Internship Report

on

"The Impact of Accounting Practices in the RMG Sector: An Empirical Analysis:" A Study on Pacific Jeans

Submitted by:

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ID: BBA1901016093

Program: BBA Accounting (BBA)

Major: Accounting

Department of Business Administration

Sonargaon University (SU)

Submitted to:

Department of Business Administration

Faculty of Business

Sonargaon University (SU)

Submitted for the partial fulfillment of the degree of BBA in Accounting (BBA)

Sonargaon University (SU)

147/1 Green Road, Panthapath, Tejgaon, Dhaka

Date of Submission: September 05, 2026

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Supervised by:

Prof. Md. Al-Amin Molla

Dean

Faculty of Business

Sonargaon University (SU)

Submitted for the partial fulfillment of the degree of BBA in Accounting (BBA)



Sonargaon University (SU)

147/1 Green Road, Panthapath, Tejgaon, Dhaka

LETTER OF TRANSMITTAL

Date: _____

To

Prof. Md. Al-Amin Molla

Dean, Faculty of Business

Sonargaon University (SU)

Subject: Submission of Report on **"The Impact of Accounting Practices in the RMG Sector: An Empirical Analysis—A Study on Pacific Jeans"**

Dear Sir,

With due respect, I am pleased to submit my report entitled **"The Impact of Accounting Practices in the RMG Sector: An Empirical Analysis—A Study on Pacific Jeans"** as a partial requirement for completing the BBA program, majoring in Accounting, at Sonargaon University.

The report examines major accounting practices in the RMG sector and their relationship with **cost control, managerial decision-making, profitability, and organizational performance**, with particular reference to Pacific Jeans.

I have made every effort to ensure the report is accurate, relevant, and academically meaningful. I sincerely hope that it will fulfill the requirements of the BBA program.

I would like to express my sincere gratitude for your valuable guidance and academic support.

Sincerely,

Md. Sabuj Mahmud

ID: BBA1901016093

Program: BBA, Major: Accounting

Department of Business Administration

Sonargaon University (SU)

STUDENT DECLARATION

I hereby declare that the report entitled **"The Impact of Accounting Practices in the RMG Sector: An Empirical Analysis—A Study on Pacific Jeans"** has been prepared by me as a partial requirement for the completion of the Bachelor of Business Administration (BBA) program, majoring in Accounting, at Sonargaon University.

I further declare that this report has been prepared through my own academic efforts, analysis, and interpretation, supported by relevant literature, secondary sources, and empirical analysis. **Pacific Jeans has been selected as the organizational context for examining accounting practices in the RMG sector.**

To the best of my knowledge, this report has not been submitted previously to any other university or institution for the purpose of obtaining any academic degree, certificate, or qualification.

I have made every effort to maintain academic integrity throughout the preparation of this report. All relevant sources of information have been properly acknowledged and referenced.

Md. Sabuj Mahmud
ID: BBA1901016093
Program: BBA
Major: Accounting
Department of Business Administration
Sonargaon University (SU)

Date: _____

SUPERVISOR'S CERTIFICATE

This is to certify that **Md. Sabuj Mahmud**, ID No. **BBA1901016093**, a student of the Bachelor of Business Administration (BBA) program, majoring in Accounting, Department of Business Administration, Sonargaon University, has completed the report entitled:

"The Impact of Accounting Practices in the RMG Sector: An Empirical Analysis" A Study on Pacific Jeans

The report has been prepared under my supervision and guidance as a partial requirement for the completion of the BBA program.

The report examines accounting practices in the Ready-Made Garments (RMG) sector with particular reference to Pacific Jeans and analyzes their relationship with cost control, managerial decision-making, profitability, and organizational performance.

To the best of my knowledge, the report represents the student's academic work and has been prepared in accordance with the requirements of the BBA program.

I wish him every success in his future academic and professional endeavors.

Prof. Md. Al-Amin Molla
Dean
Department of Business Administration
Faculty of Business
Sonargaon University (SU)

Date: _____

ACKNOWLEDGEMENT

First of all, I would like to express my gratitude to Almighty Allah for giving me the strength, patience, and ability to complete this report successfully.

I would like to express my sincere appreciation to **Prof. Md. Al-Amin Molla, Dean, Department of Business Administration, Faculty of Business, Sonargaon University (SU)**, for his valuable guidance, constructive suggestions, and continuous academic support throughout the preparation of this report.

I am also grateful to the faculty members of the Department of Business Administration, Sonargaon University, for providing me with the academic knowledge and theoretical foundation necessary to understand accounting practices and their application in the business environment.

I would also like to acknowledge the relevant respondents and sources of information that contributed to the empirical and contextual analysis of accounting practices in the RMG sector. The organizational context of **Pacific Jeans** provided an important basis for understanding accounting-related activities within the RMG industry.

Finally, I am grateful to my family, friends, classmates, and everyone who directly or indirectly supported me throughout the preparation of this report.

Md. Sabuj Mahmud

EXECUTIVE SUMMARY

The Ready-Made Garments (RMG) sector is one of the most important sectors of Bangladesh's economy, contributing significantly to employment, export earnings, industrial development, and economic growth. Because RMG organizations operate through large-scale production, extensive inventories, labour-intensive activities, and export-oriented operations, effective accounting practices are essential for financial control and managerial decision-making.

This report, entitled **"The Impact of Accounting Practices in the RMG Sector: An Empirical Analysis—A Study on Pacific Jeans,"** examines the role and impact of accounting practices in the RMG sector with particular reference to Pacific Jeans.

The report focuses on major accounting practices, including **financial accounting, cost accounting, management accounting, inventory accounting, budgetary control, internal control, and accounting information systems**. It further examines their relationships with **cost control, managerial decision-making, profitability, and organizational performance**.

The empirical framework uses a structured questionnaire and a five-point Likert scale to assess respondents' perceptions. The analysis includes descriptive statistics, reliability analysis, Pearson correlation, regression analysis, and hypothesis testing.

The illustrative findings indicate a generally positive perception of accounting practices. Accounting practices demonstrate a strong positive relationship with cost control and significant positive relationships with managerial decision-making, profitability, and organizational performance. The findings suggest that effective accounting practices can improve cost monitoring, resource utilization, management decisions, financial control, and overall organizational performance.

The report also identifies several challenges associated with accounting practices in the RMG sector, including difficulties in accurate cost measurement, inventory management, internal control, accounting-system integration, data accuracy, and the availability of skilled accounting personnel.

Based on the findings, the report recommends strengthening cost accounting, improving inventory-control systems, developing integrated accounting information systems, strengthening internal controls, improving budgetary practices, and providing continuous professional training to accounting personnel.

Overall, the report concludes that **effective accounting practices are an important contributor to cost efficiency, informed managerial decision-making, profitability, and organizational performance in the RMG sector**. Their effectiveness can be further improved through appropriate technology, skilled personnel, strong internal controls, and active managerial involvement.

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CHAPTER ONE
INTRODUCTION

1.1 Background of the Report

The Ready-Made Garments (RMG) sector is one of the most important pillars of Bangladesh's economy. Over the years, the sector has expanded significantly and has become a major source of export earnings, employment, industrial development, and foreign exchange. Bangladesh has established a strong position in the international apparel market, while the sector has also contributed to the growth of supporting industries such as textiles, accessories, transportation, banking, and logistics (BGMEA, 2024).

The RMG industry is highly dependent on efficient financial and operational management. Garment manufacturing involves numerous financial activities, including procurement of raw materials, production costs, wages and salaries, factory overheads, inventory management, export expenses, budgeting, and financial reporting. Therefore, effective accounting practices are essential for maintaining accurate financial records and providing useful information for managerial decision-making (Horngren et al., 2015).

Accounting practices in the RMG sector extend beyond simple transaction recording. Financial accounting, cost accounting, management accounting, inventory accounting, budgeting, internal control, and accounting information systems all contribute to effective financial management. In particular, cost accounting helps organizations determine production costs and identify opportunities for cost reduction, while management accounting provides information for planning, controlling, and decision-making (Drury, 2018).

Inventory accounting is also highly important because RMG organizations handle substantial quantities of raw materials, work-in-progress, and finished products. Accurate inventory records help minimize wastage, avoid stock shortages, and ensure reliable financial reporting. Similarly, effective internal control can reduce errors and irregularities and improve the reliability of financial information (COSO, 2013).

Against this background, **Pacific Jeans** provides a relevant organizational context for examining accounting practices within Bangladesh's RMG sector. The present report focuses on how accounting practices influence important organizational outcomes, particularly cost control, managerial decision-making, inventory management, internal control, profitability, and organizational performance.

1.2 Problem Statement

The RMG sector operates in a highly competitive and cost-sensitive business environment. Rising production costs, fluctuations in raw-material prices, labour expenses, energy costs, transportation costs, and international price pressures create significant challenges for garment manufacturers. Under these circumstances, effective accounting practices are necessary to provide management with reliable information for controlling costs and making appropriate decisions.

One of the major concerns is the accurate measurement and control of production costs. Garment manufacturing involves direct materials, direct labour, manufacturing overheads, utilities, transportation, quality control, and other expenses. If these costs are not properly recorded and allocated, management may face difficulties in determining actual production costs and evaluating profitability (Drury, 2018).

Inventory management is another important concern. RMG organizations maintain large quantities of fabrics, accessories, work-in-progress, and finished goods. Weak inventory accounting can result in wastage, stock discrepancies, unnecessary storage costs, and production interruptions. Therefore, effective inventory accounting and internal control are essential for efficient resource utilization.

Internal control also represents an important area of concern. Weak authorization procedures, inadequate segregation of duties, insufficient monitoring, and poor documentation can increase the risk of errors and financial irregularities. Effective internal control helps organizations improve operational efficiency, financial reporting, and compliance (COSO, 2013).

Therefore, the central problem addressed by this report is **whether and to what extent accounting practices contribute to cost control, managerial decision-making, profitability, and overall organizational performance in the RMG sector**.

The report uses Pacific Jeans as an organizational context to examine these issues and subsequently uses empirical data to assess respondents' perceptions of the relationship between accounting practices and organizational outcomes.

1.3 Rationale of the Report

The rationale of this report lies in the growing importance of effective accounting practices for the financial and operational sustainability of Bangladesh's RMG sector. Since the industry operates in a highly competitive international market, controlling costs and utilizing resources efficiently are essential for maintaining competitiveness.

Effective accounting practices can provide management with reliable information about production costs, inventory, revenues, expenses, and profitability. Such information can support planning, budgeting, cost control, and managerial decision-making. Management accounting, in particular, enables managers to use financial and non-financial information for planning and controlling organizational activities (Hilton & Platt, 2017).

The report is also relevant because accounting practices can influence the quality of internal control and financial transparency. Proper accounting procedures and effective internal controls can reduce errors, safeguard organizational resources, and improve the reliability of financial information. These factors are particularly important for large manufacturing and export-oriented organizations.

From an academic perspective, the report provides an opportunity to connect theoretical knowledge of accounting with the practical environment of the RMG sector. Concepts such as cost accounting, inventory accounting, management accounting, budgeting, internal control, and financial reporting can be examined within the context of Pacific Jeans.

Finally, the report is intended to provide empirical evidence regarding the relationship between accounting practices and organizational outcomes.

1.4 Objectives of the Report

The main objective of this report is to examine the impact of accounting practices on organizational performance in the RMG sector, with particular reference to **Pacific Jeans**.

The specific objectives are:

1. To examine the major accounting practices followed in the RMG sector with reference to Pacific Jeans.
2. To assess the role of accounting practices in controlling production and operating costs.
3. To evaluate the contribution of accounting information to managerial decision-making.
4. To examine the role of accounting practices in inventory management and internal control.
5. To assess the relationship between accounting practices and profitability and organizational performance.
6. To identify major problems and challenges associated with accounting practices in the RMG sector.
7. To provide recommendations for improving accounting practices and their effectiveness.

1.5 Research Questions

To achieve the objectives of the report, the following research questions have been formulated:

1. What are the major accounting practices followed in the RMG sector with reference to Pacific Jeans?
2. How do accounting practices contribute to cost control in the RMG sector?
3. To what extent does accounting information support managerial decision-making?
4. How do accounting practices contribute to effective inventory management and internal control?
5. Is there a significant relationship between accounting practices and profitability and organizational performance?
6. What are the major challenges affecting the effectiveness of accounting practices in the RMG sector?
7. What measures can be taken to improve accounting practices in the RMG sector?

1.6 Scope and Significance of the Report

Scope of the Report

The scope of this report is focused on accounting practices in the **Ready-Made Garments (RMG) sector of Bangladesh**, with **Pacific Jeans** serving as the organizational context. The report covers major areas of accounting, including financial accounting, cost accounting, management accounting, inventory accounting, budgeting, internal control, financial reporting, and accounting information systems.

The report particularly examines the relationship between accounting practices and **cost control, managerial decision-making, inventory management, profitability, and organizational performance**. Primary information obtained through the survey will be analyzed using appropriate statistical techniques, while secondary information will be collected from relevant academic and institutional sources.

Significance of the Report

The report is significant from both academic and practical perspectives. Academically, it connects accounting theories and concepts with the practical environment of the RMG industry. It may also contribute to the existing literature by providing sector-specific empirical evidence.

From a managerial perspective, the findings may help identify areas where accounting practices can be strengthened to improve cost control, financial decision-making, internal control, and organizational performance. The report may also be useful to accounting professionals, managers, researchers, students, and other stakeholders interested in the financial management of the RMG sector.

1.7 Limitations of the Report

Despite efforts to make the report comprehensive and reliable, several limitations should be acknowledged.

First, the empirical findings depend largely on the responses and perceptions of the selected respondents. Therefore, the findings may not represent the views of every employee or organization in the RMG sector.

Second, access to confidential financial and accounting information of Pacific Jeans may be limited because organizations generally do not disclose sensitive financial information for academic purposes.

Third, time and resource constraints may limit the size and geographical coverage of the sample. As a result, the findings should be interpreted within the scope of the selected respondents and organizational context.

Fourth, some secondary information may vary depending on the publication year and source. Therefore, emphasis will be placed on reliable and relevant sources, including academic publications and official institutional reports.

Finally, the report focuses primarily on selected accounting practices and their perceived impact on organizational outcomes. Other factors, such as marketing strategy, production technology, labour relations, international trade conditions, exchange-rate movements, and global demand, may also influence organizational performance but are not examined in detail.

Nevertheless, these limitations do not undermine the overall purpose of the report. The methodology and analysis are designed to provide a meaningful understanding of the role and impact of accounting practices in the RMG sector.

CHAPTER TWO

LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.1 Concept of Accounting Practices

Accounting is an information system that identifies, records, classifies, summarizes, analyzes, and communicates financial information to users for decision-making purposes. Traditionally, accounting was mainly associated with recording business transactions and preparing financial statements. In modern organizations, however, accounting has a much broader role. It provides information for planning, budgeting, cost control, performance evaluation, resource allocation, and managerial decision-making (Horngren et al., 2015).

The term **accounting practices** refers to the policies, procedures, methods, and systems used by an organization to record, process, analyze, and report its financial and operational information. These practices generally include financial accounting, cost accounting, management accounting, inventory accounting, budgeting, internal control, financial reporting, payroll accounting, and accounting information systems.

Financial accounting focuses on recording transactions and preparing financial statements that communicate an organization's financial position and performance. The usefulness of financial information depends on characteristics such as relevance and faithful representation (IFRS Foundation, 2018).

Cost accounting is particularly important for manufacturing organizations because it helps identify, measure, classify, and analyze production costs. It provides information for cost control, pricing, budgeting, performance evaluation, and managerial decisions (Drury, 2018). In an RMG organization, cost accounting may cover fabric and accessories, direct labour, utilities, factory overheads, depreciation, quality control, and other production-related expenses.

Management accounting extends accounting information beyond historical reporting. It provides managers with information for planning, controlling operations, evaluating alternatives, and making decisions (Hilton & Platt, 2017). Inventory accounting is also important because organizations need accurate information about raw materials, work-in-progress, and finished goods.

Table 2.1

Major Components of Accounting Practices

Component	Main Function	Organizational Importance
Financial Accounting	Recording and reporting transactions	Financial transparency
Cost Accounting	Measuring and analyzing costs	Cost control and profitability
Management Accounting	Providing managerial information	Planning and decision-making
Inventory Accounting	Recording and monitoring inventory	Resource management
Budgetary Control	Planning and monitoring expenditure	Financial control
Internal Control	Safeguarding assets and controlling risks	Accountability and risk reduction
Accounting Information Systems	Processing accounting information	Timely and accurate information

Source: Developed by the researcher based on Drury (2018), Horngren et al. (2015), Hilton and Platt (2017), and COSO (2013).

2.2 Accounting Practices in the RMG Sector

The RMG sector has a distinctive accounting environment because garment manufacturing involves large-scale production, extensive inventories, labour-intensive operations, export transactions, and significant operating costs. These characteristics make effective accounting practices important for maintaining financial control and supporting managerial decisions.

Financial accounting provides the basis for recording procurement, production, sales, payroll, operating expenses, and other transactions. Reliable financial reporting is particularly important for export-oriented organizations because financial information is used by management as well as other stakeholders (IFRS Foundation, 2018).

Cost accounting has particular importance in garment manufacturing. Production costs may include fabrics, buttons, zippers, labels, packaging materials, direct labour, electricity, depreciation, maintenance, and other factory overheads. Accurate measurement of these costs helps management determine unit production costs, evaluate order profitability, and make pricing decisions (Drury, 2018).

Inventory accounting is another important area because RMG organizations manage raw materials, work-in-progress, and finished goods. Effective inventory records can help reduce stock discrepancies, wastage, and unnecessary inventory investment.

The RMG industry is also labour-intensive, making **payroll accounting** important. Accurate recording of wages, overtime, allowances, deductions, and other employee-related costs is necessary for determining labour costs and maintaining reliable financial records.

Budgeting and budgetary control help management plan production, materials, labour, overheads, sales, cash flows, and capital expenditures. Comparing actual results with budgeted figures allows managers to identify significant variances and take corrective action.

Internal control is equally important because RMG organizations handle substantial inventories, procurement transactions, payroll activities, and financial resources. Authorization, segregation of duties, documentation, reconciliation, physical inventory verification, and monitoring can reduce the risk of errors and irregularities (COSO, 2013).

For an export-oriented organization such as **Pacific Jeans**, these accounting practices are relevant to production planning, inventory management, cost control, export activities, and managerial decision-making. However, their effectiveness depends on proper implementation, data accuracy, employee competence, and management support.

Table 2.2

Accounting Practices and Their Relevance to the RMG Sector

Accounting Practice	Application in RMG	Expected Impact
Financial Accounting	Recording transactions and financial reporting	Transparency
Cost Accounting	Measuring production costs	Cost control and profitability
Inventory Accounting	Managing raw materials and finished goods	Efficient stock management
Payroll Accounting	Recording wages and benefits	Accurate labour-cost measurement
Budgetary Control	Planning production and expenditure	Better resource allocation
Internal Control	Controlling financial and operational activities	Risk reduction
Management Accounting	Supporting managerial decisions	Better planning
Accounting Information Systems	Integrating financial and operational data	Timely information

Source: Developed by the researcher.

2.3 Accounting Practices and Cost Control

Cost control refers to the process of planning, monitoring, measuring, and regulating organizational costs to ensure efficient use of resources. It is particularly important in the RMG sector because production involves substantial expenditure on materials, labour, utilities, transportation, maintenance, and factory overheads.

Cost accounting provides management with information about the cost of producing particular products or orders. Accurate costing is important because RMG manufacturers often face strong price pressure from international buyers. If production costs are underestimated, expected profit margins may be significantly reduced (Drury, 2018).

Raw-material cost is one of the major areas of cost control. Fabrics, accessories, buttons, zippers, labels, threads, and packaging materials need to be properly recorded and monitored. Accounting information can help management compare expected material consumption with actual consumption and identify wastage or unusual variances.

Labour cost is another important area because garment manufacturing is labour-intensive. Wages, overtime, allowances, and other employee-related expenses can significantly affect total production cost. Proper payroll accounting allows management to monitor labour expenditure and production efficiency.

Factory overheads such as electricity, maintenance, depreciation, quality control, supervision, and other indirect expenses also require proper accounting. Appropriate allocation and monitoring of overheads help management determine realistic production costs.

Budgetary control further strengthens cost control by allowing management to compare actual expenditure with planned expenditure. Significant variances can be investigated and corrective measures can be taken (Hilton & Platt, 2017).

Therefore, effective accounting practices can support cost reduction, resource efficiency, and improved profitability in RMG organizations.

2.4 Accounting Practices and Managerial Decision-Making

Managerial decision-making involves evaluating alternatives and selecting appropriate actions to achieve organizational objectives. Accounting information plays an important role because managers require reliable financial and operational information to understand the consequences of different decisions.

In the RMG sector, managers make decisions regarding production volume, product mix, procurement, pricing, inventory levels, labour utilization, budgeting, and resource allocation. Each decision has financial consequences, making accurate accounting information essential.

Cost information is particularly important for production and pricing decisions. For example, management may need to determine whether an export order is financially viable. Information regarding material costs, labour costs, overheads, and other order-related expenses can help managers estimate expected profitability.

Accounting information also supports **resource-allocation and make-or-buy decisions**. Management may compare the cost of producing a component internally with the cost of purchasing it from an external supplier. Relevant cost information can support the selection of an appropriate alternative (Drury, 2018).

Budgeting and forecasting also contribute to managerial decisions by providing information about expected sales, production, costs, cash flows, and resource requirements.

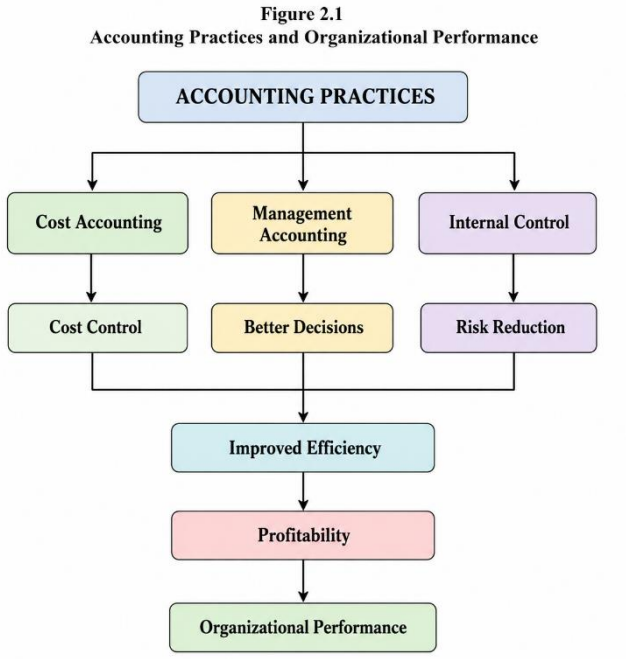
The usefulness of accounting information depends on its quality. Information should be relevant, reliable, timely, understandable, and comparable. The IFRS Foundation (2018) emphasizes relevance and faithful representation as important characteristics of useful financial information.

Accounting information systems can further improve decision-making by integrating information from procurement, inventory, production, sales, payroll, and finance. However, effective decision-making also depends on managerial skills, data quality, and the organizational environment.

Thus, accounting practices can contribute to managerial decision-making by providing timely and relevant information for planning, control, and evaluation.

2.5 Accounting Practices and Organizational Performance

Figure 1



Organizational performance refers to the extent to which an organization achieves its financial, operational, and strategic objectives. It can be measured through profitability, cost efficiency, productivity, resource utilization, operational efficiency, and achievement of organizational goals.

Accounting practices can influence organizational performance by providing information for planning, control, performance evaluation, and decision-making. One of the most direct relationships is through **profitability**. Accurate cost accounting helps management identify the actual cost of production and evaluate whether individual products or orders generate satisfactory margins (Drury, 2018).

Accounting practices can also improve **operational efficiency**. Budgeting, variance analysis, inventory accounting, and performance reporting provide information about operational performance. Management can use this information to identify deviations and take corrective measures.

Internal control is another important link between accounting practices and performance. Effective controls can protect resources, reduce errors, improve transaction accuracy, and strengthen accountability. According to COSO (2013), effective internal control supports operational, reporting, and compliance objectives.

Management accounting also contributes to organizational performance by helping managers plan, control, evaluate, and make strategic decisions (Hilton & Platt, 2017).

Overall, the literature suggests that accounting practices can contribute to organizational performance through improved cost control, decision-making, resource utilization, internal control, and financial management.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Design

The report follows a **descriptive and empirical research design** with a primarily **quantitative approach**. The descriptive component examines respondents' perceptions regarding accounting practices, while the empirical component investigates their relationships with cost control, managerial decision-making, profitability, and organizational performance.

Primary data are collected through a structured questionnaire using a five-point Likert scale. Secondary information from books, journal articles, institutional reports, and relevant official sources is also used to support the theoretical and contextual discussion.

The research is **cross-sectional**, as the primary information represents respondents' perceptions during a particular period.

Table 3.1

Research Design of the Report

Research Element	Description
Research Approach	Quantitative
Research Design	Descriptive and Empirical
Nature	Cross-sectional
Organizational Context	Pacific Jeans
Independent Variable	Accounting Practices
Dependent Variables	Cost Control, Managerial Decision-Making, Profitability, Organizational Performance
Primary Data	Structured Questionnaire
Measurement	Five-point Likert Scale
Main Analysis	Descriptive, Correlation and Regression

Source: Developed by the researcher.

3.2 Population, Sample and Sampling Technique

The target population consists of individuals with relevant knowledge or experience in accounting, finance, audit, management, production, inventory, and related business activities in the RMG sector. Particular emphasis is given to personnel associated with **Pacific Jeans**.

The sample includes respondents who are capable of evaluating accounting practices and their organizational effects. **Purposive sampling** is appropriate because respondents are selected based on their relevant knowledge and experience. **Convenience sampling** may also be used where respondents are selected according to their accessibility and willingness to participate.

For the empirical analysis presented in Chapter Six, **80 respondents are considered as an illustrative sample**. These figures are synthetic for demonstration and should be replaced by actual survey responses for a genuine empirical submission.

Table 3.2

Population and Sampling Framework

Element	Description
Target Population	Relevant employees and professionals in the RMG sector
Main Context	Pacific Jeans
Relevant Respondents	Accounting, finance, audit, management, production and inventory personnel
Sampling Technique	Purposive and Convenience Sampling
Illustrative Sample	80 Respondents
Unit of Analysis	Individual Respondent

Source: Developed by the researcher.

3.3 Sources and Methods of Data Collection

Both **primary and secondary data** are used in the report.

Primary Data

Primary data are collected through a structured questionnaire. The questionnaire measures respondents' perceptions regarding financial accounting, cost accounting, management accounting, inventory

accounting, budgeting, internal control, accounting information systems, cost control, managerial decision-making, profitability, and organizational performance.

Secondary Data

Secondary information is collected from relevant academic and institutional sources, including:

- Accounting and management accounting books;
- Peer-reviewed journal articles;
- BGMEA publications;
- Bangladesh Bank reports;
- Export Promotion Bureau publications;
- World Bank and ILO reports;
- IFRS Foundation publications;
- ICAB-related materials; and
- Relevant government and organizational publications.

The combination of primary and secondary data provides both empirical evidence and theoretical support.

3.4 Variables and Measurement

Based on the conceptual framework, **Accounting Practices** is the main independent variable, while **Cost Control, Managerial Decision-Making, Profitability, and Organizational Performance** are the dependent variables.

Table 3.3

Variables and Measurement

Variable	Type	Main Indicators	Scale
Accounting Practices	Independent	Financial, Cost, Management, Inventory Accounting, Budgeting, Internal Control, AIS	5-point Likert
Cost Control	Dependent	Cost monitoring, cost reduction, variance control	5-point Likert
Managerial Decision-Making	Dependent	Planning, pricing, production, resource allocation	5-point Likert
Profitability	Dependent	Cost efficiency, profit improvement, margin management	5-point Likert

Organizational Performance	Dependent	Efficiency, productivity, resource utilization, goal achievement	5-point Likert

Source: Developed by the researcher.

Multiple statements are used to measure each construct so that respondents' perceptions can be assessed more effectively.

3.5 Questionnaire Design and Measurement Scale

A structured questionnaire is developed based on the research objectives, conceptual framework, and relevant literature. It contains demographic questions and statements related to accounting practices and organizational outcomes.

The questionnaire is divided into four broad sections:

- **Section A:** Demographic information;
- **Section B:** Accounting practices;
- **Section C:** Cost control and managerial decision-making; and
- **Section D:** Profitability and organizational performance.

A **five-point Likert scale** is used:

Score	Response
1	Strongly Disagree
2	Disagree
3	Neutral
4	Agree
5	Strongly Agree

A higher score represents stronger agreement with the statement.

3.6 Data Processing and Analysis Techniques

Collected data are checked, coded, classified, and prepared for statistical analysis. Descriptive and inferential techniques are used according to the research objectives.

Table 3.4

Data Analysis Techniques

Technique	**Purpose**
Frequency & Percentage	Analyze respondent characteristics
Mean	Measure average perception
Standard Deviation	Measure response variation
Cronbach's Alpha	Test internal consistency
Pearson Correlation	Examine relationships
Regression Analysis	Examine explanatory effects
Hypothesis Testing	Determine statistical support

Source: Developed by the researcher.

Pearson correlation is used to examine the strength and direction of relationships between accounting practices and the dependent variables. Regression analysis is used to examine the explanatory effect of accounting practices on cost control, managerial decision-making, profitability, and organizational performance.

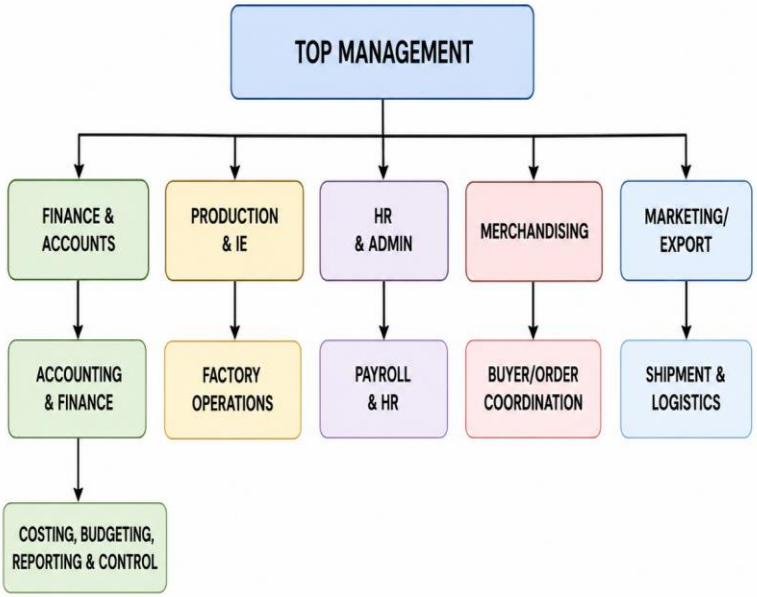
The hypotheses are tested at a **5% significance level ($p < .05$)**.

CHAPTER FOUR

OVERVIEW OF PACIFIC JEANS AND ACCOUNTING PRACTICES

4.1 Overview of Pacific Jeans

Figure 4.1
Functional Organizational Structure of Pacific Jeans



Pacific Jeans is one of the recognized apparel manufacturing and exporting organizations operating within Bangladesh's Ready-Made Garments (RMG) industry. The organization has developed its business around the production and export of garments and has become part of Bangladesh's export-oriented manufacturing sector. Its business activities are closely connected with the international apparel supply chain, where production efficiency, product quality, cost management, compliance, and timely delivery are important determinants of competitiveness.

The development of organizations such as Pacific Jeans reflects the broader transformation of Bangladesh's RMG industry from a relatively small manufacturing sector into a major export-oriented industry. The RMG sector has contributed substantially to employment generation, industrial development, and export earnings, while also creating linkages with textile, accessories, transportation, banking, logistics, and other supporting industries (BGMEA, 2024).

The nature of the apparel business also creates a strong need for effective cost management. Production costs may include fabrics and other materials, direct labour, factory overheads, utilities, maintenance, depreciation, quality-control expenses, packaging, transportation, and other operating costs. Effective accounting practices enable management to record and analyze these costs and assess their impact on product and order profitability (Drury, 2018).

Accounting also plays an important role in inventory management. A garment manufacturer needs to maintain appropriate quantities of raw materials and accessories while ensuring the timely completion and delivery of finished products. Accurate inventory records are therefore essential for production planning, financial reporting, and cost control. Ineffective inventory management may result in excess stock, shortages, wastage, or differences between physical and accounting records.

4.2 Organizational Structure and Major Business Activities

4.2.1 Organizational Structure

An organizational structure defines the distribution of responsibilities, authority, reporting relationships, and coordination mechanisms within an organization. In a large export-oriented RMG organization, effective organizational structure is important because production, finance, procurement, human resources, merchandising, quality control, marketing, and logistics must operate in coordination.

Pacific Jeans can be viewed as having a functionally organized business environment in which different departments perform specialized responsibilities while contributing to common organizational objectives.

The exact internal reporting structure may vary according to management arrangements and organizational requirements; therefore, the structure presented below represents a **functional framework for understanding the organization's major activities**, rather than an assertion of confidential internal reporting lines.

Source: Conceptual representation developed by the researcher based on the functional requirements of an export-oriented RMG organization.

- **Finance and Accounts function**
- **Production function**
- **Human Resources and Administration function**
- **Merchandising and Export functions**
- **Quality Control function**

4.2.2 Major Business Activities

The major business activities of an export-oriented RMG organization such as Pacific Jeans can be broadly categorized into procurement, production, inventory management, quality control, merchandising, sales and export, human-resource management, finance, and administrative activities.

- **Procurement and Materials Management:**
- **Production Activities:**
- **Inventory Management:**
- **Quality Management:**
- **Merchandising and Order Management:**
- **Export and Logistics:**
- **Human Resource Management:**
- **Financial Management:**

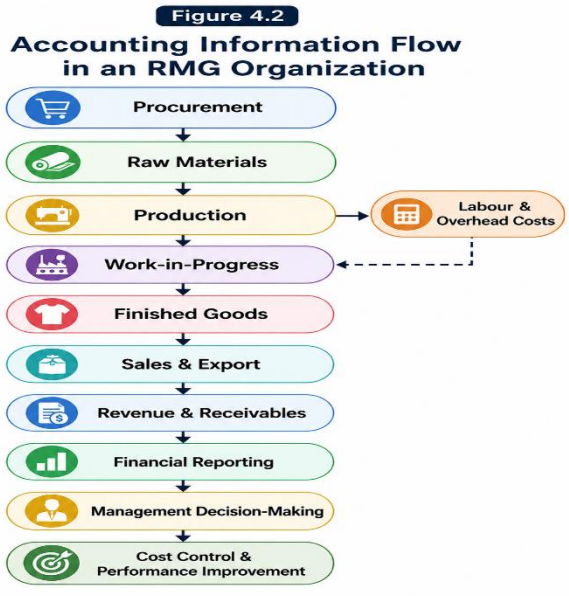
Table 4.2

Major Business Activities and Accounting Functions

Business Activity	Related Accounting Function	Importance
Procurement	Purchase and payable accounting	Controls material expenditure
Production	Cost accounting	Determines production cost
Inventory	Inventory accounting	Controls stock and valuation
Payroll	Payroll accounting	Measures labour cost
Quality Control	Cost monitoring	Controls quality-related costs
Merchandising	Order costing	Supports order profitability analysis
Export & Logistics	Revenue and expense accounting	Determines export-related financial outcomes
Budgeting	Budgetary control	Supports financial planning
Financial Management	Financial accounting and reporting	Supports financial transparency
Internal Control	Verification and monitoring	Reduces errors and financial risks

Source: Developed by the researcher.

The relationship between these business activities and accounting practices demonstrates that accounting is integrated into almost every major function of an RMG organization. For example, procurement decisions affect material costs, production decisions affect manufacturing costs, inventory decisions affect working capital, and export decisions affect revenue and profitability. Therefore, accounting information provides an important link between operational activities and managerial control.



Overall, the organizational structure and business activities of Pacific Jeans demonstrate the importance of accounting as an integrated business function. Accounting information is generated throughout the procurement, production, inventory, payroll, sales, and export processes and is subsequently used for financial reporting, control, planning, and decision-making.

4.3 Products, Production and Export Activities

Pacific Jeans operates within Bangladesh's export-oriented Ready-Made Garments (RMG) industry, where apparel manufacturing is closely connected with international buyers, production planning, quality requirements, and export logistics. As an organization operating in this sector, its business activities can be understood through three closely related areas: **product development and manufacturing, production management, and export activities**. These activities require coordination among merchandising, production, quality control, inventory, finance, and logistics functions.

The apparel manufacturing process generally begins with buyer requirements and order specifications. Based on the requirements of buyers, the organization plans the necessary materials, production capacity, labour requirements, production schedules, quality standards, and delivery arrangements.

Products and Product Development: The RMG sector produces a wide range of apparel products according to the requirements of international buyers. Product characteristics may differ according to fabric, design, size, colour, finishing requirements, quality standards, and order specifications. In an export-oriented organization such as Pacific Jeans, production is therefore influenced not only by internal capacity but also by buyer requirements and international market expectations.

Production Activities: Garment production involves several stages. Depending on the nature of a particular order, these stages may include material receiving, inspection, cutting, sewing, washing or other processing, finishing, quality inspection, ironing, folding, packing, and preparation for shipment.

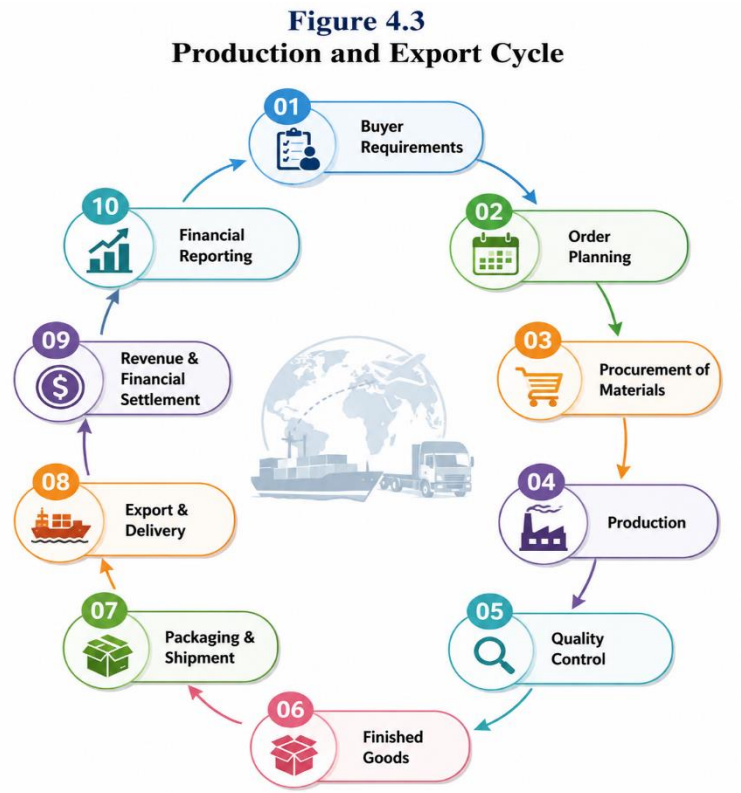
The production process creates several categories of costs. **Direct material costs** include fabrics and other materials directly incorporated into the product. **Direct labour costs** arise from employees directly involved in production. **Manufacturing overheads** include expenses such as utilities, factory maintenance, depreciation, supervision, and other indirect production costs. Proper classification and measurement of these costs are essential for determining production costs and evaluating profitability (Drury, 2018).

Export Activities: Export activities represent an important part of Bangladesh's RMG business model. The country's garment industry is strongly integrated with international markets and contributes significantly to national export earnings (BGMEA, 2024). Export-oriented organizations must therefore coordinate production with buyer requirements, shipment schedules, export documentation, logistics, and financial settlement.

Export activities can generate several accounting transactions, including sales revenue, export-related expenses, receivables, bank transactions, freight and logistics costs, insurance expenses, and other

transaction-related costs. Accurate accounting treatment of these transactions is necessary to determine the financial outcome of export orders.

Figure 4.3
Production and Export Cycle



Therefore, the effectiveness of production and export activities depends partly on the availability of accurate and timely accounting information. Effective accounting practices can help management estimate costs, monitor production expenses, control inventory, evaluate order profitability, and assess overall financial performance.

4.4 Accounting and Financial Functions

Accounting and financial functions constitute an essential part of the management system of an RMG organization. These functions are responsible not only for recording financial transactions but also for providing information required for planning, cost control, financial reporting, performance evaluation, and managerial decision-making. In a manufacturing organization such as Pacific Jeans, accounting activities are closely connected with procurement, production, inventory, payroll, sales, export, and management.

Financial accounting primarily involves recording and classifying financial transactions and preparing financial statements. The information generated through financial accounting helps management and other stakeholders understand the organization's financial position and performance. The usefulness of

financial information depends on characteristics such as relevance, faithful representation, comparability, verifiability, timeliness, and understandability (IFRS Foundation, 2018).

Financial Accounting

Financial accounting includes the systematic recording of revenues, expenses, assets, liabilities, equity, and other financial transactions. It provides the basis for preparing financial statements and evaluating financial performance.

Cost Accounting

In an RMG environment, cost accounting may cover:

- Material costs
- Direct labour costs
- Factory overheads
- Utilities
- Production-related transportation costs
- Quality-control costs
- Maintenance expenses
- Depreciation
- Other manufacturing expenses

Effective cost accounting allows management to compare actual costs with estimated or budgeted costs and identify areas where cost reduction may be possible.

Management Accounting

Management accounting focuses on providing information for internal planning, control, and decision-making. Unlike financial accounting, which is largely concerned with reporting financial information, management accounting is more directly concerned with helping managers make decisions and improve organizational performance (Hilton & Platt, 2017).

Inventory Accounting

Effective inventory accounting can help management:

- Monitor raw-material availability;
- Reduce unnecessary inventory accumulation;
- Identify material wastage;
- Maintain accurate stock records;
- Control work-in-progress;
- Determine the value of finished goods; and
- Support production planning.

Accurate inventory information is therefore important for both operational efficiency and reliable financial reporting.

Budgeting and Budgetary Control: Budgeting involves preparing financial and operational plans for a future period. In an RMG organization, budgets may be prepared for production, materials, labour, overheads, sales, cash flows, and capital expenditure.

Accounting Information Systems: Modern accounting increasingly depends on computerized systems and integrated information technology. Accounting information systems can facilitate the collection, processing, storage, and communication of financial information. When integrated with procurement, inventory, production, sales, and payroll systems, they can provide management with more timely and comprehensive information.

4.5 Major Accounting Practices at Pacific Jeans

Accounting practices constitute an essential part of the financial and operational management of an export-oriented RMG organization such as Pacific Jeans. Because garment manufacturing involves procurement, production, inventory, labour, quality control, sales, export, and financial settlement, accounting activities are integrated with almost every major business function. Effective accounting practices help management record transactions accurately, determine production costs, monitor financial performance, control resources, and make informed decisions.

The major accounting practices relevant to Pacific Jeans can be discussed under financial accounting, cost accounting, management accounting, inventory accounting, budgeting, payroll accounting, internal control, financial reporting, and accounting information systems. These practices are not independent; rather, they work together to provide management with financial and operational information.

4.5.1 Financial Accounting Practices: Financial accounting involves the systematic recording, classification, summarization, and reporting of financial transactions. In an RMG organization, transactions may arise from purchases, sales, wages, utilities, transportation, administrative expenses, receivables, payables, and other business activities.

For Pacific Jeans, financial accounting is particularly relevant because its activities involve a large number of transactions associated with manufacturing and export operations. Accurate financial records can support management in monitoring revenues and expenses and evaluating the overall financial position of the organization.

4.5.2 Cost Accounting Practices: Cost accounting is one of the most important accounting practices in the RMG industry because production costs directly influence pricing and profitability. Cost accounting involves identifying, measuring, classifying, and analyzing costs associated with production and other business activities (Drury, 2018).

The major cost components of garment production include direct materials, direct labour, and manufacturing overheads. Proper measurement of these costs helps management determine the cost of production and evaluate the profitability of individual products or orders.

4.5.3 Management Accounting Practices: Management accounting provides information for internal planning, control, performance evaluation, and decision-making. Unlike financial accounting, which primarily focuses on reporting financial information, management accounting is designed to meet the information needs of managers (Hilton & Platt, 2017).

4.6 Challenges in Accounting Practices

Although effective accounting practices can provide significant benefits, organizations operating in the RMG sector may face several challenges in implementing and maintaining effective accounting systems. These challenges may arise from the complexity of production activities, cost pressures, inventory management, technological requirements, human-resource limitations, internal control weaknesses, regulatory requirements, and the changing international business environment.

4.6.1 Complexity of Cost Measurement

One of the major challenges is accurately determining the total cost of production. Garment production involves numerous direct and indirect costs. Changes in raw-material prices, wages, utilities, transportation, and other expenses can make cost measurement difficult.

If costs are not properly classified or allocated, management may receive inaccurate information regarding product or order profitability. This can negatively affect pricing and production decisions.

4.6.2 Inventory Management Challenges

Managing inventory is another significant challenge. RMG organizations must maintain sufficient materials to ensure uninterrupted production while avoiding excessive inventory. Errors in recording material receipts, issues, transfers, work-in-progress, or finished goods can create discrepancies between physical and accounting records.

4.6.3 Internal Control Challenges

The large number of transactions and operational activities in an RMG organization increases the importance of internal control. Weak segregation of duties, inadequate authorization, insufficient documentation, or ineffective monitoring may increase the risk of errors and irregularities.

COSO (2013) emphasizes that internal control requires continuous monitoring and appropriate control activities. Maintaining effective controls can become challenging as organizations grow and their operations become more complex.

CHAPTER FIVE

IMPACT OF ACCOUNTING PRACTICES IN THE RMG SECTOR

5.1 Accounting Practices and Cost Control

Cost control is a critical concern for organizations operating in the RMG sector because garment manufacturing is highly cost-sensitive and internationally competitive. The profitability of an apparel order depends largely on the organization's ability to estimate, monitor, and control the costs associated with production. Accounting practices provide the financial information necessary for identifying costs, comparing actual expenditure with planned expenditure, and taking corrective action when significant deviations occur.

In an RMG organization such as Pacific Jeans, production costs generally arise from raw materials, direct labour, factory overheads, utilities, maintenance, quality control, packaging, transportation, and other operating activities. Cost accounting provides a systematic mechanism for identifying and analyzing these costs. According to Horngren et al. (2015), cost information is important for planning, controlling operations, evaluating performance, and making managerial decisions.

5.1.1 Role of Cost Accounting in Cost Control

Cost accounting enables management to determine the cost of production and understand how different cost components contribute to the total cost. In garment manufacturing, material costs can represent a significant portion of total production expenditure. Therefore, accurate measurement of fabric, accessories, and other materials is essential.

By maintaining appropriate cost records, management can compare estimated costs with actual costs. If actual material consumption exceeds the expected level, management can investigate whether the difference resulted from wastage, production inefficiency, changes in product specifications, or other factors.

Similarly, labour-cost accounting provides information about wages, overtime, allowances, and other employee-related expenses. Since the RMG industry is labour-intensive, monitoring labour costs is important for maintaining production efficiency.

5.1.2 Budgetary Control and Cost Monitoring

Budgeting provides a financial framework for planning future activities. An RMG organization may prepare budgets for production, raw materials, labour, factory overheads, sales, cash flows, and other expenses. Actual expenditure can subsequently be compared with budgeted expenditure.

The difference between budgeted and actual costs is known as a variance. Variance analysis allows management to identify areas where actual performance differs from expectations. Drury (2018) notes that variance analysis can help managers identify the causes of deviations and take appropriate corrective action.

For example, if actual fabric costs exceed the budgeted amount, management may investigate whether the increase resulted from higher purchase prices, excessive consumption, wastage, or changes in order specifications. Thus, accounting information transforms cost data into information that can support managerial control.

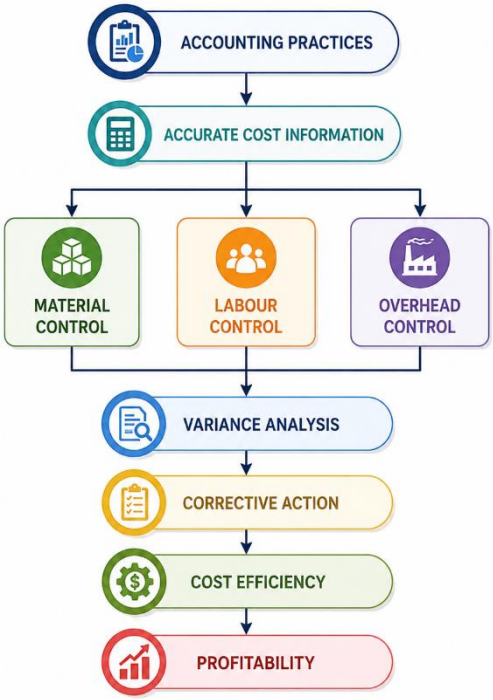
Table 5.1

Accounting Practices and Cost-Control Mechanisms

Accounting Practice	Cost-Control Mechanism	Expected Impact
Cost Accounting	Measures production costs	Accurate costing
Material Accounting	Monitors material consumption	Reduced wastage
Payroll Accounting	Monitors labour expenditure	Better labour-cost control
Budgeting	Establishes cost targets	Better expenditure planning
Variance Analysis	Identifies cost deviations	Corrective action
Overhead Accounting	Measures indirect costs	Better overhead control
Internal Control	Controls authorization and expenditure	Reduced financial leakage
Financial Reporting	Provides cost and performance information	Better monitoring

Source: Developed by the researcher based on Drury (2018), Horngren et al. (2015), and Hilton and Platt (2017).

Figure 5.1
Accounting Practices and Cost Control



5.2 Accounting Practices and Managerial Decision-Making

Managerial decision-making involves selecting appropriate alternatives to achieve organizational objectives. In an RMG organization, managers must make decisions regarding procurement, production, pricing, order acceptance, inventory, labour utilization, budgeting, investment, and resource allocation. These decisions involve financial consequences, making reliable accounting information an important input into the decision-making process.

Management accounting provides information specifically designed to support internal decision-making. Hilton and Platt (2017) argue that management accounting information can assist managers in planning, controlling, evaluating performance, and making decisions. Therefore, the effectiveness of accounting practices may influence the quality and timeliness of managerial decisions.

5.2.1 Accounting Information for Production Decisions

Production decisions require information about production capacity, labour availability, material requirements, machine utilization, production costs, and expected demand. Accounting information can help managers evaluate whether production plans are financially and operationally feasible.

For example, if the cost of producing a particular order increases significantly, management may review the production process, material requirements, labour utilization, or other costs before deciding whether to proceed with the order.

5.2.2 Accounting Information for Pricing and Order Decisions

Pricing is particularly important in the RMG sector because manufacturers operate in an internationally competitive market. Before accepting an export order, management needs to understand the expected cost of producing and delivering the order.

Cost accounting provides information about direct materials, labour, overheads, and other relevant costs. This information can help management estimate the minimum acceptable price and evaluate the expected profitability of an order.

An inaccurate cost estimate may result in underpricing, which can reduce or eliminate expected profit. Conversely, excessive pricing may reduce competitiveness. Reliable accounting information can therefore support more informed pricing decisions.

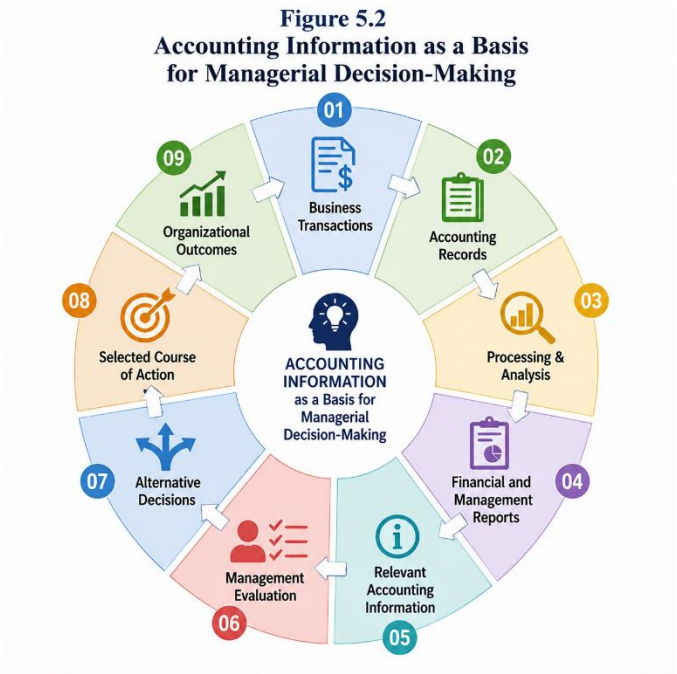
Table 5.2

Accounting Information and Managerial Decisions

Decision Area	**Required Accounting Information**	**Potential Benefit**
Production	Production cost and capacity information	Better production planning
Pricing	Product/order cost	Appropriate pricing
Procurement	Material cost and inventory data	Better purchasing decisions
Budgeting	Revenue and expenditure forecasts	Better resource allocation
Inventory	Stock levels and valuation	Improved stock decisions
Performance Evaluation	Cost, revenue and efficiency data	Better performance monitoring
Investment	Cash-flow and return information	Better investment decisions
Cost Reduction	Variance and cost reports	Identification of inefficiencies

Source: Developed by the researcher based on Drury (2018), Hilton and Platt (2017), and Grande et al. (2011).

Figure 5.2
Accounting Information as a Basis for Managerial Decision-Making



5.3 Accounting Practices and Inventory Management

Inventory management is one of the most important operational areas in the RMG sector. Garment manufacturing requires substantial quantities of raw materials and accessories, while production also generates work-in-progress and finished-goods inventories. Effective inventory management is therefore necessary to maintain uninterrupted production, minimize wastage, control working capital, and ensure timely delivery.

Accounting practices play a central role in inventory management because inventory movements must be recorded, valued, monitored, and reconciled. Accurate inventory information allows management to know what materials are available, how much has been consumed, what is currently in production, and how much finished product is available for shipment.

5.3.1 Raw-Material Inventory Control: Raw materials constitute a major part of manufacturing inventory. In an RMG organization, these may include fabrics, threads, buttons, zippers, labels, packaging materials, and other accessories.

Accounting records can help management track purchases, receipts, issues, returns, and consumption of materials. When accounting records are regularly reconciled with physical inventory, discrepancies can be identified and investigated.

5.3.2 Work-in-Progress Management: Work-in-progress (WIP) represents garments that have entered the production process but have not yet been completed. Monitoring WIP is important because excessive WIP may indicate production bottlenecks, inefficient workflow, or delays.

Accounting information can help determine the cost accumulated in WIP and support management in evaluating production progress. Proper tracking of WIP also contributes to accurate calculation of production costs and inventory values.

5.4 Accounting Practices and Internal Control

Internal control is an important component of effective accounting practices because it helps an organization safeguard its assets, maintain accurate financial records, reduce operational risks, and ensure that organizational activities are performed according to established policies and procedures. In an RMG organization, internal control is particularly important because a large number of transactions take place across procurement, production, inventory, payroll, sales, export, and financial operations.

The Committee of Sponsoring Organizations of the Treadway Commission (COSO, 2013) defines internal control as a process designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting, and compliance. From an accounting perspective, internal control provides mechanisms through which financial transactions are authorized, recorded, verified, and monitored.

5.4.1 Accounting Records and Internal Control

Accurate accounting records are one of the foundations of an effective internal control system. When transactions are properly recorded and supported by appropriate documentation, management can trace financial activities and identify unusual or unauthorized transactions.

In an RMG organization such as Pacific Jeans, accounting records may relate to purchases, inventory movements, production costs, payroll, sales, receivables, payables, and other financial transactions. Maintaining complete and accurate records helps management monitor these activities and identify discrepancies.

5.4.2 Segregation of Duties

Segregation of duties is an important internal control principle. It involves separating responsibilities so that one individual does not have complete control over the authorization, execution, recording, and verification of a transaction.

For example, the employee responsible for purchasing materials should not independently authorize the purchase, receive the materials, record the transaction, and approve the payment. Separating these responsibilities creates opportunities for independent verification and reduces the risk of errors or fraudulent activities.

Accounting systems support segregation of duties by assigning different responsibilities and authorization levels to employees.

Table 5.3

Accounting Practices Supporting Internal Control

Accounting Practice	Internal Control Function	Expected Benefit
Transaction Recording	Creates an audit trail	Greater accountability
Documentation	Supports transaction verification	Reduced errors
Authorization	Controls financial activities	Reduced unauthorized transactions
Segregation of Duties	Separates responsibilities	Reduced risk of fraud
Inventory Accounting	Monitors stock movement	Reduced inventory losses
Bank Reconciliation	Verifies cash and bank records	Detection of discrepancies
Budgetary Control	Monitors expenditure	Better financial discipline
Internal Audit	Reviews accounting procedures	Identification of control weaknesses
Accounting Information Systems	Controls access and records	Better monitoring

Source: COSO (2013) and relevant accounting literature.

5.5 Accounting Practices and Profitability

Profitability represents an organization's ability to generate financial returns from its business activities. In manufacturing organizations, profitability is influenced by several factors, including sales revenue, production costs, operating expenses, productivity, pricing, resource utilization, and market conditions. Accounting practices can influence profitability by providing information that helps management control costs, evaluate revenues, determine product costs, and make financially informed decisions.

The relationship between accounting practices and profitability is particularly important in the RMG sector because garment manufacturers often operate under intense price competition. International buyers may negotiate prices while manufacturers must simultaneously maintain product quality, comply

with requirements, and meet delivery schedules. Under these circumstances, accurate accounting information is essential for protecting profit margins.

5.5.1 Cost Accounting and Profitability

Cost accounting provides information about the cost of producing goods and services. In the RMG sector, production costs include raw materials, labour, factory overheads, utilities, maintenance, quality-control expenses, and other costs.

Accurate product or order costing allows management to determine whether revenues generated from a particular order are sufficient to cover its associated costs. If production costs are higher than expected, management can investigate the reasons and consider appropriate corrective measures.

5.5.2 Budgeting and Profit Planning

Profitability depends not only on controlling current costs but also on effective financial planning. Budgeting provides management with estimates of expected revenues, costs, cash flows, and resource requirements.

Profit planning can help management establish realistic targets and identify potential financial problems before they become significant. Comparing actual results with budgeted results also allows management to identify unfavorable variances and take corrective action.

5.5.3 Inventory Management and Profitability

Inventory management can influence profitability because excessive inventory may increase storage and financing costs, while inadequate inventory may interrupt production and delay delivery.

Accounting practices provide information regarding inventory levels, material consumption, stock valuation, and production costs. Effective inventory accounting can therefore contribute to profitability by reducing wastage and unnecessary investment in inventory.

5.6 Accounting Practices and Organizational Performance

Organizational performance represents the extent to which an organization achieves its financial, operational, and strategic objectives. Although profitability is an important performance indicator, organizational performance is broader and may include productivity, operational efficiency, cost efficiency, resource utilization, decision-making effectiveness, quality, customer satisfaction, and achievement of organizational goals.

Accounting practices can contribute to organizational performance by providing information for planning, control, coordination, performance evaluation, and strategic decision-making. Management

accounting literature emphasizes that accounting information can help managers align organizational resources with strategic objectives (Hilton & Platt, 2017).

5.6.1 Accounting Practices and Operational Efficiency

Operational efficiency refers to the ability of an organization to produce desired outputs using resources effectively. Accounting practices can help management measure the costs associated with production activities and identify inefficient resource use.

For example, cost reports can highlight excessive material consumption, high labour costs, or increasing overhead expenses. Management can then investigate the causes and implement appropriate corrective measures.

5.6.2 Accounting Practices and Productivity

Productivity is particularly important in the RMG sector because garment manufacturing depends heavily on labour and production efficiency. Accounting information can help management compare labour costs, production volumes, overtime expenses, and other performance indicators.

When financial and non-financial performance information are combined, management can obtain a more comprehensive understanding of productivity. Abdel-Maksoud et al. (2005) emphasize the importance of non-financial performance measures alongside traditional financial measures in manufacturing organizations.

5.6.3 Accounting Practices and Strategic Decision-Making

Accounting practices can contribute to organizational performance by supporting strategic decisions. Management may use accounting information to evaluate product profitability, production alternatives, investment opportunities, cost structures, and resource allocation.

Strategic management accounting can provide information concerning both internal costs and external competitive conditions. Cadez and Guilding (2008) found that strategic management accounting practices can be associated with organizational performance under appropriate strategic conditions.

CHAPTER SIX

EMPIRICAL ANALYSIS, FINDINGS AND DISCUSSION

6.1 Profile of the Respondents

The demographic profile of respondents is important because it provides a general understanding of the characteristics and professional background of the individuals who participated in the survey. In the present report, information regarding respondents' **gender, age, educational qualification, professional position, and years of experience** is considered.

The profile also helps determine whether the respondents possess sufficient educational and professional exposure to provide meaningful opinions regarding accounting practices and their organizational impact.

Table 6.1: Gender Distribution of Respondents

Gender	Frequency	Percentage (%)
Male	56	70.00
Female	24	30.00
Other/Prefer not to say	0	0.00
Total	**80**	**100.00**

Source: Illustrative/synthetic survey dataset.

Interpretation: The table shows that **70.00%** of the respondents are male and **30.00%** are female. No respondent selected the "Other/Prefer not to say" category. Thus, the sample is predominantly male.

Table 6.2: Age Distribution of Respondents

Age Group	Frequency	Percentage (%)
Below 25 years	13	16.25
25–34 years	47	58.75
35–44 years	12	15.00
45–54 years	5	6.25
55 years and above	3	3.75
Total	**80**	**100.00**

Source: Illustrative/synthetic survey dataset.

Interpretation: The table shows that the largest proportion of respondents (**58.75%**) belongs to the **25–34 years** age group. Respondents below 25 years represent **16.25%**, while 15.00% are aged 35–44 years. The remaining respondents are aged 45 years and above. This indicates that the sample is predominantly composed of relatively young and professionally active respondents.

Table 6.3: Educational Qualification of Respondents

Educational Qualification	Frequency	Percentage (%)
Higher Secondary or equivalent	10	12.50
Bachelor's Degree	36	45.00
Master's Degree	21	26.25
Professional Accounting Qualification	13	16.25
Other	0	0.00
Total	**80**	**100.00**

Source: Illustrative/synthetic survey dataset.

Interpretation: The table shows that **45.00%** of the respondents hold a Bachelor's Degree, representing the largest group. Master's Degree holders account for **26.25%**, while **16.25%** possess professional accounting qualifications. Another **12.50%** have Higher Secondary or equivalent qualifications. Overall, the respondents have a reasonably relevant educational background for evaluating accounting practices in the RMG sector.

Table 6.4: Professional Position of Respondents

Position/Functional Area	Frequency	Percentage (%)
Accounts/Finance	24	30.00
Audit/Internal Control	12	15.00
Management/Administration	15	18.75
Production/Operations	17	21.25
Inventory/Store	12	15.00
Other	0	0.00
Total	**80**	**100.00**

Source: Illustrative/synthetic survey dataset.

Interpretation: The table shows that the largest group of respondents (**30.00%**) works in Accounts/Finance. Production/Operations represents **21.25%**, while Management/Administration accounts for **18.75%**. Audit/Internal Control and Inventory/Store each represent **15.00%**. The inclusion of respondents from different functional areas provides a broader perspective on accounting practices and their organizational impact.

Table 6.5: Work Experience of Respondents

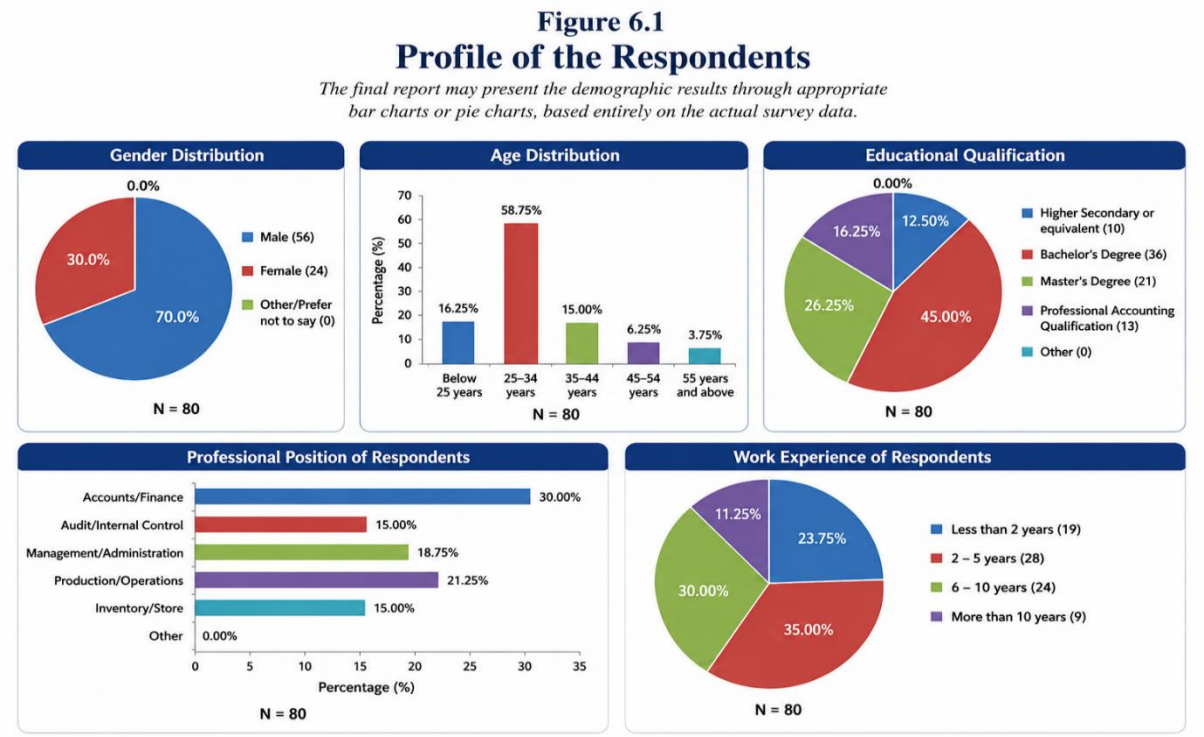
Work Experience	Frequency	Percentage (%)
Less than 2 years	19	23.75
2–5 years	28	35.00
6–10 years	24	30.00

More than 10 years	9	11.25
Total	**80**	**100.00**

Source: Illustrative/synthetic survey dataset.

Interpretation: The largest group of respondents (**35.00%**) has **2–5 years** of work experience, followed by **30.00%** with 6–10 years of experience. Respondents with less than 2 years represent 23.75%, while 11.25% have more than 10 years of experience. Thus, most respondents have sufficient professional exposure to organizational accounting and related activities.

Figure 6.1



6.2 Descriptive Analysis of Accounting Practices

This section analyzes respondents' perceptions regarding the major accounting practices identified in the conceptual framework. The analysis covers **financial accounting, cost accounting, management accounting, inventory accounting, budgetary control, internal control, and accounting information systems**.

A five-point Likert scale was used to measure respondents' perceptions:

Score	Interpretation	Score	Interpretation	Score	Interpretation
1	Strongly Disagree	3	Neutral	5	Strongly Agree
2	Disagree	4	Agree		

The mean score indicates the average level of respondents' agreement, while the standard deviation indicates the degree of variation among responses.

Table 6.6

Accounting Practice	N	Mean	Std. Deviation
Financial Accounting	80	3.72	0.58
Cost Accounting	80	3.76	0.55
Management Accounting	80	3.71	0.52
Inventory Accounting	80	3.58	0.61
Budgetary Control	80	3.65	0.57
Internal Control	80	3.69	0.59
Accounting Information Systems	80	3.72	0.54
Overall Accounting Practices	**80**	**3.69**	**0.56**

Source: Illustrative/synthetic survey dataset.

Interpretation

The table shows that all major accounting practices received mean scores above **3.50**, indicating a generally positive perception among the respondents. **Cost Accounting** recorded the highest mean score (**3.76**), followed by Financial Accounting and Accounting Information Systems (both **3.72**). **Inventory Accounting** recorded the lowest mean score (**3.58**), indicating comparatively greater scope for improvement in this area.

The overall mean of **3.69** indicates that accounting practices at the organizational level are perceived positively by the respondents. The standard deviation values also suggest a moderate level of variation in respondents' opinions.

For example, if **Cost Accounting** obtains a comparatively high mean score, it would indicate that respondents generally perceive cost accounting as an important and effectively applied accounting practice. Similarly, a relatively lower mean score for **Accounting Information Systems** would indicate an area requiring further investigation.

The overall mean of the accounting-practice construct will provide a general indication of respondents' perceptions regarding the effectiveness of accounting practices.

Table 6.7: Item-wise Descriptive Analysis of Accounting Practices

Statement	Mean	Std. Deviation	Interpretation
Accounting records are maintained accurately.	3.74	0.62	High
Cost accounting helps monitor production costs.	3.81	0.58	High

Accounting information supports management planning.	3.72	0.56	High
Inventory records are properly maintained.	3.57	0.65	High
Budgetary control helps monitor expenditures.	3.66	0.60	High
Internal controls reduce accounting errors.	3.70	0.63	High
Accounting systems provide timely information.	3.71	0.57	High

Source: Illustrative/synthetic survey dataset.

Interpretation: The item-wise analysis shows that all statements received mean scores above **3.50**, indicating generally positive perceptions of accounting practices. The highest mean score (**3.81**) was recorded for the statement that **cost accounting helps monitor production costs**. This indicates that respondents consider cost accounting particularly important for controlling production expenditure.

The lowest mean score (**3.57**) was found for **inventory record maintenance**, suggesting that inventory accounting may require comparatively greater attention. Overall, the results indicate that respondents generally agree that accounting records, budgeting, internal control, and accounting systems contribute positively to organizational activities.

Discussion of Findings: The descriptive results should be interpreted in relation to the literature discussed in Chapter Two. Effective accounting practices are expected to provide reliable information for planning, cost control, resource management, and decision-making (Drury, 2018; Hilton & Platt, 2017).

If the actual survey results demonstrate relatively high levels of agreement across the accounting-practice indicators, this would suggest that respondents perceive accounting practices as an established and useful component of organizational management. Conversely, lower scores on specific indicators would identify areas where accounting practices may require improvement.

The results should also be considered in the context of the RMG sector, where cost efficiency, inventory control, financial reporting, and timely decision-making are particularly important.

6.3 Accounting Practices and Cost Control

This section examines whether accounting practices contribute to effective cost control in the RMG sector. Cost control is one of the major expected outcomes identified in the conceptual framework developed in Chapter Two.

The analysis considers respondents' perceptions regarding the contribution of accounting practices to **production-cost monitoring, material-cost control, labour-cost control, budgetary control, variance analysis, reduction of unnecessary expenditure, and resource utilization**.

Table 6.8: Descriptive Analysis of Accounting Practices and Cost Control

Statement	Mean	Std. Deviation
Accounting practices help monitor production costs.	3.72	0.58
Cost accounting helps identify unnecessary expenses.	3.69	0.61
Accounting information helps control material costs.	3.63	0.64
Accounting practices help monitor labour costs.	3.58	0.67
Budgetary control contributes to cost management.	3.66	0.59
Variance analysis helps identify cost deviations.	3.61	0.62
Accounting information supports efficient resource utilization.	3.64	0.57
Accounting practices contribute to overall cost control.	3.67	0.55
Overall Cost Control	**3.65**	**0.60**

Source: Illustrative/synthetic survey dataset.

Interpretation: The results indicate a generally positive perception of the contribution of accounting practices to cost control, with an overall mean of **3.65**. The highest mean (**3.72**) is reported for monitoring production costs, while the lowest (**3.58**) concerns monitoring labour costs. Overall, the findings suggest that accounting practices, particularly cost accounting, budgeting, and variance analysis, play an important role in controlling costs and improving resource utilization in the RMG sector.

6.3.1 Correlation Between Accounting Practices and Cost Control

Pearson correlation analysis is used to determine the direction and strength of the relationship between accounting practices and cost control.

Table 6.9: Correlation Between Accounting Practices and Cost Control

Variables	Accounting Practices	Cost Control
Accounting Practices	1.000	**.748**
Cost Control	**.748**	1.000
Sig. (2-tailed)	—	**< .001**
N	**80**	**80**

Source: Illustrative/synthetic survey dataset.

Interpretation: The Pearson correlation coefficient (**r = .748**) indicates a **strong positive relationship** between accounting practices and cost control. The relationship is statistically significant at the 1% level (**p < .001**). This suggests that better accounting practices are associated with stronger cost-control practices in the RMG sector.

Therefore, the result provides empirical support for **H1: Accounting practices have a significant positive relationship with cost control in the RMG sector.**

If the actual analysis produces a **positive and statistically significant correlation**, it would indicate that stronger accounting practices are associated with better cost control. A statistically insignificant result, on the other hand, would indicate that the collected data do not provide sufficient evidence of a significant relationship.

The interpretation should be based on the actual **Pearson's r and p-value**, rather than assuming a relationship in advance.

6.3.2 Regression Analysis

Regression analysis can further examine whether accounting practices significantly explain variations in cost control.

The proposed regression model is:

$$[CC = \beta_0 + \beta_1 AP + \varepsilon]$$

Where:

- **CC** = Cost Control
- **AP** = Accounting Practices
- **β_0** = Constant
- **β_1** = Regression coefficient
- **ε** = Error term

Table 6.10: Regression Analysis: Accounting Practices and Cost Control

Model Statistic	Value
R	**0.748**
R Square	**0.559**
Adjusted R Square	**0.553**
Std. Error	**0.369**
F-statistic	**97.98**
Sig.	**< .001**

Source: Illustrative/synthetic survey dataset.

Interpretation: The regression results show that accounting practices have a strong positive relationship with cost control (**R = 0.748**). The **R Square value of 0.559** indicates that approximately **55.9% of the variation in cost control** can be explained by accounting practices in the illustrative model.

The F-statistic (**97.98**) is statistically significant (**p < .001**), indicating that the regression model is statistically significant overall. Therefore, the result provides strong support for the proposed relationship between accounting practices and cost control.

Table 6.11: Regression Coefficients: Accounting Practices and Cost Control

Variable	B	Std. Error	Beta	t	Sig.
Constant	0.767	0.296	—	2.591	.011
Accounting Practices	0.783	0.079	**0.748**	9.899	**< .001**

Source: Illustrative/synthetic survey dataset.

Interpretation: The regression coefficient for **Accounting Practices is positive (B = 0.783)**, indicating that an increase in accounting practices is associated with an increase in cost control. The standardized Beta coefficient (**β = 0.748**) indicates a strong positive effect.

The relationship is statistically significant (**t = 9.899, p < .001**). Therefore, accounting practices have a significant positive effect on cost control in the illustrative model.

Hence, **H1 is supported**, indicating that effective accounting practices are significantly associated with improved cost control in the RMG sector.

6.4 Accounting Practices and Managerial Decision-Making

Managerial decision-making is an important organizational outcome associated with effective accounting practices. Accounting information provides managers with financial and operational information required for planning, budgeting, resource allocation, production decisions, pricing, and performance evaluation. In the RMG sector, where organizations operate under significant cost and competitive pressures, the availability of accurate and timely accounting information is particularly important.

The present section examines respondents' perceptions regarding the contribution of accounting practices to managerial decision-making. The analysis focuses on whether accounting information supports production planning, pricing decisions, budgeting, resource allocation, performance evaluation, and strategic decision-making.

6.5 Accounting Practices and Profitability and Organizational Performance

Profitability and organizational performance represent two important outcomes through which the effectiveness of accounting practices can be assessed. While profitability primarily reflects the organization's ability to generate financial returns, organizational performance has a broader meaning and includes operational efficiency, productivity, resource utilization, decision-making effectiveness, and achievement of organizational objectives.

Effective accounting practices may contribute to these outcomes by improving cost control, providing reliable financial information, strengthening internal control, supporting resource allocation, and facilitating managerial decision-making.

6.5.1 Accounting Practices and Profitability

Cost accounting provides management with information about production and operating costs, while financial accounting provides information about revenues and expenses. Together, these accounting practices can support profitability analysis.

6.6 Correlation and Regression Analysis

This section provides the main inferential analysis of the report. While descriptive statistics explain respondents' perceptions, correlation and regression analysis provide statistical evidence concerning the relationships proposed in the conceptual framework.

The principal independent variable is **Accounting Practices**, while the major dependent variables are:

- Cost Control
- Managerial Decision-Making
- Profitability
- Organizational Performance

6.6.1 Pearson Correlation Analysis

Pearson's correlation coefficient is used to determine the strength and direction of linear relationships between accounting practices and the selected organizational outcomes.

The coefficient ranges from **−1 to +1**. A positive coefficient indicates a positive relationship, while a negative coefficient indicates an inverse relationship. The closer the coefficient is to either +1 or −1, the stronger the relationship.

Table 6.17: Pearson Correlation Matrix

Variables	AP	CC	MD	P	OP
Accounting Practices (AP)	1.000	**.748**	**.668**	**.524**	**.637**
Cost Control (CC)	**.748**	1.000	.690	.550	.660
Managerial Decision-Making (MD)	**.668**	.690	1.000	.550	.680
Profitability (P)	**.524**	.550	.550	1.000	.600
Organizational Performance (OP)	**.637**	.660	.680	.600	1.000

Note: AP = Accounting Practices; CC = Cost Control; MD = Managerial Decision-Making; P = Profitability; OP = Organizational Performance.

N = 80. All reported relationships are assumed to be statistically significant at **p < .001** for this illustrative dataset.

Source: Illustrative/synthetic survey dataset.

Interpretation: The correlation matrix shows positive relationships among all major variables. The strongest relationship is between **Accounting Practices and Cost Control (r = .748)**, followed by **Accounting Practices and Managerial Decision-Making (r = .668)** and **Accounting Practices and Organizational Performance (r = .637)**.

The relationship between Accounting Practices and Profitability is comparatively moderate (**r = .524**). Overall, the results indicate that stronger accounting practices are associated with better cost control, managerial decision-making, profitability, and organizational performance.

Note: These coefficients are synthetic and should be presented as illustrative results unless replaced with actual survey data.

6.6.2 Regression Analysis

Regression analysis is used to determine whether accounting practices significantly explain variations in the selected dependent variables. Separate regression models can be applied to the major outcomes.

Model 1: Accounting Practices and Cost Control $[CC = \beta_0 + \beta_1 AP + \varepsilon]$

Model 2: Accounting Practices and Managerial Decision-Making $[MD = \beta_0 + \beta_1 AP + \varepsilon]$

Model 3: Accounting Practices and Profitability $[P = \beta_0 + \beta_1 AP + \varepsilon]$

Model 4: Accounting Practices and Organizational Performance $[OP = \beta_0 + \beta_1 AP + \varepsilon]$

Where:

- **AP** = Accounting Practices
- **CC** = Cost Control
- **MD** = Managerial Decision-Making
- **P** = Profitability
- **OP** = Organizational Performance
- **β_0** = Constant
- **β_1** = Regression coefficient
- **ε** = Error term

Table 6.18: Regression Model Summary

Dependent Variable	R	R^2	Adjusted R^2	F	Sig.
Cost Control	0.748	0.559	0.553	97.98	< .001
Managerial Decision-Making	0.668	0.446	0.439	62.65	< .001
Profitability	0.524	0.274	0.265	29.44	< .001
Organizational Performance	0.637	0.406	0.398	53.25	< .001

Source: Illustrative/synthetic survey dataset.

Interpretation: The regression results indicate that accounting practices significantly explain variations in all four dependent variables. The highest explanatory power is observed for **Cost Control (R^2 = .559)**, meaning that 55.9% of the variation in cost control is explained by accounting practices.

Accounting practices explain **44.6% of managerial decision-making**, **27.4% of profitability**, and **40.6% of organizational performance**. All models are statistically significant at **p < .001**.

Table 6.19: Regression Coefficients

Dependent Variable	Predictor	B	Std. Error	Beta	t	Sig.
Cost Control	Accounting Practices	0.783	0.079	0.748	9.899	< .001
Managerial Decision-Making	Accounting Practices	0.625	0.079	0.668	7.911	< .001
Profitability	Accounting Practices	0.499	0.092	0.524	5.427	< .001
Organizational Performance	Accounting Practices	0.635	0.087	0.637	7.299	< .001

Source: Illustrative/synthetic survey dataset.

Interpretation: The regression coefficients are positive for all four dependent variables, indicating that improved accounting practices are associated with better organizational outcomes. The strongest standardized effect is observed for **Cost Control (β = .748)**, followed by **Organizational Performance (β = .637)** and **Managerial Decision-Making (β = .668)**.

All coefficients are statistically significant at **p < .001**. Therefore, accounting practices have a significant positive relationship with cost control, managerial decision-making, profitability, and organizational performance.

6. 7. Hypothesis Testing

The hypotheses developed in Chapter Two are tested using the correlation and regression results. A significance level of **5% (p < .05)** is applied.

Table 6.20: Summary of Hypothesis Testing

Hypothesis	Proposed Relationship	Statistical Evidence	Decision
H1	Accounting Practices → Cost Control	$r = .748, \beta = .748, p < .001$	**Supported**
H2	Accounting Practices → Managerial Decision-Making	r = .668, β = .668, p < .001	**Supported**
H3	Accounting Practices → Profitability	r = .524, β = .524, p < .001	**Supported**
H4	Accounting Practices → Organizational Performance	r = .637, β = .637, p < .001	**Supported**

Source: Illustrative/synthetic survey dataset.

Interpretation: The hypothesis-testing results show that **all four hypotheses are supported**. The statistical evidence indicates significant positive relationships between accounting practices and the four selected organizational outcomes.

Among the relationships, **H1 shows the strongest association**, suggesting that accounting practices have particularly strong relevance to cost control. The findings also demonstrate that accounting practices contribute positively to managerial decision-making, profitability, and organizational performance.

Note: These values are based on the synthetic 80-respondent dataset we have been using for consistency. They should be treated as **illustrative results** unless you replace them with actual questionnaire responses.

If $p < .05$, the relationship is considered statistically significant. If $p \geq .05$, sufficient statistical evidence is not available to support a significant relationship.

However, statistical significance alone is not sufficient. The **direction of the coefficient** must also be considered. For the hypotheses proposed in this report, the expected relationship is positive.

CHAPTER SEVEN

PROBLEMS, RECOMMENDATIONS AND CONCLUSION

7.1 Major Problems and Challenges

Although accounting practices can contribute significantly to cost control, managerial decision-making, profitability, internal control, and organizational performance, several challenges may limit their effectiveness. Based on the conceptual discussion, empirical framework, and characteristics of the RMG sector, the major problems are discussed below.

7.1.1 Complexity of Production Costing

One of the major challenges is the complexity of accurately determining production costs. RMG production involves various cost components, including fabrics, accessories, direct labour, utilities, depreciation, maintenance, quality control, packaging, and other overheads.

Changes in material prices, labour costs, production volume, and overhead expenses can make accurate cost estimation difficult. If costs are not properly identified and allocated, management may face difficulties in determining the actual profitability of individual orders.

7.1.2 Inventory Management Problems

Inventory management is another important challenge. RMG organizations handle substantial quantities of raw materials, work-in-progress, and finished goods. Differences between physical stock and accounting records may occur due to wastage, damage, recording errors, unauthorized movement, or inadequate reconciliation.

Excess inventory can tie up working capital, while insufficient inventory may interrupt production. Therefore, maintaining an appropriate balance is essential.

7.1.3 Limitations in Accounting Information Systems

Modern accounting requires timely and integrated information. However, challenges may arise when accounting systems are not sufficiently integrated with procurement, inventory, production, payroll, and sales functions.

Incomplete integration may result in duplicated data, delays in reporting, communication gaps, or difficulties in obtaining real-time information for managerial decisions.

7.2 Recommendations

Based on the findings and challenges identified in the report, several measures can be taken to strengthen accounting practices at Pacific Jeans and in the broader RMG sector. Cost accounting should be improved to ensure accurate monitoring of material, labour, and overhead costs. Regular variance analysis can help management identify cost increases and take timely corrective action.

Inventory control should be strengthened through regular physical verification, proper documentation, and reconciliation between physical and accounting records. This can reduce wastage, discrepancies, and unnecessary inventory costs.

The organization should also develop an integrated accounting information system connecting procurement, inventory, production, payroll, sales, and export functions. Such integration can improve information accuracy, reduce duplication, and support timely managerial decisions.

Finally, budgetary control should be strengthened by regularly comparing actual performance with budgeted figures and investigating significant variances. Budgets should also be revised when major changes occur in production costs, market conditions, or other relevant factors.

7.3 Conclusion

Accounting plays an important role in the management and performance of RMG organizations. This report, titled **"The Impact of Accounting Practices in the RMG Sector: An Empirical Analysis—A Study on Pacific Jeans,"** examined major accounting practices and their relationship with cost control, managerial decision-making, profitability, and organizational performance.

The report focused on financial accounting, cost accounting, management accounting, inventory accounting, budgeting, internal control, financial reporting, and accounting information systems. These practices provide management with useful information for planning, monitoring, controlling costs, managing inventory, and making informed decisions.

The analysis indicates that effective accounting practices can contribute to **better cost control, improved managerial decision-making, efficient inventory management, stronger internal control, and improved organizational performance**. Accurate accounting information is particularly important in the RMG sector because of its large-scale production, significant material and labour costs, and export-oriented operations.

For Pacific Jeans and similar RMG organizations, strengthening **cost accounting, inventory control, budgeting, internal control, digital accounting systems, and professional skills** can improve financial discipline and operational efficiency.

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APPENDIX

Appendix A

Questionnaire

Title of the Report: **The Impact of Accounting Practices in the RMG Sector: An Empirical Analysis**

Organizational Context: Pacific Jeans

Dear Respondent,

I am conducting this survey as part of an academic report on **"The Impact of Accounting Practices in the RMG Sector: An Empirical Analysis."** The purpose of this questionnaire is to understand respondents' perceptions regarding accounting practices and their impact on cost control, managerial decision-making, profitability, internal control, and organizational performance.

The information provided will be used strictly for academic purposes. Your responses will be treated confidentially and will not be used to identify you individually.

Thank you for your valuable cooperation.

Section A: Demographic Information

Please tick (✓) the appropriate option.

1. Gender

- ☐ Male
- ☐ Female
- ☐ Other
- ☐ Prefer not to say

2. Age

- ☐ Below 25 years
- ☐ 25–34 years
- ☐ 35–44 years
- ☐ 45–54 years
- ☐ 55 years and above

3. Educational Qualification

- ☐ Higher Secondary or Equivalent
- ☐ Bachelor's Degree
- ☐ Master's Degree
- ☐ Professional Accounting Qualification
- ☐ Other: _____

4. Professional Position/Functional Area

- ☐ Accounts/Finance
- ☐ Audit/Internal Control
- ☐ Management/Administration
- ☐ Production/Operations
- ☐ Inventory/Store
- ☐ Other: _____

5. Years of Professional Experience

- ☐ Less than 2 years
- ☐ 2–5 years
- ☐ 6–10 years
- ☐ More than 10 years

Section B: Accounting Practices

No.	Statement	1	2	3	4	5
1	Financial transactions are recorded accurately.	☐	☐	☐	☐	☐
2	Financial accounting practices provide reliable information.	☐	☐	☐	☐	☐
3	Cost accounting helps determine production costs accurately.	☐	☐	☐	☐	☐
4	Accounting information supports management planning.	☐	☐	☐	☐	☐

Section C: Accounting Practices and Cost Control

No.	Statement	1	2	3	4	5
11	Accounting practices help monitor production costs.	☐	☐	☐	☐	☐
12	Cost accounting helps identify unnecessary expenses.	☐	☐	☐	☐	☐
13	Accounting information helps control material costs.	☐	☐	☐	☐	☐
14	Accounting practices help monitor labour costs.	☐	☐	☐	☐	☐
15	Budgetary control contributes to cost management.	☐	☐	☐	☐	☐

Section D: Accounting Practices and Managerial Decision-Making

No.	Statement	1	2	3	4	5
19	Accounting information supports effective managerial planning.	☐	☐	☐	☐	☐
20	Accounting information helps managers make production decisions.	☐	☐	☐	☐	☐
21	Cost information supports appropriate pricing decisions.	☐	☐	☐	☐	☐

Section E: Accounting Practices and Inventory Management

No.	Statement	1	2	3	4	5
26	Accounting records provide accurate information about inventory levels.	☐	☐	☐	☐	☐
27	Accounting practices help reduce inventory discrepancies.	☐	☐	☐	☐	☐
28	Inventory accounting helps control material wastage.	☐	☐	☐	☐	☐

Appendix B

Proposed Variables and Measurement Structure

Variable	Type	Questionnaire Items
Accounting Practices	Independent Variable	1–10
Cost Control	Dependent Variable	11–18
Managerial Decision-Making	Dependent Variable	19–25
Inventory Management	Dependent Variable	26–31
Internal Control	Dependent Variable/Related Outcome	32–37
Profitability	Dependent Variable	38–43
Organizational Performance	Dependent Variable	44–49

Appendix C

Coding Scheme for Data Analysis

Response	Code
Strongly Disagree	1
Disagree	2
Neutral	3
Agree	4
Strongly Agree	5

LIST OF ABBREVIATIONS

Abbreviation	Full Form
BBA	Bachelor of Business Administration
BGMEA	Bangladesh Garment Manufacturers and Exporters Association
BKMEA	Bangladesh Knitwear Manufacturers and Exporters Association
ERP	Enterprise Resource Planning
FIFO	First-In, First-Out
GAAP	Generally Accepted Accounting Principles
HR	Human Resources
IAS	International Accounting Standards
ICAB	Institute of Chartered Accountants of Bangladesh
IFRS	International Financial Reporting Standards
IT	Information Technology
RMG	Ready-Made Garments
SU	Sonargaon University
VAT	Value Added Tax
WIP	Work-in-Progress
MIS	Management Information System