The Role of Accounting Information in Business Forecasting and Budgetary Practices
A Case Study of Awasr Oman Company

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Abstract

Accounting information has for ages been used by business forecasting teams in the various organizational or business settings. It has been given priority in playing a role in business forecast and budgetary practices among companies and organizations. The research was carried out at Awasr Company where its role was surveyed from the company staff. Business forecasting and budgetary practices are ways that organizations or companies make use of historical data to estimate future performances. The historical information has to be obtained from a business or organization's accounting information. The information when analysed from past years, it forms a possible expectation for future performances by using it in forecasting and budgeting for estimated outcomes. Therefore, the research's objective was to analyse and determine the role of accounting information at Awasr Company in business forecasting and budgetary practice. Both quantitative and qualitative research methods were applied during the study in collecting and analysing information. The obtained results from 67 sampled participants indicated that accounting information plays a role in business forecast and budgetary practices by 56.7% and 79.1% respectively. However, 55.2% of the participants could raise issues that accounting information is historical hence unreliable for future results. In finalizing the research, the given recommendations for a better use of accounting information within organizations, companies, and businesses were tracking of everything, using flexible budgets and forecasts, sticking to company plans, involving an entire team in a company, and including set profit and cash flow goals.

Keywords: Accounting Information, Business Forecast, Budgetary Practices, Profit, Cashflow

Introduction

Background of the Study

Accounting information is used to putting all details about a business entity that can be used in making financial decisions. Financial decisions can be in the form of forecasts of future results such as sales revenues. Apart from forecasting future performance of a business, the preparation of budget greatly relies upon the strength of the accounting information. Positive accounting information will always have to allow managers to make decisions that can be feasible and achievable based on present and past performances of a business (Rikhardsson & Yigitbasioglu, 2018). Accounting information of businesses involve the collection, storage, and processing of transactions' details in a designed accounting system that can help in generating analyses for decision-making. The accounting information plays a major role in business forecasting and budgetary practices where all and major business activities rely. Awasr Company is an example of a business that uses accounting information in making business forecasts and budgetary practices which greatly rely on accounting information. The role of the information from accounting will be studied from the manner Awasr Company uses the information when forecasting and budgeting for its operations. Awasr Company is a private company founded in 2016 in Oman, offering fiber-optic network services to help upload vast amounts of data and connect multiple devices to enable businesses to experience a faster network connection (Awasr Company, (n.d.). The company is selected as the case study as it makes decisions through forecasting and budgetary planning based on prepared accounting information.

Statement of the Research Problem

Assumingly, businesses make decisions and forecast performances without analysing accounting information which can give estimate views of future expectations (Islam et al., 2017). Instead of using historical data that can offer actual examples on how certain conditions or situations in businesses were applied during the period, a majority of business managers use theories and other assumptions from market trends and fail to use specific business data (Taipaleenmäki, 2017). The shift from accounting information to theories and assumptions create a sense that requires to analyse the role played by accounting information in making business forecasts and budgetary practices. All resources (assets and liabilities) within a business are listed in accounting information which forms a better base for forecasts and budget preparation (Uyar et

al., 2017). The problem of failing to understand and link accounting information with forecasting and budgeting is the reason for the study to make businesses understand the role of accounting information.

Aim and Objectives of the Study

Aim of the Study

Business forecasting and budgetary practices are ways that organizations or companies make use of historical data to estimate future performances. The historical information has to be obtained from a business or organization's accounting information. The information when analysed from past years, it forms a possible expectation for future performances by using it in forecasting and budgeting for estimated outcomes. Therefore, the research aims to analyse and determine the role of accounting information at Awasr Company in business forecasting and budgetary practice.

Objectives of the Study

1. To determine and evaluate the significant functions of the accounting information in business forecasting of the company.
2. To identify and evaluate the significant functions by accounting information in the budgetary practice of the company.
3. To identify and evaluate issues encountered in using accounting information in business forecasting and budgetary practices.
4. To propose ways of improving business forecasting and budgetary practices using accounting information.

Research Questions

1. What are the significant functions of accounting information in business' forecasting process?
2. What are the significant functions of accounting information in the budgetary practices of the company?
3. What are the issues encountered in using accounting information in business forecasting and budgetary practices?
4. What are the ways that can be recommended to improve business forecasting and budgetary practices using accounting information?

Scope of the Study

The research will be carried out focusing on the manner Awasr Company uses accounting information in forecasting business results and budgeting activities. The sample size of the research will be conducting a survey on the management officers, accounting and finance officers, and other top executives of the company who have access to accounting information to aid in understanding its role in forecasting and budgeting (Henttu-Aho, 2016). Some of the available theories of accounting, forecasting, and budgeting will be applied to aid in coming up with well-structured roles played by accounting information within a business in terms of making forecasts and budgetary practices.

Significance of the Study

The research will be significant to the students and faculty as it will aid in the demonstration of learned theory in practice. The research will be a measure on how much a student has understood the concepts and its applicability in real life situations affecting businesses (Nyathi et al., 2018). On the other hand, the faculty will measure its efforts applied to students by gauging the quality of research and depth of information/details gathered to make succinct conclusions.

The study will be significant to the Oman society and community as it will form a basis for businesses in coming up with better ways of acknowledging accounting information when doing business forecasts and budgeting activities. Its better application by businesses will lift the Oman economy towards achieving growth and development within the country.

The project results will benefit the case study company as it will help Awasr Company understand the role played by the prepared accounting in having a hand in forecasting and budgetary practice of business (Huikku et al., 2017). The aid offered to Awasr Company can be applicable to other organizations, businesses, and companies within the same industry in adopting the use of accounting information in making of business forecasts and budgetary practices.

Apart from helping Awasr Company to understand the role of accounting information in business forecasting and budgetary practice, future research and studies will use the project report as literature material in preparing for the studies then. It will form a basis for the future use of accounting information within various settings for varied reasons (Rios et al., 2018). There are amendments in preparing and presenting accounting information that has to be made

known to businesses so that such information can be of great use when forecasting and budgetary planning.

Limitations of the Study

Business is a form of market competition that is always a secret to expose an internally applied strategy in carrying out business. Despite making public the annual reports of audited accounts, accounting information entails a lot of information that is used to prepare the financial annual reports that are published (Trigo et al., 2016). Accounting strategies are the core pillars of businesses and extracting or getting all information which is related to the company forecasts and budgetary practices can be difficult due to the sensitivity levels. Competitive advantage may be a major reason for obtaining such details to be challenging as every business fears competition and exposing internal strategies that aid in navigating the market (Collier, 2015). Therefore, a major limitation will be obtaining of accounting information, forecasting details, and budgetary practices applied by Awasr Company due to the fear of market competition.

Literature Review

Every entity in business ensures of keeping and maintaining of accounting information for various reasons. The main reasons for accounting information is to enable forecasting and budgeting practices within an entity. Businesses keep accounting information so they can track the revenues and expenses within the normal operations. Since business transactions are used in the helping company management in coming up with the best policies and decisions for the business, it requires that more of the information is supposed to be understood on its role in business forecasting and budgetary practice. When forecasting for business, it entails and requires that operations are observed more and when doing budgetary practice, it calls for revenues and expenses collection. It is a matter that needs to be understood in why accounting information is required when engaging in the most preferable activities within a company setting. The chapter will engage and require that a lot of planning is needed on how the accounting information is applied when forecasting operations and results. Also, expenses need to be allocated funds based on expected estimates of revenues from business operations. The role played by accounting information in business forecasting and budgetary practices will be reviewed from past research studies so that the current research can be understood on what to

base in gathering data for the state objectives for Awasr Company in using the accounting information.

Theoretical Framework
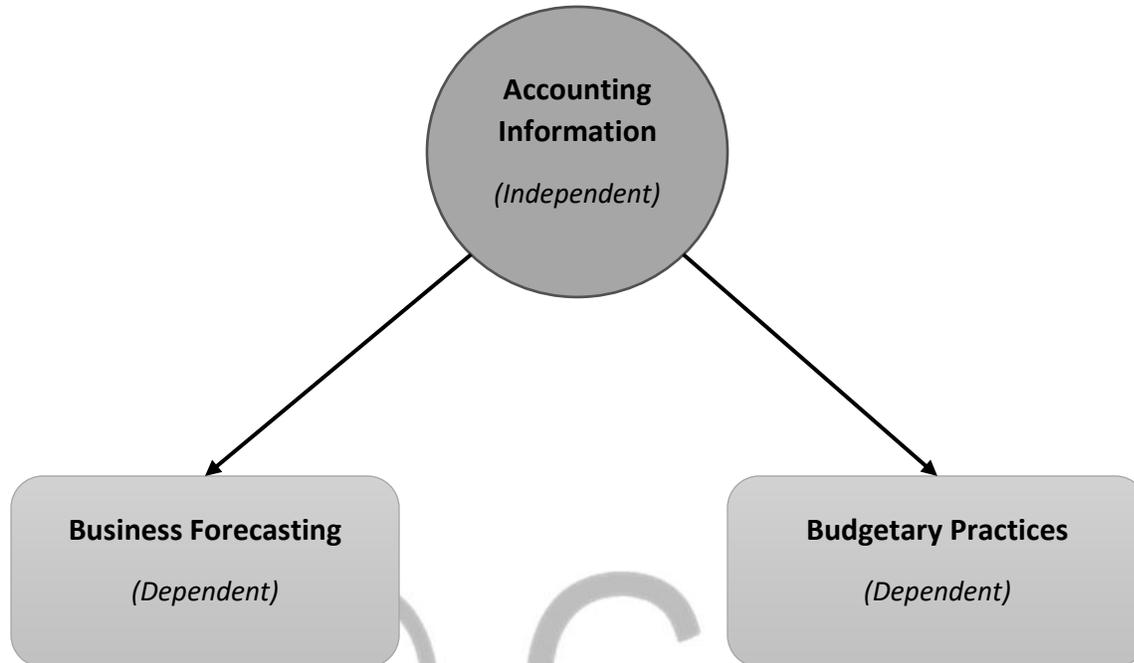
Figure 2 1: Theoretical Framework

When businesses forecast operations, they do so with a measure of the prepared accounts that relate to how they can handle the information presented in making decisions and allocating the resources in other sectors. The allocation and forecasting work hand-in-hand to ensure expectations are met and the observed measures are in place. Therefore, accounting information is independent while the other variables of business forecasting and budgetary practices are dependent on the kind of accounting information presented.

The Significant Functions of Accounting Information in Business Forecasting of the Company

Planning for the upcoming financial periods

McEwen and Hunton (2019) carried out research on the accuracy of forecasting in association with accounting information within various companies. The companies surveyed indicated that all of the forecasts are based on the prepared accounting information which can be analysed

backward (historically) and come up with what can be expected to take place in future. For example, managers said they base on past performances in the revenues amounts to estimate what a company can expect to earn or collect in a coming financial year. From the results obtained, the managers make plans on how to receive finances from operations based on what accounting details from past years indicate in the system (McEwen & Hunton, 2019). Since business seasons repeat themselves in almost every year unless an uncertainty or an unexpected occurrence takes place, the results from the past periods can be expected to take place with a margin of a calculated percentage in excess or deficit from such past average performances. Planning on the amount of revenues to be collected is measured using the prevailing conditions. Businesses are supposed to be prepared and plan their future operations using the already received results that have a measured and calculated results. An analysis of such [periods using the same strategies of operations should result in almost similar results with small differences that can be negative or positive.

Facilitates coordination and communication

Every activity within a company requires to be accounted for in terms of cost and realized revenues from its use or operation. According to Ogundajo (2019) in the research carried out, it was evident that accounting information helps in communicating and coordinating among the companies' management in coming up with the most appropriate decisions in the management of operations. While planning on how to forecast results to be expected in the financial periods to come, it was found out that a majority of the companies use accounting information in communicating details to the decision makers or other operators or staff within the company setting. The information contained in the reports from accountants communicate on the performance and expectations if the conditions can be maintained. The accounting information communicates on the financial health of a company and indicates the extent it can be used in handling the operations and other projects (Ogundajo, 2019). Accounting information brings coordination among a company staff by using it in setting goals that can enable exceeding previous performance. The results were illustrative on how accounting information creates opportunities for coordination due to the combined efforts in coming up with the overall outcome of engaged activities of a company that need to be observed.

Allocation of resources within an organization

Asatiani et al. (2018) is used by company management in allocating resources when estimating the requirements of business operations through forecasting. Resource allocation is planned in advance so that it can enable having a smooth flow of operations. When the events that will take place in the following financial periods are known in advance, the estimated revenues to be collected can be allocated based on a preferable percentage that can lead to the promotion of events that are meaningful. Organizational resources that are highly valued and the most in which without them no operation can take place are finances and labour. The survey respondents from various companies said that when financial and labour details are known in advance, they develop a system that forecasts what can be possibly be accomplished in the periods to come based on expected resources (Asatiani et al., 2018). The accounting information is used to determine the labour requirement using estimated revenues and expenditures that can take place within a period. A majority of the respondents stated that they highly obtain great help from past performances using accounting information in setting of targets and planning for the future due to the existence of what results have been obtained from the past in different occasions.

Financial and operational management

Financial and operational management is a department in a company or organization that designs and controls the manner that operations are carried out using various processes. The processes require resources to become useful which are mainly sourced using finances. Finances can be estimated from the accounting information on how much a company or organization can acquire within a specified period. Taipaleenmäki and Ikäheimo (2018) did research on how companies make use of accounting information within their operations in handling and forecasting business operations using the reported information. A majority of the participants in the study raised concerns that the operations team uses the information in forecasting what operations they can engage in future and how much they can handle within the specified periods of an accounti9ng period. Various managements need to plan for operations which should be undertaken in periods to come but the expected resources to be used are forecasted based on the ability of a company to collect or generate such amounts of resources (finances). Mostly, accounting information is detailed about how much a company generates and how much it can spend within a period. Such results from the past can be applied and used within the company setting without creating or causing major differences from estimate sand actual results (Taipaleenmäki & Ikäheimo, 2018).

Significant Functions of Accounting Information in Budgetary Practice

Aids in tracking of income and expenditures

Budgetary practice is an exercise carried out by management boards in organizations and companies that plan for the spending of the generated finances within a company. The activity of budgetary practice is a way of handling the generated revenues in a future period. The estimates Cohen et al. (2017) were in a study that revealed the use of accounting information in the preparation of budgets. The budgets are a way of tracking the resources obtained by the companies by way of assigning cots and revenues that are expected to be spent or received from various activities. A majority of the responses received from the companies surveyed indicated that the prepared budgets are always compared with the actual income, and expenses of a period to track on the movement of the items. Tracking becomes easier when estimates in the budgets are related to the actual results of the income and expenditure within the covered period (Cohen et al., 2017). When income is received, it is listed in the accounting information the source so that the expected revenues from such sources can be checked on whether the set targets have been achieved. For example, if a company has different brands or services or products, the staff within the departments should be informed of their revenues to check on whether they met the set gals in terms of income generation.

Ensuring of Statutory Compliance

Keeping of company records, book keeping, accounting records, financial statements, auditors rotation, and holding of meetings are statutory compliance requirements that every entity must adhere when handling operations or in business (Ezzamel & Bourn, 2016). Budgets are supposed to be prepared using the available information presented in the accounting information which has financial details that can be applied in assigning the possible income to the expenditures within a business setting. A company is supposed to prepare on how it can use its expected income generated from the undertaken operations without applying values on the various events that may not be possible to meet. While companies may be aspiring to accomplish many activities that are supposed to be facilitating the main reason the business or operations are undertaken, statutory compliance in ensuring that the rightful information has been presented (Ezzamel & Bourn, 2016). Managers and stakeholders (shareholders) of various companies need to understand how the budgeted activities can be financed. Hence, it requires the need of accounting information to be presented on how the company has been performing from the past so it is most likely to

perform the same in future. Budgets should be prepared using the available history on how a company has been performing to avoid over or under estimating of incomes and expenses that can be experienced in the financial periods to come. Some of the companies may prepare budgets for more than one financial period but a thorough analysis of past accounting information must be carried out. The accounting information has to comply with the statutory regulations that need op be followed when presenting the information using financial statements and other reports.

Provision of quantitative financial information to investors, management, and government

Accounting is a way of quantifying revenues and expenditures in ways that can be presented to investors, management, and government to proof the amounts reported as income or tax paid to the government. A research done by Jan and Tsai (2020) indicated that companies that seek to increase their capital base for making more investments or financing planned projects can present their estimate budgets to potential investors, the management, or to the government to obtain financing programs. Such budgets cannot be financed without analysing the company's accounting information that lists all of its income sources and expenses. The manner the company used its income and allocates the revenues on expenses can determine if it can obtain the financing or fail to be supported. The management has to promote and ensure that all details have been applied within the means and abilities that a business or organization can meet (Jan & Tsai, 2020). Accounting information is vital in making major decisions such as budgetary practices which are mainly a critical component in the process of handling and managing company operations. The budget are used to aim on meeting the estimated costs using collected revenues. External financial sources are applied when the internal abilities in revenue generation have been exhausted.

Issues Encountered in Using Accounting Information in Business Forecasting and Budgetary Practices

A major and common issue encountered when using accounting information in business forecasting and budgetary practices is that the activities and results are non-repeatable and non-comparable. The results that occur within a single financial period cannot be repeated in the following periods due to fluctuations in seasons, demand, and supply of the depended products/items and services (Libby & Lindsay, 2020). While accounting information is used in forecasting and budgeting, it can be demanding to come up with ways that can create accurate

results that can be fully relied upon. The forecasts or budgets are fixed based on the management team's gut feelings that are highly based on the experience achieved from the major activities within a company. If a management team performing forecast or budgeting can be changed, the expected results can be prone to change due to differences in gut feelings of the involved personnel in carrying out the activities (Athukorala & Reid, 2018).

While using accounting information, there is a great issue in including a bottom up inputs from sales due to the challenges of potential business wins, losses or leads. New sale opportunities are not accounted in the systems of reporting which causes some of the crucial items to be excluded from the presented details or information (Henttu-Aho, 2016). Lack of accounting for bottom up information of new sales can be a challenge because such revenues are included in the final amounts used to forecast or budget. The miscommunication of such information between or among the various users is an issue that has to be managed and controlled to prevent confusion in the undertaken activities.

Research Methodology

Research methodology is a step within the conduct of research that aids in defining the way a research will be carried out and the applied measures with the aim of having a successful completion. Apart from Awasr Company, all companies prepare accounting information for use in business forecasting and budgetary practices. The selected case study within the research will be applied in carrying out research survey in obtaining data for use within the research analysis. The chapter will offer the selected research design, population of the study, sampling technique & sample size, research instruments, validity and reliability testing, data collection techniques, and legal, ethical & social techniques (Nayak & Singh, 2021). Because a survey of the case company will be carried out, the instrument and technique of carrying out the exercise will be elaborated in this chapter which will guide the research in the data collection exercise. All findings, recommendations, and conclusion will be based on the results of data analysis. Therefore, the chapter is crucial in the research as it holds the essential part that enables the extraction of information from selected sample size for analysis.

Research Design

Some of the literature materials argue that research design is a choice between qualitative and quantitative research methods. However, it can be said to be a way of collecting and analysing

data in a research or dissertation. Within a research exercise, there are research questions that will need to get answers at the end of the research process and the research methodology offers a design that can be used in providing answers to the raised questions. An experimental research design is applied where more than one variable is selected and data collected that show the effects of the variables to the main concern of the research (Bloomfield & Fisher, 2019). The various purposes of handling research will be to apply a design that can offer proof of raised issues by examining individuals in the ground. The major concerns of the research being accounting information effect or role in business forecasting and budgetary practices. The information obtained from the survey that is carried out using the selected experimental research design will be applied as a glue that can aid in sticking to the crucial findings and discoveries of the research topic. Since the design used is experimental, the research structure will focus on the steps of applying the design in the best manner to come out with expected results (Tobi & Kampen, 2018). The research design applied will be exploratory where collection of data will be done from Awasr Company will be analysed based on the involved people's opinions. Instead of reviewing what has already been done by previous research from different authors, original data will be obtained and checked with the prevailing condition on how accounting plays a role in forecasting and budgeting of business operations.

Research Methods

Qualitative

A qualitative research method is a way of carrying out research that require the collection of data from personal experiences, interviews, visual texts, and other forms of gathering data that can be used in creating a significant contribution to the research study. The research will involve qualitative method which will be carried out by collecting data from staff at Awasr Company using questionnaires.

Quantitative

A quantitative research method is a way of dealing with numbers and statistics. The current research will obtain data from 67 participants who form a number to base results. Various statistical findings and tests will be applied on the responses of the selected sample size to aid in coming up with conclusive decisions that can represent the feedback of a majority of the survey participants (Awasr Company staff).

Population of the Study

When carrying out an experimental research, the selected area of study has to be identified on the available population (individuals that can respond) so that a reasonable and representative sample can be selected. Awasr Company has 80 supervisors, team leaders, and managers who will form the research population. Since the study will be carried out within the selected case study, respondents will be selected from the population of 80 supervisors, team leaders, and managers at Awasr Company.

Sampling Technique and Sample Size

Sampling technique is a way of allowing and establishing the manner that data will be collected from the population by using a sample size. Due to fairness and equity required in the process of gathering data from participants, a probability sampling method will be applied. While under probability method of sampling there are various ways it can be done such as simple random, clustered, systematic, and stratified sampling (Taherdoost, 2017). A stratified sampling method will be applied where everyone within the research population will be grouped in segments that will set out the finance team to be surveyed and used in obtaining data. Stratified sampling method the selection of supervisors, team leaders, and managers that will take part in the data collection exercise through the survey will entirely depend on the finance staff who understand its role in an organization. The selected sample will be representative of the entire population at Awasr Company in coming up with findings and conclusions (Majid, 2018).

The sample size will be determined at a confidence level (α) of 95%, an input margin of error (e) of 5%, the population size (N) of 80 supervisors, team leaders, and managers, proportionate (p) of 50%, and the z-score associated with the confidence level (z) is 1.96. The identified sample size is 67 respondents from Awasr Company supervisors, team leaders, and managers.

Determination of the sample size will be done using the formula;

$$n = z^2 * p * (1-p) / e^2 \qquad\qquad e = 5\% \ (0.05)$$

n = sample size $\qquad\qquad$ N = 80

z = 1.96

α = 95% (0.95)

$$n = [1.96^2 * 0.5 * (1 - 0.5) / 0.05^2] / [1 + (1.96^2 * 0.5 * (1 - 0.5) / (0.05^2 * 80))]$$

$$n = 384.16 / 5.802 = 66.212$$

$$n \approx 67$$

Research Instruments and Validity and Reliability Testing

Survey Questionnaires

Research instrument applied is the research is questionnaires which will be issued or sent to the sample size to be filled and submitted. A questionnaire is prepared where it incorporates all research objectives/questions that will need to be responded by participants in obtaining a collective view. The instrument is applicable and most convenience as each participant can fill or respond to the asked questions in private and submit where the responses cannot be disclosed to other participants, Awasr management, and the public due to maintenance of legal, ethical, and social considerations.

Interviews

Managers, team leaders, and supervisors at the company (Awasr Company) will be interviewed on various aspects on how accounting plays a role in matters of business forecasting and budgetary practices. A set of interview questions will be created and used to interview the company supervisors, team leaders, and managers about the role played by accounting information in making of major decisions about future performance and budget.

Validity

Validity of the data obtained from the sample size on how true the responses indicate the actual activities and situations within the company. The selected sample size is obtained from the selected case study company which will give a true condition or state within the operational management of Awasr Company in terms of forecasting and budgeting practices (Souza et al., 2017).

Reliability

The information (data) will be reliable is assured because all of the participants use the same systems and strategies within the company setting which will make the results have a high level

of consistency. Regardless of the positions (occupation) held, a general system indicates that the supervisors, team leaders, and managers use a common platform of generating results and obtaining or sharing information (Mohajan, 2017). The shared information will cause a common knowledge among the supervisors, team leaders, and managers.

When handling the test pilot for analysing the collected data, the obtained correlation of the chosen variables among the 10 sampled respondents showed a high correlation coefficient of 0.798 that the variables are good to work together and bring a good picture of the research.

Data Collection Techniques

The data used in the research study is collected using questionnaires which can be shared electronically or print copies to be issued to sampled supervisors, team leaders, and managers from Awasr Company. Surveys are the main ways of collecting information from participants who are the company supervisors, team leaders, and managers. They are structured in a careful and formulate a way that will guide the data collection exercise form start to end ensuring all objective shave been captured (Heath et al., 2018). The data collection technique allows respondents to take their time and respond at the most convenient time which cannot interfere with their operations and work or business activities. Even to the selected supervisors, team leaders, and managers who cannot be within the company settings (premises), the data collection technique can reach to anywhere in the globe by sharing a ling that can open the form and allow a participant to respond and submit the form upon completion. Direct interviews will be applied in data collection exercise where those individuals with knowledge and information about accounting within a company will be interviewed. Another data collection technique will be use of surveys with the created questionnaires to aid in collecting information (data).

Legal, Ethical and Social Considerations

Legal

The federal and state laws require that the collection data when doing research should be carried out under defined framework which requires an observation of promulgated guidelines. The law also protects copyrights of already published information and content from past research that has been carried out by various authors and researchers (Lang et al., 2021). Copyright is protected asset by law and it has to be upheld. Also, the personal information which is used in obtaining responses should be kept private and confidential. The requirements were met by the researcher

whereby sensitive details were not collected so as to protect the Awasr Company staff from any form of repercussions.

Ethical

To the participants, the collected information will avoid personal information such as names and contact details that may disclose and be misused by ill-intended individuals or other companies. Because the personal information disclosure may cost participants their jobs or be used by competitors in poaching out the supervisors, team leaders, and managers, such details will be avoided to be collected. Some of the researchers may be competitors wanting to gain information to their rivals for better and essential ways of handling matters. Instead, the research is a way of promoting and creating an academic way of using learned theory and promoting the company in terms of making better use of accounting information.

Social

Lastly, society needs that such research studies should come up with the best ways of promoting and encouraging the selected case study on how to handle the studied area in the best manner. The issued conclusions and recommendations must focus on building society. When carrying out research, social environment has to be considered by avoiding waste of paper and polluting of environment by disposing materials such as questionnaire papers anywhere that can lead to dirtying the environment. Society is to be monitored by applying morals and traditions that should be upheld by all generations and any other profession.

Data Analysis

The collected data was analysed using a statistical tool of SPSS where all responses were fed and arranged in the order of reception. Mathematical and statistical tests were used to come up with results that can were interpreted to make easy understanding by report readers or users. Also, Awasr Company was issued with a coy that can make them understand how accounting information plays a role in both business forecasting and budgetary practices. The results were presented in forms of tables and charts or graphs.

During the study, the chosen case study company was Awasr Company which has an estimate total employees of 80 but a sample of 67 participants were selected from the company who are assigned in various departments. The data analysis tests and procedures will include

understanding of the demographic information of the participants, research results about the various questions asked, multiple responses distribution within various objectives, the Kaiser-Meyer-Olkin (KMO) and Bartlett's test, reliability, and correlation. The obtained results from the data analysis tests is as discussed.

Demographic Information

Statistics

		Gender	Age	Work Experience	Occupation
N	Valid	67	67	67	67
	Missing	0	0	0	0
Mean		1.6567	2.3284	2.2985	2.5672
Median		2.0000	2.0000	2.0000	3.0000
Mode		2.00	1.00	2.00	3.00
Std. Deviation		.47839	1.54123	1.03008	.92481

Table 4 1: Demographic Information

The study survey was carried out among 67 participants whose demographic details of gender, age, work experience, and occupation. Instead, private and confidential details such as name, contact information, and other crucial details regarding participants were avoided due to the confidentiality rule and the need for protecting given feedback from affecting the participants negatively. According to other literature reviewed, selected case studies of companies consist of a smaller population which leads to having a smaller sample of participants which has been seen to happen in the case of Awasr Company.

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Gender	67	1.00	2.00	1.6567	.47839
Age	67	1.00	5.00	2.3284	1.54123
Work Experience	67	1.00	4.00	2.2985	1.03008
Occupation	67	1.00	4.00	2.5672	.92481
Valid N (list wise)	67				

Table 4 2: Descriptive Statistics

Among the sampled 67 staff from Awasr Company, a descriptive statistics test was done on the demographic information where results obtained were as indicate din the above table. A majority

of the respondents were male due to the mean of 1.6567 which when rounded to a whole number if 2. The measure 2 represents male gender who were more in number compared to the female. Regarding age, most of the staff at Awasr Company are aged between 31 and 35 who forms the greater number of those who took part. The work experience of the majority of respondents was found to be between 1 and 3 years. They formed a descriptive mean of 2.2985 which is assumed or rounded to number 2 which represents experience of between 1 and 3 years. Since the department chosen was from finance, the majority of the participants were working in the finance department which was represented by a mean score of 2.5672.

Gender

Gender

|		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	23	34.3	34.3	34.3
	Male	44	65.7	65.7	100.0
	Total	67	100.0	100.0	

Table 4 3: Gender
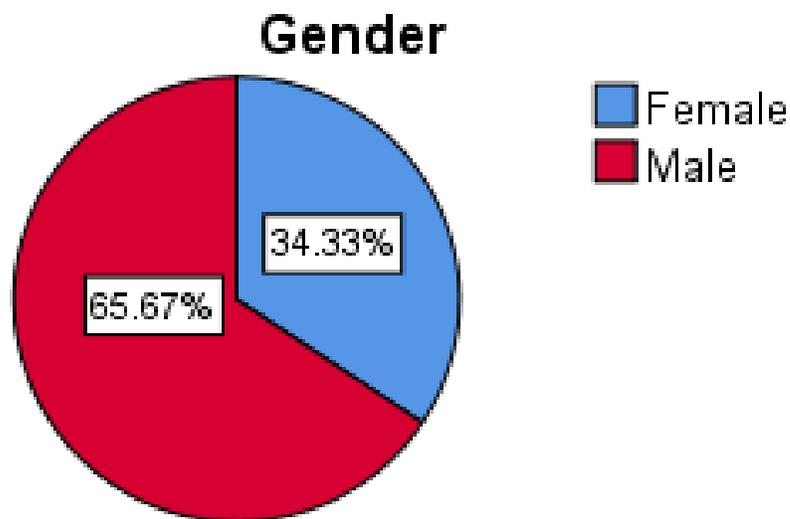
Figure 4 1: Gender

A fair representation of gender was done in the research because bot female and male participates were included and given equal chances of being selected on the sample size.

However, the same manner the employees (staff) at Awasr Company are not equally recruited, the majority are male who also formed a greater percentage of the survey participants (Brass, 2016). The female participants were represented at 34.33% and the male participants were represented at 65.67% on the sampled participants of 67 employees from Awasr Company. In a majority of the reviewed literature, the male gender participates in large numbers in a majority of research studies. The same has been illustrated in this research study where more male participants were received and few female participants.

Age

Age

|		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	25-30	31	46.3	46.3	46.3
	31-35	14	20.9	20.9	67.2
	41-45	13	19.4	19.4	86.6
	45 and above	9	13.4	13.4	100.0
	Total	67	100.0	100.0	

Table 4 4: Age
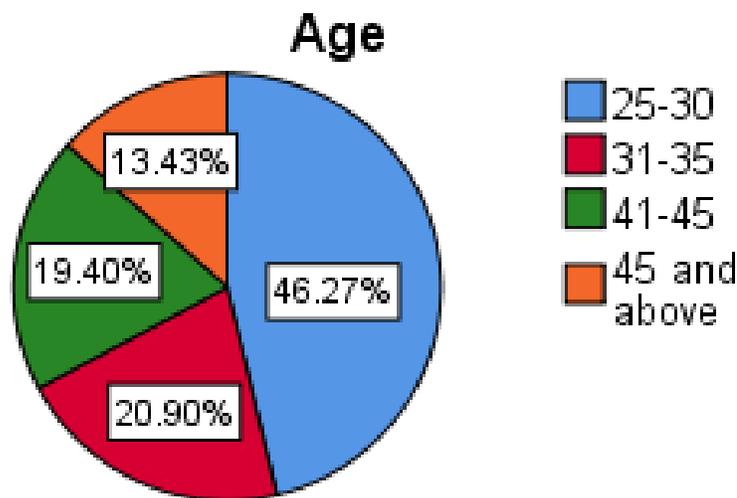
Figure 4 2: Age

Awasr Company seem to be hiring young professionals because a majority of the survey participants who are the company employees were aged 25-30 years. 46.27% of the sampled participants were of the age bracket of 25-30, those aged 31-35 were second represented by

20.90%, those aged 41-45 were represented at 19.40%, and those aged above 45 years were only at 13.43% of the sample of 67 participants (Münzbergová and Ehrlén, 2015). The adult age in a majority of jurisdictions starts at 18 years. Since such is the maturity age, most people secure employment positions after college which is roughly at age 24. Therefore, the surveys in many research studies target workers aged from 25 years and above.

Work experience

Work Experience

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<1 year	14	20.9	20.9	20.9
	>1<3 years	33	49.3	49.3	70.1
	>3<5 years	6	9.0	9.0	79.1
	>5 years	14	20.9	20.9	100.0
	Total	67	100.0	100.0	

Table 4 5: Work Experience
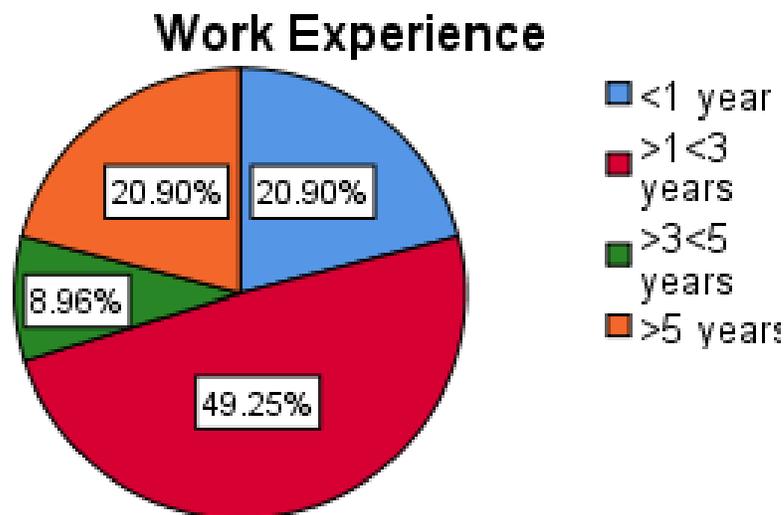
Figure 4 3: Work Experience

A majority of the surveyed participants were found to be having experience of their positions or occupations for more than 1 year but less than 3 years. Out of the 67 survey participants, 49.25% have gained experience of working in their designated occupations for at least 1 year but not more than 3 years. Those surveyed employees who have gained experience of less than 1 year and those with experience of more than 5 years were found to be 20.90% of the participants each (Brass, 2016). Those participants who have gained experience of between 3 and 5 years were

only 8.96% only. Experience is not the time an employee has been in Awasr Company, but the period they have served within similar positions in their career lifetime. The experience held by the workers does not mean they have spent the time at Awasr Company, but they have held such positions for the period.

Occupation

Occupation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Administrator	11	16.4	16.4	16.4
	Human Resource	16	23.9	23.9	40.3
	Finance	31	46.3	46.3	86.6
	Logistics	9	13.4	13.4	100.0
	Total	67	100.0	100.0	

Table 4 6: Occupation
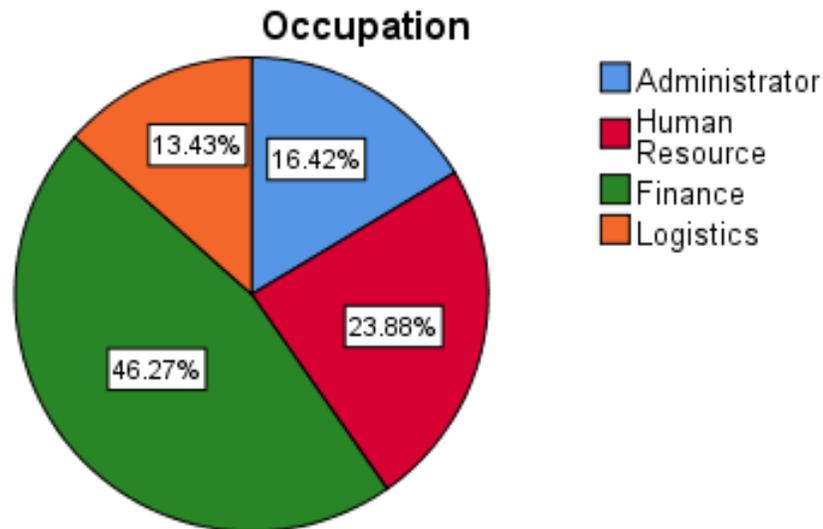
Figure 4 4: Occupation

A majority of the survey participants were from the finance department at 46.27% followed by those from the human resource who were 23.88%. However, the sample consisted of participants from administration represented by 16.42% and logistics who were represented by 13.43%. The sample was collected well so that it can create a better understanding of the role of accounting information because a majority of participants were from the finance sector which works with accounting information (Münzbergová and Ehrlén, 2015).

Research Results

Accounting information helps in estimating the amounts of money in and out within a financial period

Estimation of amounts of money in and out within a financial period

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	38	56.7	56.7	56.7
	No	29	43.3	43.3	100.0
	Total	67	100.0	100.0	

Table 4 7: Estimation of amounts of money in and out within a financial period

A greater percentage of participants, 56.7% were in agreement that accounting information helps in estimating the amounts of money in and out of an entity within a selected financial period. However, there were some, 43.3% who were not in agreement that it helps in estimating the amounts of money in and out within a financial period. A majority were of the opinion that accounting information is important in an entity to estimate money in and out of the business (Jelača et al., 2016). As per the research of McEwen and Hunton (2019) accounting information helps in estimating the amounts of money in and out within a financial period by the plans set forth for the upcoming fiscal periods. The major issue discovered is the lack of accuracy in the estimated amounts to expect from a business operation within a future time.

Accounting information helps HR managers and finance department in understanding the turnover of employees to maintain

Understanding the turnover of employees to maintain

		Frequency	Percent	Valid Pnt	Cumulative Percent
Valid	SD	7	10.4	10.4	10.4
	D	5	7.5	7.5	17.9
	N	15	22.4	22.4	40.3
	A	9	13.4	13.4	53.7

	SA	31	46.3	46.3	100.0
	Total	67	100.0	100.0	

Table 4 8: Understanding the turnover of employees to maintain

HR managers use accounting information to determine the employee turnover that can be maintained and managed within an entity. A majority of the participants, 46.3% were strongly in agreement that accounting information aids in understanding the turnover of employees to maintain and 13.4% were in agreement which resulted to more than 50% of the participants supporting that accounting information is essential to the HR managers. Asatiani et al. (2018) explained on how accounting information can help in the allocation of resources within an organization. The finding in this test proved the reviewed information on how HR managers use accounting information in understanding employee turnover and other requirements within a company.

Setting revenue goals for future periods using past years' accounting information

Setting revenue goals

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	8	11.9	11.9	11.9
	D	9	13.4	13.4	25.4
	N	6	9.0	9.0	34.3
	A	21	31.3	31.3	65.7
	SA	23	34.3	34.3	100.0
	Total	67	100.0	100.0	

Table 4 9: Setting revenue goals

Awasr Company sets revenue goals that are greatly supported by accounting information whereby 34.3% of participants strongly agreed and 31.3% agreed to the statement. Making an aggregate percentage of 65.6% supporting the idea that accounting information is good when setting an entity's revenue goals. Accounting information offers aid in financial and operational management through setting of revenue goals based on past performance. A similar result was discussed by Taipaleenmäki and Ikäheimo (2018) in the carried out research which was reviewed in the second chapter.

Allocating finances on various sectors

Allocating finances on various sectors

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	53	79.1	79.1	79.1
	No	14	20.9	20.9	100.0
	Total	67	100.0	100.0	

Table 4 10: Allocating finances on various sectors

Budgets are created and developed to promote and monitor how financial resources are utilized within entities. The accounting revenues set by accounting information help the budgeting team in allocating finances on various sectors which was supported by 79.1% of the survey participants while only 20.9% were against the idea that accounting information helps during budgeting practices (Champion and Sear, 2018). Finances are resources that make companies to manage operations and they are essentially promoted by its availability. Asatiani et al. (2018) was focusing on a similar point where it resource allocation is a major concern or point within the system of handling and dealing with useful utilization of resources. Instead of assigning too much finances that a company or business may not afford, accounting information can help in learning the right amounts to allocate.

Accounting information can forecast business results but when they fail to be met, the budgetary committee uses the reported accounting information in making adjustments on the budget

Accounting information helps in reconciling actual and forecasted results

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	D	16	23.9	23.9	23.9
	N	11	16.4	16.4	40.3
	A	31	46.3	46.3	86.6
	SA	9	13.4	13.4	100.0
	Total	67	100.0	100.0	

Table 4 11: Reconciliation Tool

Because accounting information holds the history of an entity over several years in the past, the same experiences are deemed to recur which creates a budgetary committee to rely and use the information in setting adjustments on expected spending habits in future financial periods. Reported accounting information helps the budgetary committee which was strongly agreed by 13.4% and agreed by 46.3% of the participants. A majority response indicated that the budgetary committee uses the reported accounting information in making adjustments on the budget. In Cohen et al. (2017) there was a finding that tracking of income and expenditure is easily done by accounting records. The process of tracking helps in the reconciliation of the actual and estimate results in a business.

Budgeting is an allocation of finances. Accounting information gives details that can prevent over or under spending of finances within the company by using reported information

Prevents over or under allocation of resources

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	D	14	20.9	20.9	20.9
	N	16	23.9	23.9	44.8
	A	28	41.8	41.8	86.6
	SA	9	13.4	13.4	100.0
	Total	67	100.0	100.0	

Table 4 12: Prevents over or under allocation of resources

When in business, it is aimed that resources should not be under or over utilized more so financial resources. The details given by accounting information helps during budgeting to void such from occurring and it was agreed by 41.8% and strongly agreed by 13.4% of the participants. A majority responses supported that accounting information gives details that can prevent over or under spending of finances within the company by using reported information (Zywiak et al., 2015). The habit if spending more or less on activities is a major challenge faced by many planners but when accounting information is available, it guides on how much can be appropriately allocated to specific areas without causing surplus or shortage and the same was discussed by Asatiani et al. (2018).

Accounting information is always historical hence lacking the ability to offer current or future information that can be accurate

Accounting information is historical

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	D	16	23.9	23.9	23.9
	N	14	20.9	20.9	44.8
	A	25	37.3	37.3	82.1
	SA	12	17.9	17.9	100.0
	Total	67	100.0	100.0	

Table 4 13: Accounting information is historical

Despite accounting information being essential in the performance of activities and operations in an entity, the information lacks present and future information that can be accurately relied upon when making business forecasting and budgeting practices. The survey participants confirmed that it lacks accuracy about present and future at a percentage of 55.2% (strongly agreed and agreed). The challenge of lacking current details is a major concern when using accounting information in an entity.

Activities that take place within a financial period may fail to recur in future periods hence the forecasts or budgets fail to work as anticipated

Uncertainty of recurring results

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	D	14	20.9	20.9	20.9
	N	16	23.9	23.9	44.8
	A	30	44.8	44.8	89.6
	SA	7	10.4	10.4	100.0
	Total	67	100.0	100.0	

Table 4 14: Uncertainty of recurring results

As much as past experiences can be used in predicting future and estimating allocation of resources, activities that take place within a financial period may fail to recur in future periods

hence the forecasts or budgets fail to work as anticipated. 44.8% of participants were in agreement with the statement and 10.4% were strongly in agreement which resulted in a support of 55.2% of the participants that such past experiences and activities cannot repeat themselves in an exact way hence relying on historical data is a challenge to entities in business.

In big companies that have many departments and managers, it is not easy to use forecasts in engaging on business decisions due to varied opinions by different managers

Variations in opinions by different managers

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	D	25	37.3	37.3	37.3
	N	14	20.9	20.9	58.2
	A	28	41.8	41.8	100.0
	Total	67	100.0	100.0	

Table 4 15: Variations in opinions by different managers

There can exist a variation of opinions among the different departments which do not fully understand the accounting information message laid forward to the management. Such variation is a great challenge that causes major issues during decision making and it was agreed by 41.8% of the participants. Despite having 20.9% of participants who remained neutral and 37.3% who were in disagreement, a majority were that big companies that have many departments and managers, it is not easy to use forecasts in engaging on business decisions due to varied opinions by different managers (Zywiak et al., 2015).

What ways do you think can be applied to make improvements in business forecasting and budgetary practices using accounting information?

Ways of improving accounting information use

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Keep budgeting and forecasting flexible	17	25.4	25.4	25.4
	Budget to your plan	7	10.4	10.4	35.8
	Involving an entire team	21	31.3	31.3	67.2
	Tracking everything	13	19.4	19.4	86.6

Include profit and cash flow goals	9	13.4	13.4	100.0
Total	67	100.0	100.0	

Table 4 16: Ways of improving accounting information use

On the various ways that can be used to make improvement in the use of accounting information for business forecasting and budgetary practices, respondents suggested of having flexibility, budgeting on the available plans, involving an entire team, tracking of everything, and using the profit & cash flow goals. Among the suggested ways that can be used to improve the role of accounting information in business forecast and budgetary practices, involving an entire team and using flexibility in budgeting & forecasting took a larger portion of 31.3% and 25.4% respectively.

Multiple Responses

Objective One Frequencies

		Responses		Percent of
		N	Percent	Cases
Objective1[a]	Q6	9	30.0%	30.0%
	Q7	21	70.0%	70.0%
Total		30	100.0%	100.0%

Table 4 17: Objective One Frequencies

The first objective of the research study was about the determination and evaluation of significant functions of accounting information in business forecasting of Awasr Company. The number of respondents who agreed that accounting information has a great contribution in questions 6 & 7 were 30 where Q7 took a higher portion of 21 respondents while Q6 was represented by 9 respondents who were in agreement.

Objective Two Frequencies

		Responses		Percent of
		N	Percent	Cases
Objective2[a]	Q9	31	52.5%	70.5%
	Q10	28	47.5%	63.6%
Total		59	100.0%	134.1%

Table 4 18: Objective Two Frequencies

Objective two identified and evaluated on the significance of accounting information in budgetary practices to Awasr Company and questions 9 & 10 were tested. Among those respondents who agreed that accounting information is important for budgetary practices were 59 for the two questions. Question 9 secured a 52.5% and question 10 scored 47.5% of the responses of agreeing that it is important. The turnout for budgetary practices was better than that of business forecasting because the number of respondents in agreement were more.

Objective Three Frequencies

		Responses		Percent of
		N	Percent	Cases
Objective3[a]	Q11	25	30.1%	37.3%
	Q12	30	36.1%	44.8%
	Q13	28	33.7%	41.8%
Total		83	100.0%	123.9%

Table 4 19: Objective Three Frequencies

The third objective related to checking on the issues encountered during the use of accounting information on both business forecasting and budgetary practices. Among the three questions regarding a check on issues encountered when using accounting information, the total frequency on the three questions on responses that agreed on being an issue to use accounting information was 83 which was roughly 28 responses on each question (Champion and Sear, 2018). When the high number of respondents consent of having issues, a major course of action needs to be taken to recover the situation so that the role of accounting information can reflect and be appropriately used.

Kaiser-Meyer-Olkin (KMO) Measure of Adequacy and Bartlett's Test of Sphericity

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.713
Bartlett's Test of Sphericity	Approx. Chi-square values above	.112
	df	15

		Sig.	.000

Table 4 20: KMO and Bartlett's Test

The obtained Kaiser-Meyer-Olkin Measure of Sampling Adequacy from the analysis performed indicated to be 0.713 which is middling according to the measure of values for Kaiser. The result shows that due to the small population of staff at Awasr Company, the used sample was adequate in getting the best results (Hill, 2021). Bartlett's test of sphericity is a measure on whether there is any form of redundancy between the chosen variables. A chi-square value of greater than 0.05 is a good indication that everything is working well and the tested hypotheses should be accepted. The result obtained was a Chi-square of 0.112 which is a great result that shows the tested hypotheses were accepted (Tobias and Carlson, 2019).

Communalities

	Initial	Extraction
Q5	1.000	.741
Q6	1.000	.671
Q8	1.000	.478
Q9	1.000	.910
Q11	1.000	.714
Q12	1.000	.868

Table 4 21: Communalities

Line Graph and Alpha Factoring

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.694	44.892	44.892	2.694	44.892	44.892
2	1.689	28.151	73.044	1.689	28.151	73.044
3	.871	14.512	87.555			
4	.401	6.680	94.236			
5	.247	4.109	98.344			
6	.099	1.656	100.000			

Table 4 22: Total Variance Explained

Component Matrix

	Component	
	1	2
Q5	.669	-.542
Q6	.254	.779
Q8	-.431	-.540
Q9	.888	.350
Q11	.843	.061
Q12	-.705	.609

Table 4 23: Component Matrix

The extracted components in the research were of questions 5, 6, 8, 9, 11 & 12 where the component matrices obtained were -.542, .779, -.540, .350, .061, and .609 on the questions respectively. The scree plot took a turn at the fourth component where the elbow shape was formed in the result as shown in Figure 4.5 below.
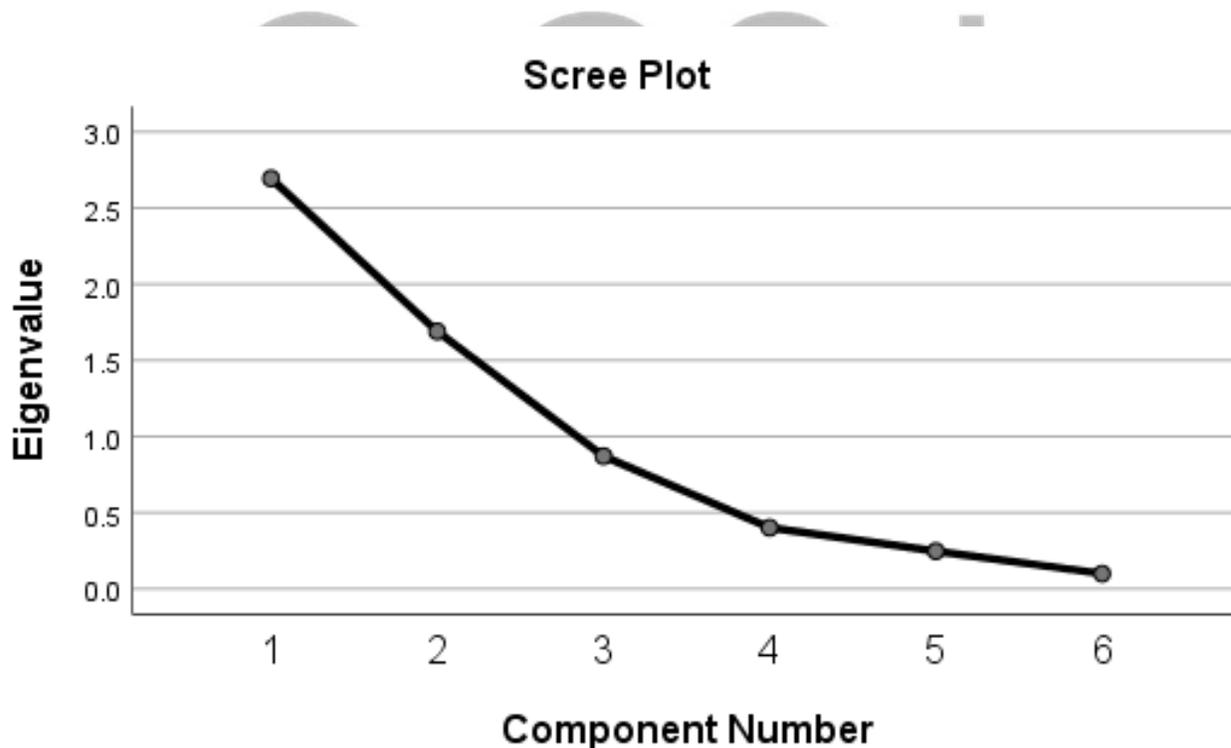

Figure 4 5: Scree Plot

Reliability Testing and Cronbach's Alpha

Case Processing Summary

		N	%
Cases	Valid	67	100.0
	Excluded	0	.0
	Total	67	100.0

Table 4 24: Case Processing Summary

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.826	-.263	6

Table 4 25: Reliability Statistics

Reliability is a measure in research studies that indicates the consistency of obtained or calculated results without causing major variances. In the carried out research study, the obtained Cronbach's Alpha was 0.826 which is a good result (Gliem and Gliem, 2018). The data was collected from a representative sample that can be used in making a conclusive decision on the entire population. Considering the population of staff at Awasr Company is 80 employees and 67 of them were selected as the sample, it means 83.75% of the population was sampled.

Correlation

Correlations

			Q5	Q8	Q11
Spearman's rho	Q5	Correlation Coefficient	1.000	-.079	.384[**]
		Sig. (2-tailed)	.	.528	.001
		N	67	67	67
	Q8	Correlation Coefficient	-.079	1.000	-.182
		Sig. (2-tailed)	.528	.	.140
		N	67	67	67
	Q11	Correlation Coefficient	.384[**]	-.182	1.000
		Sig. (2-tailed)	.001	.140	.
		N	67	67	67

**. Correlation is significant at the 0.01 level (2-tailed).

Table 4 26: Correlations

The correlation of the chosen variables was tested on all research objectives where they were represented using questions 5, 8, and 11. Objective one and objective three had a positive correlation coefficient of 0.384. It means that an increase or reduction of one factor causes a similar effect to the other factor in the same significance level of 0.384 and both must be affected in the same direction (Rosenthal and Rubin, 2019). The significance between the second objective with the first and third objectives was negligible and it takes place in an inverse manner. An increase of one leads to a decrease in another but very negligible at -0.079 and -0.182 respectively.

Interview Questions Analysis

Interview Question	Interviewee Response	Response Analysis
1. What are the significant functions of accounting information in business' forecasting process?	**#1-** Help in hoping for similar outcome in future just like previous periods. **#2-** On average of past results, it can help forecast possible outcome in future.	Despite the variation in responses, the general response can be summed as accounting information being significant to activities of business forecasting.
2. What are the significant functions of accounting information in business forecasting and budgetary practices?	**#1-** Accounted revenue estimates help in budgeting for the expected returns in future. **#2-** It helps in avoiding over or under allocation of finances through past experience.	When preparing budgets, accounting information is essential because it lays ideas and opinions about the availability of finances (revenues) from expected sources.
3. What are the issues encountered in using accounting information in business forecasting and budgetary practices?	**#1-** Lack of training by its users from other departments. **#2-** Apart from stating the amounts of available revenues, there are other factors to be considered that other users to the information do not understand.	Accounting information is better within an entity for use in forecasting and budgeting but due to complexity in its presentation and used terms, users need orientation before they can engage in its use.
4. What are the ways that can be recommended to improve business forecasting and budgetary practices using accounting information?	**#1-** Tracking of everything within an entity. **#2-** Allow forecasts and budgets to be flexible.	The general outcome from the interview is that solutions are required on every area or sector that causes challenges to the users of accounting information.

Table 4 27: Interview Questions Analysis

Overall Analysis of Interview Results

Question #1

When doing business forecasting of any form of entity or business, accounting information is required because the expected activities will form the accounting information of the present financial period. Since seasons and market trends repeat more often, accounting information is historical. Therefore, its use can help in creating a virtual or imaginary picture of the results to be obtained in future from carrying out specified operations and activities.

Question #2

Budgets are all concerned about the finances of an entity and how they can be utilized within its operations. A majority of the budgeted activities and operations are repetitive hence their average costs and revenues can be estimated using past performances. The interviewees created a sense of understanding that it is the previous accounting information that can be relied upon in setting what to spend and what to expect from the operations of business within a present period.

Question #3

There are issues encountered when dealing with accounting information such as relying on already past events instead of using current situations. Also, seasons may take place at similar periods of the year but results can vary depending on conditions. For example, the manner that Coronavirus has caused changes in what was initially assumed to be routine or repetitive in the market can be a better example that it is challenging to rely on past information (accounting information).

Question #4

When using accounting information for business forecasting and budgetary practices, all of the participants in the management and running of such activities should be understanding how to interpret accounting information. When there are terms and methods used to present financial information, both the forecasting and budget team need to be deciding form the same level of understanding. Therefore, companies or businesses should ensure that the business forecasting and budgetary practices team have been issued with basic skills and knowledge about accounting information.

Summary of Findings, Conclusions and Recommendations

Accounting information is a major concept within any entity which keeps records, forecasts business activities, and budgets for the periods to come. The research carried out at Awasr Company on the role of accounting information to its business forecasts and budgetary practices was greatly featuring on how accounting details help the two sectors of the company in becoming successful. The information was collected using research questionnaires and interviews among the company staff. The details obtained and collected data was analysed using statistical and mathematical tests that brought out the best results as per survey participants' understanding and opinions. The obtained findings, recommendations and conclusion is presented in this chapter based on the test results of collected data.

Summary of Findings

What are the significant functions of accounting information in business' forecasting process?

When using accounting information for business forecasting, it helps in estimating amounts of money that will come in and go out of the business. The results from data analysis indicated that 56.7% of the survey participants from Awasr Company said "Yes" to the use of accounting information helping in making estimates of revenues and expenses within a selected period. The 43.3% of participants who were for the "No" option may have been selected from departments other than business forecasting and budgetary practices (Brass, 2016). Another aspect found which was a role played by accounting information to business forecasting is ability of setting revenue goals. The survey participants that supported the role being played in setting revenue goals was 65.6%. The majority were in agreement that accounting information is best used in setting of revenue goals due to having knowledge of past performance.

What are the significant functions of accounting information in business forecasting and budgetary practices?

Budgeting is an exercise carried out within entities that allocates resources that are available and minimizes waste. Most of the activities carried out by the budgetary practices committee is to assign and divide the forecasted revenues among different parts to fit and facilitate operations. The selected sample size agreed that accounting information helps budgetary practices in

allocation of resources by 79.1%. The high support of participants who agreed indicates that accounting information plays a major and crucial role in budgeting (Gliem and Gliem, 2018). Because the budgeted and actual results will always have variation in values, the presented accounting information plays a role in helping reconciliation of results to understand the differences. 59.7% of the research sample participants agreed that accounting information plays a role in budgetary practice by facilitating reconciliation of obtained results.

What are the issues encountered in using accounting information in business forecasting and budgetary practices?

Two major issues were found to be affecting accounting information from playing key roles in business forecasting and budgeting practices which are the information being historical and lack of recurring events in business. Among the surveyed participants, 55.2% questioned the fact that accounting information is historical which creates an issue with using it in future events. Since past cannot repeat itself in an exact way, using already past events and information should be avoided and focus on present and future. Also, 55.2% of the participants said that it is impossible for past events to recur in future in the exact ways they took place (Champion and Sear, 2018). Therefore, using information that cannot repeat itself can be misleading due to fluctuations and variations in the mart conditions. The last issue raised by participants was variation in opinions by the different officials from business forecasting and budgeting practices committees. Due to having different skills, using accounting information can require training and elaboration of details. 41.8% of the survey participants were of the opinion that is an issue to have varied opinions due to handling of different departments within an entity.

Conclusions

What are the significant functions of accounting information in business' forecasting process?

When forecasting in a business setting, it is important to make use of accounting information because it entails the results from all operations. Accounting is a result that indicates whether the operations were carried out well or they failed. When handling business forecast activities, it requires that a majority of the information required to be presented and used by the management of various departments must be informed about accounting performance (Hill, 2021). The

information about accounting is required because it helps in determining the effective use of resources within a business setting.

What are the significant functions of accounting information in business forecasting and budgetary practices?

Budgeting is an important aspect that passes information on what amounts of finances will be spent in different concerns. While handling the company's operations, budgets require accounting information because finances are the major concern in allocation of resources (Münzbergová and Ehrlén, 2015). Whether they are materials or labour, it is finances that can facilitate by paying for the services and materials. Accounting information is a significant function in deciding whether to assign a resource or to budget for alternatives due to the accounts represented before the budgeting committee.

What are the issues encountered in using accounting information in business forecasting and budgetary practices?

When using accounting information, users should understand that the information is historical and events cannot recur in future periods exactly as they took place in the past periods. There can be variations and such should be accommodated in the present reasoning. There is an issue in relying on information that cannot predict factual or exact results, but the given information need to be used as a guideline towards achieving set goals (Rosenthal and Rubin, 2019). Despite the challenge of using past information that does not engage or require comparison with present and future, the accounting information should be taken in positively and relied upon as relayed.

Recommendations

Keeping budgeting and forecasting flexible

Accounting information offers details about the extent that certain matters can be engaged in terms of forecasting and budgeting. Budgets are also expectations on what to spend and what t receive during a period to come within an accounting cycle. Instead of setting rigid targets or measures, the forecast and budgets should be set to be flexible so that the role of accounting information in offering guidance in the decisions regarding resources allocation and collection of revenues.

Budgeting to your plan

Companies vary in terms of need and availability of resources due to variations in operations. Awasr Company understands its market share and the potential revenues that can be collected within a financial period. Therefore, instead of budgeting for extreme financial struggles that may not be achieved, such can cause lack of accomplishment of projects (Zywiak et al., 2015). Budgeting within plans that are reasonable and able to be achieved is a great and measure that can enable accounting information play its role well by estimating possible revenues in the fiscal periods in future. Projects and other targets must be made within limits that cannot render a company struggling and forcing issues that may lead to lack of accomplishing major plans.

Involving an entire team

Because account ting information is used by almost every department within a company, it is recommended that the entire team has to be involved in making business forecasting and budgetary practices decisions. Instead of using different staff who have no idea on the nature and use of accounting information, orienting the team from all departments must be involved so that the role can be entirely inclusive of all participants and users to accounting information (Gliem and Gliem, 2018). Some of the role played by accounting information is communicating to the external users on what takes place within the company and how they can use the reported information in making decisions.

Tracking everything

Accounting information is a way of setting way for the company users to know where resources can be allocated based on the available finances or expected finances in the coming period. When budget is prepared, it has to be planed and each item on it tracked to its root cause so that the resources under it can be utilized and used in making accounting information important. When preparing accounting information, it creates and forms a way of handling and promoting better forecasts and budgeting practices that can help in achieving of the company goals (Tobias and Carlson, 2019). Objectives can be met through each and every decision ensured to be accomplished without failure. A majority of the activities subject accounting information to failing to play its role by not being followed from start to end. For example, instead of understanding the expected sources of revenues to budget, the budgeting team assumes ways of

allocating finances without understanding the accounting information and status of the revenues origin.

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