

Impact of Accounting Practices to keep an Adequate Accounting in the Micro Companies of the Guaranda Canton, 2023

García García Verónica Tatiana¹, Raúl Marcelo Chávez Benavides², Vistín Mena Gorqui Elisalde³, Vistin Vistin Jair Manuel⁴

Abstract

This scientific article is to carry out the analysis of the impact of accounting practices to keep adequate accounting in micro companies, through a field study that indicates the study of accounting practices in the Canton of Guaranda, so it is of great importance that know, specify, plan and manage making them grow and endure in the market, for which we have carried out a survey to find out if there is a need in micro-enterprises, in addition, the introduction, the background with sufficient information, the materials used was a questionnaire to collect information, the methods where we explain the procedures and approach of the investigation, results and discussion what we obtained when carrying out the article, the respective conclusion, thanks and the respective bibliography to support the work. The use of accounting practices in micro companies helps to form and develop an integration in all areas, giving results and making correct decisions. To keep proper accounting since we are in the 21st century, today's technology is very significant, for a long time accounting has been carried out with updated programs, which are essential through accounting systems that facilitate obtaining information on the financial status of the company in order to improve economic stability also if the behavior of the company was good or bad in that period of time, if there are profits or losses and thus be able to determine the future of the micro companies.

Keywords: Accounting practices, Accounting, micro companies, information.

I. INTRODUCTION

In the research carried out, it was noted that the preference for companies is that workers are better prepared in accounting practices, of course it is also essential to have theoretical knowledge, but in itself the most feasible thing for the company is that they have practical knowledge, since by being more prepared in professional practice it will be easier for them to perform in their designated jobs and thus they will be able to contribute effectively to the company to its continuous development and growth.

Regarding the meaning of practice, according to the dictionary of the Royal Spanish Academy (RAE) it is defined as "Experienced, versed and skilled in something". Another definition is: "one who thinks or acts in accordance with reality and normally pursuing a

¹ Magister en Dirección Estratégica, Guaranda, Ecuador, Universidad Estatal de Bolívar, Facultad de Ciencias Administrativas, carrera de Contabilidad y Auditoría. <https://orcid.org/0000-0001-7829-4713>

² Magister en Análisis Económico, Ecuador. Universidad Estatal de Bolívar. <https://orcid.org/0009-0007-5323-2728>, rchavezb96@hotmail.com

³ Master en Gerencia de Proyectos Educativos y Sociales. Facultad de Ciencias Administrativas, Gestión Empresarial e Informática. Carrera de Gestión del Talento Humano. <https://orcid.org/0000-0003-4724-1090>. gvistin@ueb.edu.ec.

⁴ Master Universitario en Ingeniería Matemática y Computación. Facultad de Ciencias de la Educación, Sociales, Filosóficas y Humanísticas. Carrera Pedagogía de las Ciencias Experimentales- Informática. <https://orcid.org/0000-0002-7434-0329>. jvistin@ueb.edu.ec

useful end." And finally, skill acquired through practice. In short, it can be said that pre-professional practices are activities that are usually carried out by the subjects, adjusting to reality, with the purpose of acquiring and developing skills in the practical exercise.(Banguera, 2017)

What this context tells us is that a person who has their practical knowledge is an experienced person who will know how to function in their working life.

In the publication, he indicates that the accounting field is a social space of power that today is expanding globally. There are several agents who fight for the definition and the form that the accounting practice should take. Its autonomy vis-à-vis other fields of power is relative, we are witnessing a period of change where the power of the financial sector is imposing itself on other actors that mobilized capitalism, and as such, accounting practices.(Faustina Manrique Ramírez, 2018)

Accounting practice does not in itself constitute the accounting profession, although it may be even a broader concept than this. The accounting profession is constituted by all those social aspects that institutionalize the practice of accounting in the contemporary social division of labor, reproducing those aspects that the community considers important from a school apparatus developed and built for that purpose. The practice also includes behavioural areas adjusted to normality and everyday life, which, depending on the case, follows the established legal arbitrariness, but in others departs from it. Accounting practice is not what the law says, but the behavioural attitude towards it, in the face of what is expected of the accountant by the State, the company and society.

As he mentions, "the practice of accounting is a social practice, which is at the heart of the birth of modernity and social modernization in the West. It is a cultural practice in charge of issuing messages that are seen as necessary in the processes of social control." It can be said that the practice of accounting is an orderly practice. Its social function will be to contribute to the maintenance of such a social order.(Paime, 2003)

TABLE 1. Interests of other fields in the definition of accounting practice

	Accounting field	Business field	Legal field	Economic field	Educational field
Problems of legitimate agents	Establish a monopoly of the accounting practice	Making the accounting practice recognize the interest of the large corporation	To be able to capture the practice in a monopolistic way within the regulatory apparatus of the States	Put the accounting practice in function of the rationality of cost/benefit and the immediate appropriation of profit.	That the practice of accounting is an institutionalized and schooled disciplinary knowledge.

Source: *Cost Accounting and Management Analytics for Strategic Decisions (2003)*

More and more entrepreneurs have decided to create their own businesses, starting with scarce resources in terms of technical, financial and administrative aspects.

He spelled out the responsibilities of enterprises to society in very clear terms: "Microenterprises have only one social responsibility - to use their resources and engage in activities designed to increase their profits, as long as they follow the rules of the game, which means engaging in free and open competition without deception or fraud." He also argues that companies should only honestly expect to be profitable; Any other use of the company's resources is justifiable only if it improves its value. While we believe there is room for entrepreneurs to take a broader view of their social responsibilities, it is

undeniable that owners have a clear and legitimate right to benefit from their company's financial performance.(Longenecker, 2012)

In the book, he mentions that one of the most frequent causes for which SMEs go bankrupt is due to a lack of managerial and financial skills of their owners, with the inability to manage working capital being the most repercussionous, which is why less than 50% of start-ups survive beyond five years from their foundation. The most common problems in which new entrepreneurs are involved in their first years of life are mainly characterized by little knowledge about financial and administrative controls, such as: (Louis Jacques Filion, 2011)

1. Lack of organization
2. Use of handicraft tools (technological delays)
3. Lack of staff training
4. Problems placing your products on the market
5. Lack of accounting records

JUSTIFICATION

In Ecuador, SMEs are involved in the production of goods and services, being the basis of the country's social development by producing, demanding and buying products or adding value, so they are fundamental contributions in the generation of wealth and employment, in addition to providing important contributions to the economic growth of the country. However, there are many difficulties due to the lack of knowledge, especially in the accounting field, which is reflected in the little or no training/education on accounting practices, negatively influencing their productivity.

In recent years, micro-enterprises have increased in the province of Bolívar, which has allowed the population to improve their income and therefore improve their quality of life. The economy of the canton has been strengthened by entrepreneurship, including the participation of micro enterprises in the market with diverse products and services, a strategic competitive advantage for accounting information to be feasible and analytical is to include accounting practices as a fundamental part and as an essential factor to help the process of attention and resolution of the needs of microenterprises. allowing them to meet and solve certain needs to ensure their permanence and sustainability in markets that are becoming increasingly demanding, competitive and globalized.

In the city of Guaranda there are many micro entrepreneurs who start their economic activity, as an opportunity to generate income for family subsistence, but unfortunately in such a short time they are bankrupt, one of the main reasons is the lack of accounting practices, that is, not being able to keep adequate accounting they are more susceptible to the bankruptcy of the micro enterprise. Therefore, accounting practices have a very significant impact when it comes to accounting in micro enterprises, since this allows them to keep an adequate record of all movements and record of their daily operations and therefore allows them to propose strategies to improve their decision-making, thus ensuring that small businesses remain in the market and in some way help the economic development of the locality. if micro-enterprises in the city of Guaranda manage to make strategic decisions according to their financial information, they would see better results and growth.

From the above, it can be evidenced that the present study is feasible, which consists of the analysis of the impact of accounting practices to keep an adequate accounting in the microenterprises of the canton of Guaranda, and in this way it can contribute to the micro enterprises taking corrective measures and can improve their performance, taking into account that the accounting practice is fundamental to raise the levels of profits and employment within the canton. In addition, it is very important for micro-entrepreneurs to acquire theoretical knowledge accompanied by accounting practices that help improve profitability.

II. MATERIALS AND METHODS

For the development of this research, it is based on a mixed approach, that is, for a better understanding of the problem, the qualitative and quantitative approach is used; The qualitative approach of the research seeks to understand and analyze the impact of accounting practices to keep an adequate accounting in the microenterprises of the Guaranda Canton, through the response obtained from the respondent and through this to make known to the citizens of Guaranda that the accounting practice is essential to raise the levels of profits of the canton. In addition, it has a quantitative approach to the collection of specific data that facilitates statistical analysis and frequently in the use of statistics to establish an accuracy of the population and thus achieve satisfactory results. deductive, descriptive, bibliographic methods and techniques and instruments, which allowed us to reach the final results.

To fulfill the purpose of the research, the population considered was 969 MSMEs located in the 11 urban and rural parishes of the Guaranda canton such as: urban parishes Veintimilla, Chávez and Guanajo and the rural parishes Facundo Vela, Julio Moreno, Salinas, San Lorenzo, San Luis de Pambil, San Simón, Santa Fe and Simiatug, based on this number, A non-probabilistic sample of 310 MSMEs was calculated. The sample determined was the result of stratifying the population by parish, resulting in the sample presented below:

TABLE 2: MSMEs

Sample	MSMEs
SIMIATUG	5
GUANUJO	57
CHAVEZ	70
TWENTY-MILE	100
JULIO MORENO	8
SAN SIMON	15
SALINAS	6
FACUNDO VELA	8
SAN LORENZO	16
SAN LUIS DE PAMBIL	13
SANTA FE	12
TOTAL	310

Source: Survey of MSME Managers (2022)

Note: The data has been obtained from the survey applied to MSME Administrators.

The technique used for the collection of information was the surveys, which was represented through a questionnaire, the surveys were applied to the owners or managers of the microenterprises.

III. RESULTS AND DISCUSSION

After having carried out the research we can affirm that in the workplace it is so competitive for professionals, that work experience became fundamental when getting a job and at the same time applying it in practice, since practice is important for the professional to develop their skills and attitudes towards their job. showing everything he

knows and learning a little bit about his profession. On the other hand, micro-enterprises value very positively any previous contact with the work environment, since accounting is a fundamental point in administration and for micro-enterprises to function properly it is necessary to have basic knowledge for the proper application of accounting and one of them is the control of their accounts and their financial situation. as these are the aspects that will guarantee their continuity and stability in the Micro-enterprises of the city of Guaranda.

IV. CONCLUSIONS

In order for the workers within an institution to have a better knowledge, it is necessary to give training, especially in relation to accounting, by the senior bosses of the companies, so go ahead without any problem since sometimes many of the people do not have deep experience, and thus carry out an adequate accounting within the micro-enterprises, since accounting itself is an indispensable tool for The purpose of the company is to obtain the necessary information for the calculation of taxes and to comply with the necessary obligations, since its main function is to provide financial information for decision-making and thus benefit the taxpayer.

Finally, the impact of accounting practices has been limited, however, there are aspects such as changes in the technology that supports their daily functions, the evolution of accounting reports in quantity and quality, as well as accounting regulation, which have resulted in the need for this professional to be constantly updated and for his work to be noticed much more in institutions. Since the primary objective of micro-enterprises is central and to value accounting practices in the development of the accounting process, financial within a position and thus take on great importance within the current business framework in such a way that the degree of diversity and subsequently the impacts on the accounting process can be measured.

References

- Banguera, D. (2017). ANALYSIS OF THE IMPACT ON THE LABOR SECTOR OF THE CITY OF ESMERALDAS OF THE PRE-PROFESSIONAL INTERNSHIPS OF THE STUDENTS OF THE ADMINISTRATIVE CAREERS OF PUCESE FOR THE PERIOD 2016-2017. Emerald. Retrieved from <https://repositorio.pucese.edu.ec/bitstream/123456789/1185/1/BANGUERA%20ROJAS%20DAYRA%20ELENA.pdf>
- Faustina Manrique Ramírez, M. I. (2018). Accounting practice from power, organization and doing. Bogotá: Universidad Libre.
- Longenecker, J. G. (2012). Small Business Administration: Launching and Growing Entrepreneurship Initiatives, 16th ed. Mexico: Cengage Learning.
- Louis Jacques Filion, L. C. (2011). SME Administration. Mexico : Pearson Education.
- Paime, E. F. (2003). Cost Accounting and Management Analytics for Strategic Decisions. Spain: Deusto S.A.