

Analysis of the Main Problems and Countermeasures in the Financial Cost Management of Real Estate Enterprises

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Abstract

In recent years, with the continuous expansion of the development scale of the real estate industry, the investment risk of real estate enterprises is gradually increasing, which makes the management requirements of the real estate industry for financial funds also increase, hoping to achieve the purpose of reducing financial costs and improving economic efficiency. However, at this stage, there are still many problems in the process of financial cost management, such as the imperfect management system and supervision mechanism, which seriously affect and restrict the long-term development of China's real estate industry. Based on this, this paper first analyzes the connotation and importance of real estate financial cost management, and then analyzes the main problems existing in the process of financial cost management in China's real estate industry. Finally, it gives countermeasures for the high level of financial cost management of real estate in order to lay a good foundation for the sustainable development of the real estate industry.

Keywords

Real estate enterprises; Financial cost management; Project budget and settlement; Financial supervision.

1. The Influence of the Problems Existing in the Capital Management of the Real Estate Enterprises on the Financial Crisis

1.1 Serious shortage of real estate development funds

Real estate enterprises became a hot topic in 2007, but after the financial crisis in 2008, the hot topic became real estate funds. Nowadays, with the new monetary policy implemented by the state, the control of real estate credit loan is more and more strict, which causes most small-scale real estate developers unable to carry out project development for various reasons. According to the particularity of real estate enterprises, the capital problem is indeed an urgent problem to be solved. Relevant professionals analyze the expected capital shortage of real estate, and the financial crisis faced by listed companies has not much impact, while small real estate enterprises are seriously damaged.

1.2 The way of capital management is not consistent with the strategy of the enterprise

At present, China's real estate enterprises are still in operation for the way of capital management, and they have not effectively integrated the importance of capital with the actual decision-making of the company. The fund management mode is still at the level of traditional management mode, with only simple use of fund budget, daily expenses, fund expenditure process and flow rate, risk early warning system, etc. based on this fund management mode, the fund can only be processed in the use process, but it can not effectively improve the enterprise because of the fund. Therefore, the real estate enterprises need to change the traditional technical management, but need to integrate it with the development of real estate enterprises effectively, to ensure that the fund management can make important decisions for the development of enterprises in each stage.

1.3 Lack of whole process supervision and control in fund management

The main reason for the financial crisis in China's real estate enterprises is that the fund management mode pays too much attention to post event analysis, neglects the importance of pre event control,

and does not refer to the crisis report made by risk early warning in the event, so it is unable to put forward effective solutions immediately after the event. The main ability of funds in real estate operation is to distribute the funds raised reasonably in the project application, that is to say, fund raising and expenditure. To meet the needs of fund management, the direction and purpose of expenditure should be tracked comprehensively, and the actual implementation of funds should be determined in the project, so that the final use of funds can be reasonably controlled by the enterprise. Plan before use, control during use and analyze after use to help enterprises make strategic development plans and improve effective control over projects and funds during operation.

1.4 Capital management does not pay attention to the quality of capital investment

Due to the weak ability of enterprise managers to control the capital orientation, the performance quality is far from reaching the real estate performance task. China's real estate performance evaluation is often based on profit orientation. In the process of practice, real estate enterprises are too backward in capital management, which makes real estate enterprises appear passive situation. Due to the lack of early assessment quality of enterprise capital investment, there will be a shortage of funds in the later stage. If there is no careful management at this time, it will lead to a shortage of funds in the enterprise. The way of capital management is too loose for enterprises. Only when they can't afford to pay wages, taxes and raw materials, can they consider the management of capital, so that the real estate enterprises can't achieve sustainable development due to excessive expenditure of capital. Especially in recent years, the real estate enterprises have developed rapidly, and the capital of real estate enterprises has grown rapidly, so the enterprises do not pay attention to the quality of capital expenditure, resulting in the financial crisis that cannot be solved in the later period.

2. The Content and Importance of Financial Cost Management in Real Estate Enterprises

2.1 The connotation and elements of financial cost

The so-called financial cost refers to the various costs and expenses incurred by enterprises in the process of production and operation. The financial cost management is the scientific management of enterprises through comprehensive accounting methods, including not only the planning and budget management in the early stage, but also accounting, audit supervision and total price management. However, no matter which management method is adopted, it is to reduce the cost of enterprises Improve the overall economic benefits of the enterprise. In the real estate financial cost management, through carrying out various economic activities such as financial plan, budget, audit and supervision, the relationship between various financial management activities of the real estate enterprise becomes closer, and finally an organic circular management system is formed, so as to make preparations for improving the economic benefits of the real estate financial cost management.

2.2 The importance of financial cost management for real estate enterprises

In the process of project construction, real estate enterprises need a relatively large amount of funds, which takes a long time. Therefore, it is necessary to do a good job in cost management in the process of financial management. Based on the reality of real estate enterprise management, budget, summarize and analyze the cost of each project, and strictly follow the audit and supervision mechanism of enterprise financial management in different stages of project construction To supervise the financial work in an all-round way. At the same time, the level of financial cost management of real estate enterprises often affects the level of overall economic benefits of enterprises. Therefore, real estate enterprises need to do a good job in financial cost management and control, lay a good foundation for the construction of real estate projects, and then achieve the goal of financial cost minimization and economic benefit maximization of real estate enterprises.

3. Problems in the Process of Financial Cost Control and Management of Real Estate Enterprises in China

3.1 Lack of perfect financial cost management system and imperfect cost management mechanism

Perfect financial cost management system plays a very important role in promoting the overall economic interests of real estate enterprises and carrying out various economic activities. However, in the actual operation management of real estate enterprises at this stage, there are still many problems in cost management, specifically in the following three aspects. First, the financial management is too lax and scattered in the management of working capital, which is not conducive to not only improving the efficiency of the use of capital, but also to the control of the specific flow of capital to a certain extent, thus increasing the risk of capital loss. Second, the financial supervision and audit supervision mechanism is not perfect, which is not conducive to the development of real estate financial management, leading to some financial managers to borrow the convenience of work to misappropriate and steal enterprise property, causing certain economic losses to real estate enterprises. Thirdly, due to the imperfection of the financial cost management system, the financial staff of the enterprise will have the phenomenon of management confusion and unclear responsibilities when they carry out the actual financial work, which will lead to a significant decline in the overall financial management benefits of the enterprise.

3.2 Financial cost management method is too single.

With the continuous development of market economy globalization, higher requirements and standards are put forward for real estate financial cost management methods. However, at this stage, many real estate enterprises in our country still adopt a single financial management mode in the process of operation and development due to the influence of traditional financial management concept, which is not only seriously inconsistent with the demand of modern market economy for real estate financial cost management, but also will increase the financial management cost of enterprises to a certain extent. The long-term development of real estate enterprises brings adverse effects. At the same time, the real estate enterprises still have the problem of low efficiency in the application of information technology in the actual financial cost management. The reason for this problem lies in the fact that the enterprises do not introduce modern information technology well. For example, most of the real estate enterprises sell their houses by hand or input the relevant information into excel tables without using the Mingyuan system, so they can not play the information well. The function of information technology in financial cost management leads to the high labor cost of real estate and the risk of information tampering.

3.3 The comprehensive professional quality of financial management personnel needs to be improved.

The comprehensive professional quality of financial management personnel has a direct impact on the efficiency of financial cost management of real estate enterprises. How to improve the professional quality of financial management personnel has become a topic of general concern and discussion in the real estate industry. However, at this stage, the real estate industry in China is still plagued by the lack of professional ability and comprehensive literacy of financial personnel. The reasons for the low comprehensive quality of financial management personnel mainly include the following three points. First, the financial management personnel did not fully grasp the modern cost management technology and methods, leading to real estate enterprises can not solve the problems in financial cost management in time. Second, the financial management personnel's sense of responsibility is not strong. For all kinds of problems in the real estate financial management, the management personnel also shirk their responsibilities. In the long run, the financial management efficiency of the enterprise will be greatly reduced. Third, enterprises do not pay enough attention to the professional training of financial management personnel, which will not only increase the cost of financial management, but also increase the financial crisis caused by poor financial cost management.

4. Effective Measures to Improve the Efficiency of Financial Cost Management in Real Estate Enterprises

4.1 Perfect financial cost management system

A good financial cost management system plays a very important role in promoting the long-term development of real estate enterprises. Therefore, it is necessary for real estate enterprises to formulate a financial cost management system and system suitable for the development of enterprises in strict accordance with the relevant national financial management laws and regulations in the actual financial cost management process, so as to enhance the market competition of real estate enterprises in China Ability to compete to lay a good foundation for financial management system. Specifically speaking, improving the financial cost management system mainly includes the following two aspects. First, we should establish a practical financial cost management system in combination with the actual situation of the enterprise, and actively implement it in the process of financial management of the enterprise to effectively avoid the loss of enterprise interests caused by the inadequate implementation of the financial cost system. Second, improve the implementation of financial cost management supervision mechanism, so as to effectively reduce the financial management risk of real estate enterprises. For example, when a real estate enterprise carries out real estate engineering construction project activities, it constructs a financial cost management system and system suitable for the development of the enterprise according to its own financial and economic operation characteristics, and gives timely and proper solutions to the financial cost problems in actual operation. After more than one year's efforts, the overall financial cost management benefits of the enterprise are obvious promote.

4.2 Building and improving financial cost information management system

The construction of financial cost management information system of real estate enterprises needs to do the following two things well. First, with the help of modern network information platform, the financial cost management mode of real estate enterprises is constantly optimized to help financial personnel to use scientific and reasonable management mode to solve various problems encountered in actual operation and management. Second, strengthen and improve the choice of financial cost information network technology, and do a good job in financial cost management, so as to lay a good foundation for real estate enterprises to successfully carry out various financial management work. For example, in the process of building a financial cost management system, a real estate enterprise constantly optimizes the financial cost management of real estate by introducing modern management methods and means, and realizes the qualitative change of the efficiency of financial cost management on the basis of reducing mistakes.

4.3 Do a good job in training

Real estate enterprises should do a good job in the following three aspects of financial management personnel training. First, according to the financial operation and management needs of real estate enterprises, arrange and organize the financial management personnel to carry out regular professional skills special training. Second, do a good job in the cultivation of financial managers' sense of responsibility, so as to effectively reduce their errors in the actual financial cost management, and promote the efficiency of real estate financial management to achieve a substantial improvement. Third, the establishment of the performance appraisal mechanism for financial personnel can not only stimulate the enthusiasm of financial management personnel to carry out financial cost management, but also further reduce the management cost of real estate enterprises in all aspects, thus laying a good talent foundation for greatly improving the overall economic efficiency of real estate enterprises. For example, in order to improve the comprehensive professional quality of financial management personnel, a real estate development enterprise organizes and arranges some financial personnel to carry out comprehensive professional skills training. At the end of the training, all training personnel are assessed, and then the positions of financial management personnel are re divided according to the final assessment results, and those with excellent assessment results are given certain Reward, in order to stimulate the financial staff to participate in the real estate financial cost management with a

more active attitude, so as to promote the financial cost management efficiency of the enterprise to achieve a substantial increase compared with last year, which is well received and recognized by other real estate enterprises.

5. Conclusions

With the continuous adjustment and change of market economy structure, the real estate industry is facing severe challenges in financial cost management, which is not conducive to improving the overall competitiveness. In order to solve this problem, real estate enterprises should constantly improve the financial cost system in the actual financial cost management, do a good job in the comprehensive professional quality training of financial personnel, and do a good job in the construction and improvement of the financial cost information management system of real estate enterprises, so as to lay a good foundation for the sustainable and long-term development of the real estate industry in China.

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