

# Exploration of the Expansion of Enterprise Accounting Function in the Digital Economy Era

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**Abstract:** With the development of social economy, various new technologies are emerging endlessly, and the role of new technologies in enterprise operation is becoming increasingly significant. In the context of the digital economy, the accounting function of Chinese enterprises is gradually maturing. With the continuous progress of emerging technologies such as computer technology and cloud computing, the financial management and accounting functions of enterprises have undergone tremendous changes. In accounting theory and practice, the expansion of accounting functions is receiving increasing attention. The article provides a detailed analysis of the expansion pathway of enterprises accounting function under the conditions of the digital economy, and explores some of the problems that arise, in order to provide valuable suggestions for the healthy development of modern enterprises accounting.

**Keywords:** Digital Economy; Enterprise Accounting; Functional Expansion

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## Introduction

In the era of digital economy, traditional accounting functions are gradually disappearing, and many logical and financial obstacles have been eliminated, making costs more accurate. The cost of obtaining accurate data is much lower than that of obtaining inaccurate data, indicating that the development of digital economy has had a certain influence on the expansion of accounting functions. In the digital economy environment, the transformation of management accounting functions poses new challenges for enterprises.

### 1. Feasibility of Expanding the Accounting Functions of Enterprises

With the support of information technologies such as cloud computing, big data, artificial intelligence, and the Internet of Things, enterprise accounting can break the time and space limitations of the 21st century, quickly capture the entire process of business activities, and complete the processing of information during the transmission process, thus enabling faster generation of effective information tables for demand organizations. Throughout the entire process of business activities, feedback information from upstream activities and various signs of existing activities can be effectively utilized by enterprises accounting to timely discover, avoid, or control various possible risks in business activities. After the completion of business activities, various analysis tools can be used to explore the logic behind business activities and define the contribution of each business activity to enterprise value.

With the development of new technologies, the reflection and control functions of enterprise accounting continue to improve, and their management functions continue to exceed the scope of finance, making enterprise accounting no longer limited to traditional financial data, but capable of real-time collection, dynamic adjustment, and storage of financial data, and also they can establish an intelligent data analysis model to analyze the changing patterns of business activities and achieve prediction of business activities. On this basis, the indicator database can also be continuously improved to provide information support for the development strategy and business decision-making of enterprises. With the help of new technologies, enterprises accounting can classify, filter, capture, and convert valuable information into productivity.

## **2. Issues in the Expansion of Enterprise Accounting Functions in the Context of the Digital Economy**

### **2.1 Financial Management Software Updates Untimely**

Currently, many general financial software applied in enterprise has been developed for many years and widely used in the industry when conducting internal financial management. Although such software contains many common characteristics, due to the short development time, some features are outdated, or the system has defects, or the software has not been upgraded and optimized in a timely manner. The outdated financial management software of enterprises will inevitably have an impact on multiple workflows related to financial management, such as procurement, operation, and sales, which to some extent affects the operation of enterprises and is not conducive to improving the quality and efficiency of enterprise operations.

### **2.2 The Level of Information Authenticity Needs to be Improved**

From the perspective of computer science, although many modern enterprises have already made huge profits by utilizing data information, their information awareness in management and application still needs to be further improved, and many of these problems still hinder the development of enterprises. In the financial management work of enterprises, there is a lack of effective data mining and utilization, which requires enterprises to further improve the authenticity of their information. In addition, the caliber and methods of data collection and processing also vary. There are different interest relationships among various departments within the enterprise, therefore, there is inevitably a phenomenon of “information silos” in the transmission and processing of information.

### **2.3 Enterprises Lack Talents with Professional Qualities**

In the current domestic market of modern enterprises, it is very crucial for talents with professional qualities to expand their internal accounting functions to the digital economy environment. In addition to possessing certain financial management knowledge, modern enterprise accountants should also possess certain software development and application abilities. However, through investigation, it was found that there are currently very few talents with this comprehensive ability, and there are not many talents who can independently master finance, accounting, software, and other aspects. At this point, the expansion of accounting functions for enterprises in the digital economy environment is currently constrained by lower employee literacy.

## **3. Theoretical Basis for Expanding Enterprises Accounting Functions**

### **3.1 Taking Accounting Information System Theory as the Main Line**

The essence of accounting determines its functions, tasks, and methods. Early accounting was synonymous with the term “bookkeeping” in its meaning. Introducing “information theory” into accounting makes the management function of accounting more prominent, and enterprises have a deeper understanding of accounting information systems. The production and business activities of enterprises involve multiple aspects such as manpower, material resources, capabilities, and funds. Firstly, “economic data” is processed to form “economic information”. Accounting information processing methods have developed into a rigorous and precise system that can transform internal data into information.

The implementation of accounting reflection, control, and management functions is based on the accounting information system itself and also on the principles of information economics. With the passage of time and the development of technology, information systems have undergone corresponding changes in various aspects such as input, processing, and output. With the development of the digital economy, more data can be collected at the input port, more technical means can be provided at the processing port, and higher information requirements can be met at the output port.

### **3.2 Making Direction towards the Goals of Management Accounting**

The definition of management accounting in countries such as the United Kingdom and the United States is reflected in the improvement of management accounting objectives, from “helping managers formulate reasonable economic plans and

make correct economic decisions” to “helping enterprises use various resources reasonably and responsibly”, and finally to “bringing value to enterprises”. The difference between providing decision support and participating in decision-making lies in whether one needs to take responsibility for the decision results. In this evolutionary process, accounting has been elevated to the position of “management responsibility”. Unlike enterprises that directly participate in the decision-making process of value creation, they have their own accounting value contribution criteria (usually related to the actual situation of the enterprise).

Domestic scholars generally believe that the fundamental purpose of enterprise management accounting is to “improving the financial performance of enterprises” and “creating value for enterprises”. Management accounting does not generate direct value, but only provides various beneficial information for enterprise units to efficiently carry out various management functional activities, and applies the information to these management functional activities, thereby continuously improving their business management, optimizing resource allocation decisions, and achieving the goal of “from management to efficiency”. Management accounting should not only create value for enterprises, but should serve them and continuously create greater value for them. It is undoubtedly a new requirement put forward by the new era of management accounting for enterprise accounting work, and also provides guidance for the expansion of enterprise accounting functions

### **3.3 Taking the Theory of Dynamic Capability of Enterprises as Basis**

According to the resource-based theory, an enterprise is a collection of multiple resources, and its competitive advantage comes from specific resources that can bring extraordinary benefits to the company. The theory of enterprise capability holds that in order for a company to succeed, relying solely on resources is not enough. It requires unique abilities to identify, accumulate, store, and activate resources. The dynamic skills theory based on business skills theory believes that in rapidly changing and unpredictable environments, all competitive advantages are temporary, and technological innovation will gradually erode the original competitive advantages of enterprises. The sustained competitive advantage comes from the resource structure allocated and adjusted by dynamic capabilities. Enterprises achieve dynamic restructuring of internal and external resources through continuous innovation, thereby establishing a space with huge development and profit potential, and maintaining sustainable development in a super competitive environment.

## **4. Conclusion**

To sum up, in the era of the digital economy, the continuous updating and iteration of information technology have led to new business models. The sustainable management model has gradually shifted from pursuing sustainable competitive advantages to obtaining certain temporary competitive advantages. Based on this, the trend of expanding corporate accounting functions is to create greater value for enterprises. Data is an important production factor and a strategic resource. Due to its inherent advantages, enterprise accounting is able to asset data. Under the guidance of new goals, enterprise management accounting should integrate various resources in the enterprise and effectively allocate them, and continuously obtain a series of temporary competitive advantages through continuous innovation, thereby providing support for their sustainable development.

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