Cyclic-economy-based Enterprise Accounting Budget Management
Performance Evaluation System Model

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Abstract
Cyclic economy is popular in today’s society. The concept of cyclic economy came from abroad, but the cyclic economy of China is in the process of actual implementation. China has played as a good role model in the promotion of cyclic economy. China’s economy has been moving in a better direction in recent years, bringing about tremendous changes in the life of the Chinese people. In order to better understand the great concept of cyclic economy, Chinese enterprises need to constantly improve their ability to deal with risks, by paying more attention to performance management and enriching their own rating system especially in terms of the business accounting budget.

Keywords: Cyclic Economy, Enterprise Accounting Budget, Management Performance, Evaluation System.
2. CYCLIC ECONOMY

2.1 Concept of cyclic economy

At present, the concept of cyclic economy is popular in the context of China’s greater influence in the world, which has a profound impact on the world economy as the new economic growth point. Thus there are more relevant researches on cyclic economy in recent years (Gu and Dai, 2015). Many researches on cyclic economy around the world are centered on that the increasing worldwide population year by year with the limited resources on Earth. Within the industrial revolution, energy consumption in the world will continue to increase. However, the resources on Earth are not inexhaustible. Someday, resources on the earth will be depleted and people’s lives will be greatly impaired. In order to minimize the catastrophic consequences, saving energy and resources on a global scale calls for a cyclic economy, in order to deal with the existing industrial fertilizers accordingly and continuously by putting forward new modes of thinking and continuously strengthening new economic growth points. The idea put forward by people all over the world after continuous efforts is thus called as cyclic economy (Wang, 2015). With the advocacy of cyclic economy, great changes have taken place in the ideological aspect of the Chinese people, adjusting the original mode of economic growth accordingly and continuously saving resources for the future generation. It is hoped that China can earnestly implement this concept of cyclic economy for the survival for future generations, so that the concept of sustainable development will continue to be promoted (Xu, 2014).

2.2 Characteristics of cyclic economy

First, systematic. The concept of cyclic economy is developing rapidly today in China. Cyclic economy is an attitude as well as an idea, which is a strategy to solve the problems faced by China in the future. In implementing the cyclic economy, the Chinese people have changed their concept. Thus they will not waste resources and learn to save the energy (Cheng and Tian, 2014). On the basis of cyclic economy, the Chinese people can conscientiously study some advanced foreign experiences and combine the research results of other countries with the actual situation in China, bringing many changes to the Chinese people’s life. Chinese people now have more sense of crisis in life instead of the blind arrogance (Zhang, 2012).

Second, ecological. On September 18th, 2017, China held the 19th National People’s Congress. At this meeting, General Secretary Xi Jinping made an important speech. The theme of the conference was “remain true to our original aspiration and keep our mission firmly in mind”. In Xi Jinping’s speech, there is promise of the bright future of China’s future development as well as some problems that China needs to face in its development till now. General Secretary Xi stressed that as China entered the new era of socialism with Chinese characteristics, which is a new historical position for China’s development (Chen, 2010). In the new era, the major contradictions in Chinese society have undergone significant changes, resulting in the principal contradiction facing Chinese society in the new era is that between unbalanced and inadequate development and the people’s ever-growing needs for a better life. At present, one of the more prominent problems in the continuous development of society is the ecological problem, for green mountains and blue waters are valuable than gold. If China’s ecological problems cannot be well controlled, there will be great difficulties in the development of China in the future. The economic, political, cultural, social and ecological construction proposed by the Central Committee of Communist Party of China calls for China’s ecological civilization construction to a higher degree, which requires in-depth discussion. The concept of cyclic economy is integrated with the mainstream ideology of China’s current social development in line with the actual conditions of social development as well as the social conditions of China’s future development (Gao, 2010).

Third, consumption. In the development course of the concept of cyclic economy in China for many years, such concept continues to win the hearts of people, which has aroused widespread concern in the community. The continuous development and progress of Chinese society mean that the standard of living of the Chinese people is constantly improving. The status quo of people’s life has been well improved, and the Chinese people have enjoyed better harmony and stability. With the promotion of cyclic economy, people’s consumption concept has undergone major changes, reducing the waste and consuming extravagance. With such slow process of shifting life attitudes, the idea of green consumption continues to reside in people’s minds, in order to help the people to reform and innovate the ways of consumption continuously. Although many bad consumer behaviors are under control today, some people with poor ideological understanding need to revise their consumption behaviors (Gong, 2008). In China, the consumption behavior of luxury goods has gradually spread. It can be said that since the concept of cyclic economy has entered into the tens of thousands of households, the concept of living consumption has changed, which will greatly enhance the utilization of resources in China more rationally, more conveniently
and more rapidly. In the world, the influence of China will continue to increase, bringing about fundamental changes in the life of the Chinese people and promoting the further development and prosperity of China’s economy.

3. ESTABLISHMENT OF ENTERPRISE ACCOUNTING BUDGET MANAGEMENT PERFORMANCE EVALUATION SYSTEM MODEL

3.1 Evaluation criteria

The performance evaluation of enterprise accounting budget management is important to the development of an enterprise. The effective accounting management depends on effective enterprise operation. The development of the enterprise is integrated with the management evaluation of the accounting. Only in this way can the efficient operation of the enterprise in finance be promoted, so that the core influence of the enterprise can be improved constantly. Therefore, the financial risk of the enterprise can be further controlled (Jin and Wang, 2016). It can be said that an enterprise’s hope for making further progress and accountancy management playing a key role require that many enterprises in China continue to better implement and improve their accounting management. The core of the performance budget is to gradually achieve the goal of comprehensive management of the enterprise by setting budget performance targets, establishing a performance evaluation system, linking the budget and performance, and setting the budget on the basis of measurable performance. Only when the financial affairs of the enterprise are well implemented, the financial officers of the enterprise can abide by the rules in order to reduce the risks to the minimum and exert tremendous effect on the healthy operation of the company.

3.2 Design of evaluation index system

The performance evaluation system based on performance budget emphasizes result-oriented, which can reduce the risks for the enterprise by formulating the enterprise budget performance target, performance budget management restraint mechanism and incentive mechanism, so as to reduce the risks facing the enterprise’s performance mechanism to the lowest. Among the many evaluation indexes, the economic evaluation indexes the most important. The economic evaluation index is a comprehensive demonstration of the recent economic conditions of the enterprise. It systematically evaluates the recent basic operation of the company, and for sure, it is presented in the form of the ultimate goal of the struggle in terms of economy. To be sure, the evaluation index of economic benefit is composed of many aspects. The most important one is the financial evaluation index, which analyzes the financial risk control ability of the enterprise from the perspective of the profitability of the company, the ability of repaying debts and the ability of asset management. On the other hand, the perspective of non-financial indicators counts as well. Specifically, the company’s awareness of innovation and entrepreneurship and ability, the company’s research capabilities, the company’s product management concepts, the company’s recent product development and sales and other aspects should be considered. In addition, the evaluation index system of enterprises can be studies from the perspective of social benefits, that is, the social responsibility and social obligations the company bears. It is necessary for the company to effectively solve social problems in the company’s business development playing an important of promotion in today’s society. It is necessary for the enterprise to operate normally playing an important role in supporting members of the society, and the role of an enterprise in promoting social benefits should not be underestimated, which should be included in the system of enterprise evaluation indicators.

4. CONCLUSION

Under the premise of advocating cyclic economy on a global scale, it is of vital importance that an enterprise can achieve the expected goals. In the process of social development, cyclic economy plays an important role in people’s life at present and in the future. Therefore, in the development of enterprises, the concept of cyclic economy self-innovation should be promoted, especially for the internal financial management of the enterprises. It is believed that the requirements of cyclic economy can enrich the internal financial evaluation system, enhance corporate social responsibility, work for as much as possible social benefits of the enterprises, make great contributions to the development of society and contribute to the sustainable development of China’s economy.

ACKNOWLEDGEMENTS

Fund Project: “Do the design and use of performance measurement systems (PMSs) influence the achievement of ambidextrous innovation outcomes?”. IMA Research Incubator Grant Application Project.
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