

## **BACKGROUND OF THE STUDY**

### **INTRODUCTION**

Financial accounting covers those activities related to the preparation of certain reports which is known as financial statement. These statements, report the financial status of a firm at a particular time the firm's activities and resulting profit or losses, during the most recent period and the flow of resources occurring within the firm during the same period.

According to the American accounting association, accounting is the process of identifying, measuring, and communicating economic information to permit for informed judgment and decision by users of the information. However, the question arises what is the effect of financial accounting reporting in the management of a business, because not all business persons understand the impact of financial accounting reporting on management of a business such as small scale business like the roadside sellers, market women, etc don't have a proper understanding and recording of financial reporting after their sales to change if there is any profit or loss" this problem also affects business in a large and small although accounting is regarded mostly as the language of business, this is far from being the truth as God the creator reminded man that he would give account of his life. Today accounting has become a household name in every economic, social or welfare activities of any organization where two or more persons meet and where transactions of financial nature take place. Accounting records are very useful to the businessman as it helps to remind their assets and liabilities, it helps to know the accounting period, which is the result of the operation.

Furthermore, resources are very scarce and need to be used judiciously as to meet the demands of the business or organization day by day. It is therefore wise to plan ahead time with the resources available.

This can only be possible if adequate and reliable financial data which account will

provide are available.

## **STATEMENT OF THE PROBLEM**

All organization must manage four resources money, equipment information and people. Base on this research work the effect of financial accounting reporting on management of a business case study of champion breweries plc discovered the following problems. That the organization need to put into place so that the will achieve it objectives and goals.

**Lack of permanent accounting concept:** The problem in accounting reporting in management of a business is some managers need to introduces a particular accounting concept in the organization such as business entity, going concern or accounting period, when one particular concepts is being use they will have a proper transaction in the organization.

Lack of management understanding in financial accounting reporting. in every organization managers need a proper understanding on financial reporting because poor understanding on financial account bring loss in the business, if the mangers have the idea of financial accounting they will be a proper understanding in the firm and they organization will achieve there objective and goals.

## **OBJECTIVES OF THE STUDY**

The broad objectives of this study involve the following:

To find out how financial accounting reporting can be useful to the management of champion breweries plc, Uyo

To examine how financial reporting could enhance effective accountability and curb extravagant spending of funds by managers of champion breweries plc, uyo.

To determine the significance of financial reporting in management decision making process of champion breweries plc, uyo

To find out whether the management has interest in financial accounting reporting of the company

To highlight the benefits and financial reporting to company's productivity.

To make useful recommendation that will improve the use of financial reporting in an organization

### **SIGNIFICANCE OF THE STUDY**

Although a great deal of work has already been done by this researcher that once this research work is completed it now serve, as a guide to business both private and public enterprise and other stakeholders in the field on the important of accounting reporting on the management of the business.

The finding will provide veritable contributions and suggestions on how to present financial reporting in the organization. These works will serve as a reference part to thousands of future researcher's on this or other related issues.

### **RESEARCH HYPOTHESIS**

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### **RESEARCH QUESTIONS**

The following research questions have been generated to assist in carrying out the study

Is accounting reporting relevant in your organization?

How did financial reporting is been operate in this organization

Did the management in the organization has interest in financial accounting reporting?

How is the management involvement in accounting reporting

Does accounting play a good role in this organization

## **1.7 DELIMITATION OF THE STUDY**

A Topic as wide and popular like the effect of financial accounting reporting on the management of the business. Hence, only the aspects of financial accounting reporting on management of business will be treated in the course of this study. This study however, is limited by time and finance. The outright inability to some respondents to complete and return the questionnaires on time.

## **1.8 DEFINITIONS OF TERMS**

**Business:** The activity of making buying and selling and supplying of goods and services for money. It can be commerce trade (Frank, 1996).

**Accounting:** Accounting is the act of recording classifying and summarizing in a significant manner in terms of money transaction and events which one in part at least of a financial character and interpretation at the result. thereof (Afangideh, 1989).

**Financial Accounting:** This is the analysis, classification, recording and reporting of financial transaction as well as ascertainment of how such transaction affect performance financial position of business (Soyode, 1988).

**Financial Statement:** A financial statement is a report which indicates the financial status of complete business or part of a complete business for a specific period of time (Anderson, 1983).

## **EFFECT OF FINANCIAL ACCOUNTING REPORTING ON MANAGEMENT IN A BUSINESS**

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