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IMPACT OF COLLABORATIVE ACCOUNTING ON ACCOUNTING: A THEORETICAL ASPECTS

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Abstract

Collaborative Accounting is One of the attractive upcoming trends in the accounting profession is that of collaborative software. Accountants are increasing their collaboration with clients in their work so that the work with the interaction of client in work becomes fast and with less effort. Use the latest technologies and the internet in collaborative accounting that increases the quality of work with fewer efforts. The usage of these technologies leads to real time communication to various stakeholders therefore increase the brand value of corporate in the mind of stakeholder. All that needs to be incorporated is the technology required tools, and portals in order to carry out smooth flow information between the collaborators. Collaborative software increases the values of various professional Excellency, skills and values of practices in the markets. Those professionals are demanded more by corporate which has a grater skills of and knowledge of Collaborative software. Collaborative software companies also grow in these modern arena because future of corporate in the hands of collaborative accounting because it provides many benefits such as real time information to stakeholder, Collaboration of clients in work, less time consuming, full disclosure of financial information, ethical aspects and auditing made easy etc. Collaborative accounting software has also some of the risk associated with this technology such as internet is must, client's cooperation is also important, costly process and difficult to meet knowledgeable professional in Collaborative accounting and their charges is also high.

INTRODUCTION

Recently, there's been a lot of consideration set on "collaborative accounting." collaborative accounting is a model that empowers firms and customers to work continuously expel the limits of time and separation to team up with each other and complete undertakings with extreme productivity. Also, definitely, it is feasible that if the correct advances are set up to help it.

During the recent years, we've seen the variety of innovation advancement in the fields of accounting and auditing with the use of information technology. We start with work area applications, moved to interfacing a couple of PCs and after that to out and out systems. Today's generations, it's about the Internet, the cloud, and portable applications. While this change can be overwhelming, each phase through the innovation continuum has been played a significant role in advance firms forward, and encourage very effective activities and extraordinary customer structure and satisfaction.

The present scenario of Businesses issue such as various types of Financial Documents for recording their Transactions to counter-parties in paper formats. In accounting process Electronic Data Interchange – transmission of Information "electronically" but not "intelligently" – manual re-keying or removal of data. In collaborative accounting transformation process or framework where Accounting Package gets EDI Transaction Vouchers and "Insightfully" forms the client.

Meaning of Collaborative Accounting

Collaborative Accounting removes a portion of the mundane accounting tasks and lets the framework and your external business partners be the trigger for automated data entry or information passage and handling into your accounting records; all still inside the business supervisor control, without compromising on data or information confidentiality and security rules.

In simple words Collaborative Accounting means "Collective accounting" it means that collectively performs the function of accounting such as recording, classifying, summarizing, analyzing, and communicating of financial transaction or information to various stakeholder with cooperation of client is known as Collaborative Accounting.

Collaborative Accounting means collaboration of accounting professional with clients in their work and interactive work with client with the help of technological development.

All are the example of Collaborative Accounting with collaboration of accounting professional and clients in their work

Sale Bill of Supplier Triggers Purchase Invoice at your end and the other way around for your clients.

Installment by Customer Trigger Receipt Voucher at your end and the other way around for your providers.

(Petty) Expenses by Employees Trigger Accounting and Cash Imprest Management at your end.

Automated Sharing (at predefined intermittent interims) and Reconciliation of Account Statements with Third Parties, for example, Suppliers, Customers, and Staff.
Reconciliation statement of Bank

Benefits of collaborative accounting

In collaborative accounting, clients should be an active participant in the accounting and auditing learning process.
In collaborative accounting, clients should be taught to identify and solve unstructured problems that require use of multiple Information sources with accounting professionals.
In collaborative accounting, clients should learn by doing cooperation with accounting professionals.
In collaborative accounting, clients should learn to work in groups.
In collaborative accounting, clients should be taught the creative use of technology.
The understudy ought to be educated to recognize and take care of unstructured issues that require utilization of different data sources.

Accounting for collaborative arrangement

Accounting domain continue to adopt to an ever changing marketplace, some may increasing look to enter into or expand collaborations with third parties for development or commercialization of certain product or activities in an effort to share cost and risk associated with such activities.
In collaboration arrangement, parties associated with may allocate responsibility to each other to separate work of activities under a joint arrangement. Joint arrangement includes of those activities of joint development or commercialization of product such as R&D, marketing activities, promotional activities, general and administration activities manufacturing activities, and distribution activities. Such types of activities are shared among collaborative partners for the purpose of sharing cost and risk associated with such activities on the basis of contractual agreements.
Such collaborative arrangements are more complex in nature and significantly in scope, terms & conditions, for risk mitigation purpose. Types of common collaborative arrangement
Co marketing and co development collaboration: These types of joint collaborative arrangement are those in which collaborative partners are agreed on risk mitigation and sharing of only marketing and development related activities because those activities are highly risky in nature.
Co promotional collaboration: those types of collaborative arrangement in which collaborative partners are engaged for promote commercial product in the markets by using each company's commercial capabilities and experience.

Determining the accounting treatment

When there is collaborative activities collaboration between companies then agreement or arrangement meets all requirements of various law, GAAP, and IFRS standards, whether all that collaboration are subject to specific requirement of joint arrangement.
In collaborative arrangement is an agreement which includes a joint operating activity between two or more parties. Who to be active participant of that specific activities and exposure of significant risk and rewards.
Collaboration is a contractual arrangement between two or more parties in the life cycles of an endeavor or at any phase. Those circumstances which are associated with joint arrangement that whether the parties represent active participant or not and exposed significant risk and rewards or not are decided. All those are the **examples of active participant** in joint arrangement such as directing and carrying out the activities of joint arrangement, participating on a steering committee or governance mechanism and holding a contractual or legal right to the joint arrangement activities and product.
All those **activities does not indicate actives participant** or exposure of significant risk in joint arrangement such as services in joint arrangement in exchange of price, a participant is able to exit from joint arrangement without cause or recover all cumulative economic participation till date, initial profits are allocated to significant participant and limit of rewards that accrues to a participant.

Risk associated in accounting of collaborative arrangement

Collaborative arrangement meets the guidance on financial statement presentation, classification, and disclosure that does not addressed recognition or measurement matters such as determining the appropriate unit of accounting, when the recognition criteria are met, even when collaboration is within the scope and corporate must determine the appropriate recognition and measurement for the activities subject to the arrangement, an entity accounting for a collaborative arrangement may also depend on whether there are any activities under the arrangement for which the company and counterparty have a customer vendor relationship. In collaboration arrangement income statement presentation problems such as corporate will need to separate evaluate transaction with third parties outside of the arrangement and also transaction between collaboration participants need collaboration participant report cost incur and revenue generate from contract with third parties in each participant respective income statement in accordance with principal or agency theory. Principal participant of collaboration arrangement has given the effects of transaction like record the transaction on a gross basis in its financial statements. Participant also needs to evaluate the appropriate income statement presentation for payment between the collaboration partners for result of expenses reimbursement or profit sharing.

Present scenario of collaborative arrangement at national and international level

Globalization and business collaboration, National innovation system in most countries are appropriate more incorporated with universal innovation networks and more dependent on foreign sources of knowledge. Collaborations between local business and foreign platform can play a significant role in the absorption and adaptation of knowledge developed overseas, as illustrated by the giving of international atmosphere to the modernization of the foreign. The globalization of innovation brings both opportunities and challenges for developing countries. Multinational companies (MNCs) have substantially extended their global innovation networks, and their intend to collaborate with other foreign business situated abroad has been acknowledged as one of the main drivers of the internationalization of their R&D centers. Policy makers should strive to stimulate collaboration between multinational subsidiaries and local business as a method to attract their R&D activity and to enhance local learning and technology transfer. Since the 2000s, a growing percentage of these offshore R&D centers have been located in developing countries, but profit will only accrue if the appropriate conditions, including human capital, business, services and public research institutes, clusters of innovative local firms, and innovation-friendly regulatory regimes are in place. From a different angle, large firms from National policies to attract R&D-intensive FDI in developing countries developing countries may desire to collaborate with foreign rather than local business if their home country business lacks research qualifications. There are many types of collaborative arrangement which is as under at international level such as

- Policies to promote business-industry collaboration at national and international level.
- R&D incentives and grants
- Performance-based funding of collaborative arrangement and reward systems for active participant.
- Intellectual property rights regime and technology transfer offices
- Science parks, spin-offs, and business incubators
- Education and training
- Globalization and business collaboration

REVIEW OF LITERATURE

Urbancic, F. (1992) this study examines the collaborative research interaction which accounting faculty recognized as having the greatest persuade on their career development. We investigate whether the benefits of working collaboratively on research projects broaden beyond research guidance to contain career guidance and psychosocial support. We report on accounting faculty views of benefits connected with collaborative research associations, focusing on the effect of gender and career stage. Gender barriers in developing significant academic research associations are not apparent in the outcome of the study; this investigation inspects the collective research connection which differs from previous research suggestive of that cross-gender relations are more complicated to enlarge. Forty-six percent of the respondents measured the co-author that had the utmost influence on their career development to be a counselor and personnel recognized as having the best effect on their profession advancement, but most relationships were viewed as peer collaborations, particularly when between female co-authors. Women were less likely to report initiate research collaborations. The gender composition of the research confirmed explanatory power in respondents' potential of benefits to be provided to co-authors, as well as in the actual benefits provided.

Wunsch-Vincent, S. (2012) The Language for Professional Communication in accounting undertaking has changed showing practice in a semantically and socially assorted postgraduate accounting program at Macquarie University in Australia. This paper ponders the undertaking's interdisciplinary and collective way to deal with decent variety in the study hall by following its development and advancement and portraying the manner by which it is supporting the incorporation of expert relational abilities and discipline-specific content inside the Master of Accounting program. Specifically, the paper shows that order experts working in a nonstop and cooperative association with English language authorities, to incorporate and survey relational abilities and advance the educational program, prompts better results for understudies and staff. The paper adds to a developing writing on methodologies that incorporate specific alumni traits into projects with various understudy populaces, instead of bolt-on mediations by language experts that have restricted results.

Koschatzky et al. (2010) to recognize gaps in current research with reference to the critical issues, threats and opportunities in the design of a arrangement for managing performance in collaborative enterprises; and to define a performance management research plan. There is a requirement of perceptive of what collaboration means and what it imply on the growth of suitable performance measurement systems. Future research should learn the nature of collaboration and the uniqueness of performance indicator to support it. The choice of the discipline to be investigated and awareness sources to be searched is based on the authors' definition of collaborative performance organization. This implies that dissimilar definitions of the same concept could lead other researchers to study different disciplines, arrive at different conclusions and define a different research program.

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