

Study on the Influence Mechanism of Accounting Information Quality to Enterprise Investment Efficiency

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ABSTRACT

This paper analyzes the survey of accounting information quality and investment efficiency and the impact of accounting information quality on investment efficiency, studies the influence mechanism of accounting information quality to the efficiency of enterprise investment, and puts forward the proposal on the improvement of enterprise accounting information quality.

Keywords: *accounting information quality; enterprise investment efficiency; influence mechanism*

INTRODUCTION

At present, with the rapid development of market economy, there are two kinds of inefficient investment problems with the enterprises, such as over-investment and lack of investment. In this context, the enterprise's investment activities are affected by the accounting quality particularly, more and more enterprises begin to pay attention to the prediction of the accounting information quality to the future development of the company. So to explore how to use accounting information to invest in order to improve investment efficiency has become the main content of the current accounting information quality research.

RESEARCH ON ACCOUNTING INFORMATION QUALITY AND INVESTMENT EFFICIENCY

The Connotation of Accounting Information Quality

Accounting information quality, that is, the sum of the ability characteristics of the accounting information that can meet the clear and implicit needs. Accounting information generates in the enterprise financial accounting, the purpose is to meet all needs of the activities related to allocation of financial resources, provide help and advice for the economic activities of the enterprise.

Accounting information can not only assesses and predicts the future of the company's capital flows, but also improves the status from the management. Whether the investors or corporate

shareholders, they will refer to the relevant accounting information, understand the financial situation about the enterprise internal investment plan before their investments, in order to minimize their losses. As the core of the entire accounting work, accounting information can effectively improve the enterprise's investment and operating conditions, and can help investors and business decision-makers to make the right investment choices, so that it prompts them to analyze and deal with business problems in a timely manner.

At this stage, the financial fraud, earnings management, accounting earnings quality are the measures of accounting information quality standards.

The Connotation of Investment Efficiency

Corporate investment is a form of economic activity in which cash is paid as the primary means, with the aim of achieving a higher level of cash inflow. According to the investment objects to the enterprise investment behaviors, the enterprise investment is divided into physical investment and financial investment. The investment efficiency of the enterprise refers to the percentage of the investment and net present value of recycling, which is divided into two types: the effective investment and the inefficiency investment. Effective investment refers to the fact that the net present value of the enterprise investment project is positive value under the effect that the external market is less prerequisite. However the inefficient investment is divided into two cases of over-investment and under-investment. Over-investment, that is, the

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net income of the project is negative, and the business operation is at a loss, accordingly, under-investment refers to the enterprise investment failed to take net positive value of the project investment due to a certain degree of error.

ANALYSIS ON THE EFFECT OF ACCOUNTING INFORMATION QUALITY ON ENTERPRISE INVESTMENT EFFICIENCY

In the development of market economy, enterprises expand the capital through the continuous and effective investment behaviors, in the process of investment and capital expansion, accounting information quality plays an important role. The owner of the enterprise determine the direction of investment according to the contents of the accounting information to, and determine whether the investment is effective according to the accounting information on the results of investment behavior analysis, and then decision making the next investment. It can be said that the quality of accounting information is the key to business investments. The impact that the quality of accounting information acts on the investment rate has become an indicator to determine the investment effect and forecast the development of enterprises. This is undoubtedly the most important reference for the economic risk avoidance and long-term economic planning. Therefore, to explore the impact of accounting information quality on the enterprise investment rate is necessary for the economic behaviors of enterprises.

ANALYSIS ON THE INFLUENCE MECHANISM OF ACCOUNTING INFORMATION QUALITY ON ENTERPRISE INVESTMENT EFFICIENCY

The Quality of Accounting Information Affect the Business to Determine the Risk of Investment

Whether the investment for a purpose is feasible depends on the decision of the enterprise decision maker on the investment risk, and the judgment of the investment risk is mainly based on the estimation of the investment benefit and the estimation of its own economic strength. The quality of accounting information provided by enterprise financial work plays an important role in it. As the first feature of accounting information, relevance is the explain that the accounting information should meet the needs of economic management, and the two signs of accounting information relevance are the

predictive value and feedback value of accounting information, both can help to invest of the risk judgment for the enterprise. In the case of high level of accounting earnings, enterprises can make the right judgments about whether to invest based on the quality of accounting information on the investment.

The Quality of Accounting Information Affect the Amount of Corporate Investment

Under normal circumstances, the amount of investment in the enterprise and the number of enterprises to obtain the ratio of investment benefits can reflect the level of business investment efficiency. Business decision-makers will determine whether to continue to invest in the investment and then inject how much money on this based on the contents of the accounting information. On the basis of the correct investment direction, the quality of accounting information also affects the amount of investment, In fact, enterprise under-investment or over-investment decisions are affected by the quality of accounting information. If the reliability of the quality of accounting information cannot be guaranteed, the contents of the financial statements shouldn't be consistent with the actual economic situation of enterprises, there are false and omission, or the authenticity of accounting information cannot be guaranteed due to corporate accounting system and accounting staff professional quality, then the vested profits enterprise made in the investment projects may be false, which will promote business decision-makers to stop the effective investment or continuing to inject fund in the case of saturated profitability

The Quality of Accounting Information Affect the Business to Determine the Effectiveness of Investment

The timeliness of accounting information, that is, the generation of accounting information should be preceded by the economic decision of the enterprise. The neutrality and comparability of accounting information indicate the scientific nature of accounting information generation and the effect of accounting information on economic activities, that means that, the quality of accounting information will affect the decision of business decision-makers to judge. The enterprise's economic decision-making is lagging behind results from untimely accounting information, and the best investment opportunities may also be missed; that accounting information generation process is not scientific and the

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contrast is not strong in the same project will directly distort the effect of investment; Earnings management may cause investors to misjudge the funds available to the firm for investment. In the case that accounting information quality cannot be guaranteed, the enterprise is likely to have an extreme judgment on the investment effect; because the enterprise decision-makers did not invest in the best investment point of time, and investment efficiency analysis did not reflect the actual effect of investment, it will make the original effective investment be judged to be "failed investment", thus affect the decision-making investment in the future; Simultaneously excessive earnings management will make the decision-makers believe that investment efficiency is high, and continue to inject funds in the original invalid investment projects.

SUGGESTIONS ON IMPROVING THE QUALITY OF ACCOUNTING INFORMATION

Improve the Internal Control System

Accounting law stipulates clearly that all units should establish and improve the unit internal accounting supervision system. In order to improve management efficiency and ensure the quality of information is reliable, it is necessary to establish an internal control system. Strengthen internal supervision, standardize accounting behaviors, and continue to improve the regulatory structure of the organization. Enterprises should improve the transparency of accounting information, punish the preparation of false accounting information strictly, and curb the undesirable phenomena of business private black box operation.

The illegal behaviors should be dealt with strictly, so that the accounting staff can be bound to improve the efficiency. All departments should cooperate with each other to work together to complete a good supervisory work and create a favorable working environment. But the specific implementation details are still imperfect. Therefore, the regulatory authorities should coordinate with each other and supervise and cooperate jointly. In essence, this provision prompt the units to establish and improve the internal control system to ensure that the financial accounting information relevance and reliability. In order to ensure accounting information reliable, the enterprise accounting supervision mechanism must be perfect. In order to be able to get reliable accounting information, the regulatory mechanism of accounting firms

must be improved.

Strengthen the Accounting Information of the Restraint System

In order to improve the accounting information's authenticity and accuracy, we should strengthen the accounting information system constraints in order to better be used by investors. Standardize accounting practices within the enterprise, prompting the accounting regulators to punish those illegal acts, which can effectively improve the efficiency of accounting. Not only to regulate the internal structure of enterprises, external structures should be coordinated with each other to establish a highly efficient and perfect trading environment. However, some senior executives in the listed companies are seriously intervening in the interests of the company, even if it is illegal, but did not get the appropriate punishment, which seems to be unfair to many people.

Improve the Accounting Laws and Regulations Further

Accounting legal system is the foundation to protect the enterprise accounting information relevance and reliability. Therefore, we should organize various fields of experts continue to improve the national accounting laws and regulations in order to achieve the state in improving the level of accounting management. At the same time, under the premise of the existing laws and regulations, we should target to improve and modify the current laws and regulations based on the status of enterprise development and accounting information in the operation of the enterprise problems, to develop a real accounting and business development laws and regulations, To give the best information on the external development of accounting information environment. Enterprises should be fully aware of the needs of accounting information users, and then through the existing accounting resources, provide information available that accounting information users really need. China's relevant government departments should improve related accounting system, accounting standards and laws and regulations as soon as possible to improve, so that it can quickly continue to develop toward the direction of the needs of policy makers.

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