techniques that have been used in the past and in the modern era. This is done by reviewing the literature related to them and then finding out how these techniques are implemented in practice. In the end, the article discusses the relationship between innovations in management accounting and organizational fulfillment (Askarany, 2015).

**Critique**

The article looks at the relationship between new and improved management accounting methods and how they boost innovation in different companies. Implementing such management accounting methods will increase productivity in the company by focusing on managerial activity and how it can be improved. But the fact is that total reliance on just management accounting methods to bring about innovation would only lead to a loss in the quality of the workforce already available to the company. Over-reliance on numbers leaves a company to open to negligence towards retaining qualified employees that could have done better if their skills were properly used in the first place.

**FINANCIAL INNOVATIONS AND THEIR ROLE IN THE MODERN FINANCIAL SYSTEM – IDENTIFICATION AND SYSTEMATIZATION OF THE PROBLEM**

**Overview**

This piece of research revolves around how innovation in finance and accounting is an important part of the modern financial system. This paper further analyses the importance of innovation in finance and accounting by looking at and collecting the central issues and complications that are related to the issue stated above. By focusing mainly on innovation, this article describes the meaning and importance of financial markets and the financial system in place. Then a system is created in this work to analyze the important financial innovations and they are based on a certain criterion (Blach, 2011).

**Critique**

Innovation in finance and accounting is imperative for the development of the financial system and the efficient working of the financial markets. Times are changing fast causing the rise of new and varied complications within the finance and accounting framework. To address these complications, innovation is imperative in the accounting and financial framework. But the fact is there are different types of financial innovations that can occur, ones driven by different sources, motives, effects, and functions. So it is vital to have an understanding of the different variances involved in innovation regarding finance.

**Opportunities for Innovation with Intelligent Technologies for the Financial and Accounting Software**

**Overview**

This article describes how the presence of instability in the financial markets and high competition is the new normal for the current business environment. This is the same for a company of any size and area of expertise. This paper analyses that because of the current conditions every company is interested in examining its financial performance in order to identify future threats and the standing of the company. This is further used to develop strategies for the future. The piece of research further illustrates the opportunities for innovation in finance and accounting through the use of software that is doing financial and comparative analysis (Andone & Pavaloaia, 2013).

**Critique**

The thing with this type of research is that it’s mostly focused on complications that arise due to changes based on technology in the organization and in the social setting. This research has shown the benefits that technological innovation can have for accounting and finance and how useful accounting information can be. Such as hybrid intelligent systems that have the ability to come several technologies to minimize the deficiencies present in its different base components. The problem that can emerge is the implementation of such a system would require successful integration of components of the financial accounting system from different vendors.

**Accounting-based valuation of innovation: challenges and perspectives**

**Overview**

This article is a research on the literature behind the valuation of innovation regarding areas involving modern as well as traditional accounting. Innovation is characterized as intangible assets which are value-creating entities rather than having any monetary value. This makes them liable to not be recognized properly as intangible assets. Because they do not live up to the strict standards set by traditional accounting, innovations are not recognized as intangible assets but expenses. According to the research done in this paper the only way that can be used to account for the value creation by innovation is through innovative accounting such as integrated reporting (Dainiene & Dagiliene, 2014).

**Critique**

Valuation of innovation is very important for the survival of the company in the long term. Innovation is considered as an intangible asset because it is a method for value creation for a company. This also generates a form of stable economic growth for the company. Now the traditional accounting system cannot account for the importance of value creation so it records innovation as an expense rather than an intangible asset. This makes it less important for companies that are currently operating in this financially unstable and competitive business environment.

**References**

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