



## BALTIC JOURNAL OF LAW & POLITICS

A Journal of Vytautas Magnus University  
VOLUME 15, NUMBER 4 (2022)  
ISSN 2029-0454

Cite: *Baltic Journal of Law & Politics* 15:4 (2022): 1116-1134  
DOI: 10.2478/bjlp-2022-004100

### **A Study on the Importance of Environmental Accounting in the Context of Sustainable Development**

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Received: August 8, 2022; reviews: 2; accepted: November 29, 2022.

#### **Abstract**

The main goals of economic development and well-being, ecological balance and sustainable development models have led to the recognition that nature needs to be protected. Optimal use of wasted resources, effectiveness of natural resources, environmental protection and economic growth, and environmental quality of the tide provide a practical integrated model. Sustainable development of the concept, social, ecological, economic, spatial and cultural aspects. When the environmental problems that occurred in the process of industrialization reached a serious rate all over the world, developed countries have sought preventive or diminishing solutions to these problems. The main **aim** of the researcher is to understand the impact of environmental accounting for sustainable development. A total of 203 samples have been taken out of which is through convenient sampling. The results show that it is mandatory to give importance to the environmental accounting system for fulfilling sustainable development. Therefore, it can be concluded that it is important to have an environmental accounting system for sustainable development, depletion of non-renewable natural resources and investment made into the environment saving equipment or devices, lack of coordination among functional areas and inadequacy of guidelines and compulsion to adopt guidelines are the major challenges of environmental accounting, Operation where environmental damages do not occur and Promoting a company having a wide environmental attitude are the needs of environmental accounting and environmental accounting preserves the Ecosystem as well as maintaining long-term profitability of the firm.

#### **Keywords**

Cost Accounting, Sustainable Development, Environment, Firms, Natural Resources

#### **INTRODUCTION**

The main goals of economic development and well-being, ecological balance and sustainable development models have led to the recognition that nature needs to be

protected. Optimal use of wasted resources, effectiveness of natural resources, environmental protection and economic growth, and environmental quality of the tide provide a practical integrated model. Sustainable development of the concept, social, ecological, economic, spatial and cultural aspects. When the environmental problems that occurred in the process of industrialization reached a serious rate all over the world, developed countries have sought preventive or diminishing solutions to these problems. These environmental problems experienced in industrialization have led to a better understanding of the importance of the concept of sustainable development. As a result of increased environmental sensitivity, an approach to environmental accounting was born.

Environmental accounting is becoming more important due to increasing environmental issues, economic, social and technological developments.

An environmental balance based on sustainable development is needed. The term environmental accounting has multiple meanings and uses. Environmental accounting can support national accounts, financial accounting, or corporate accounting.

The businesses of all companies are influenced by the country's natural resources: water, air, minerals, forests, etc., or what is commonly referred to as the environment. Like them, corporate functions also affect the environment. Therefore, you need to keep good accounting records that indicate the impact your company has on the environment, and vice versa. Life cycle assessment ensures this function. This is a new concept and continues to grow in popularity due to growing environmental awareness. This is a way to record environmental events. This includes valuing natural resources, measuring returns from natural resources, keeping records of associated costs, estimating the amount of natural resources, and valuing natural resources. This includes managing environmental costs through the effective presentation and disclosure of environmental information in an appropriate format.

### **Historical Background**

According to the provincial annual report of 1997/98, 125 units were closed. As a result of notification from the central authorities, 2137 units and 480 units that do not have the necessary wastewater treatment system have been closed, and 1457 units are about to be closed. 106 entities are implementing such schemes and 94 are allowed to extend their deadlines. In 1997/98, approximately 680 complaints about various types of air, water, noise and soil pollution were received and dealt with. Ministry concerns about environmental protection in coastal waters and coastal zones have imposed unconstructed zones 300 meters above the high tide line on the Indian coast. This is affecting beach hotels and beach resorts. Apart from general concerns about environmental protection, there are also concerns about the handling of toxic substances to protect forest wealth and wildlife and prevent biodegradation, as existing industrial sectors and entrepreneurs want to set up new factories and factories. It leads to some restrictions which the existing industrial units and also entrepreneurs wishing to set up new plants and factories should keep in view. The early environmental accounting process was started by Norway. The main purpose was to have a check on the natural resources like forests, fisheries land etc. The Netherlands was a leader in the development and implementation of environmental accounting. The Dutch interest in this area stems from Roefie Hunting's work in developing and implementing sustainable national income measurements that explain the deterioration and depletion of environmental assets due to economic activity.

### **Laws in relation to the Environmental Accounting in India**

Industrial licenses have been abolished for all practical purposes, but are now focused on environmental clearances by various government agencies. Amid growing global concerns about environmental protection, India has also established the United Ministry of the Environment with the aim of coordinating environmental protection and pollution control measures between the state and various ministries. The required law has also been passed. It is important to note that all new projects Research require environmental

clearance. This release affects both the Federal Department of Environment and Forests and the corresponding state government's environmental department. Guidelines have been published and all of these projects are expected to be approved for environmental and pollution control before they are actually set up.

Additionally, a Central Pollution Control Board (CPCB) has been established.

A) Acts directly related to environmental protection include the Forest (Conservation) Act of 1980, the Environment (Protection) Act of 1986, the Air (Prevention and Control of Pollution) Act of 1981, and the Water (Prevention and Control of Pollution) Cess Act of 1974.

B) Laws that are indirectly related to environmental protection include the Indian Fisheries Act of 1987, the Hazardous Waste (Management & Handling) Rules of 1989, the Public Liability Insurance Act of 1991, the Motor Vehicle Act of 1991, the Factories Act of 1948, and the Merchant of Shipping Act of 1958.

The Factors affecting the study are Economic Environment, Political Environment, Development of stock market and privatisation of state owned companies.

Recently, there has been a growing interest in developing environmental and resource accounts in Iraq. The development of the national resource account focused on adding monetary value to the known physical quantities of natural resources in order to maintain the value and wealth of natural capital. Natural resource stock accounts are usually retained from a physical and financial point of view. Sustainability accounting includes the justice aspect of the environmental justice paradigm. This approach effectively introduces a minimum profit requirement that is three times that of people and the environment in accounting. To contribute to ecologically sustainable development, a company must meet all three conditions. Incorporating the profit environment and people into accounting integrates environmental externalities into an incentive-based economic model. The short- and medium-term developments in national accounts, which form the basis of the green development approach in most countries, show that they are not rosy in the face of today's challenges.

### Objectives

- To understand the importance of environmental accounting in sustainable development
- To examine scope of environmental accounting
- To find the level of agreeability towards the preserving Ecosystem as well as maintaining long-term profitability of the firm.
- To analyse the need for environmental accounting
- To suggest more guidelines for environmental accounting

### REVIEW OF LITERATURE

**Bablu Kumar Dhar (2021)** analyzed the effectiveness of green accounting in the sustainable development of highly polluted enterprises. Of the 212 companies listed on the Dhaka Stock Exchange, effective green accounting has significantly improved the ability of highly polluted companies to develop sustainably, according to a study. rice field. "There is a positive correlation between the quality of social responsibility disclosure and the sustainable development capabilities of highly polluted companies. The quality of disclosure of social responsibility information can be positively adjusted. The relationship between the implementation of green accounting and the sustainable development capabilities of highly polluted companies. (Chowdhury, Dhar, and Gazi 2022)

**Thabit Thabit and et al (2019)** considered sustainable development as one of the most important current issues facing the government. So many researchers and scholars are working to find effective solutions using all areas of the social sciences and applied sciences. Researchers have many positive reasons for applying EMA to organizations to raise the bar for sustainable development, and there are some barriers that prevent individuals from implementing EMA, many. We conclude that there is a challenge and there is a way to suggest the main problem for testing strength and ability, and the ability to improve EMA. ("Website," n.d.)

**Rounaghi, M.M. (2019)** Considered environmental performance as one of the most important factors in assessing a company's success. For environmental accounting, companies need to work together as a team of system designers, chemists, engineers, production managers, operators, employees, purchasing groups, and accountants. Researchers conclude that green GDP calculations help raise awareness of sustainability concerns among governments / policy makers who are usually focused on their country's rapid economic development. ("Website," n.d.)

**Amer Shakkour and et al. (2018)** We analyzed how environmental accounting or green accounting can contribute to and ensure sustainable development. This is a descriptive study of environmental accounting and sustainable development using existing literature. Researchers have found that good practices in environmental accounting are crucial to sustainable development, especially environmental and environmental taxes, the cost and assessment of ecosystem services, the cost of carbon dioxide, and water quality, which is sustainable and reliable development. We conclude that we will focus on the cost of pollution. (. Ahmad et al. 1989)

**Russell, S. and et al. (2017)** examined the concepts of "accounting" and "nature", and in particular this AAAJ special issue laid the foundation for theoretical and empirical research agendas starting with "greening" of accounting. Researchers conclude that the AAAJ special issue contributes to these issues and highlights important research opportunities to overcome them along with the social science literature. ("Website," n.d.)

**Glenn-Marie Lange (2014)** considers sustainable development as a goal for many countries, and the quest for commercialization of this concept has a partial focus on the System of National Accounts (SNA). increase. ("Website," n.d.)

**Massimo Contrafatto et al. (2013)** Researchers spotlights the importance of management accounting to encourage and shape the progressive path of SEAR practices (and overall sustainability). However, it should also be noted that she relies uncritically on traditional control. ("Website," n.d.)

**Vejzagić, VJanković (2012)** studied that measuring the eco-efficiency of tourist destinations is the basis for building a system for reporting changes and impacts of individual entities operating in the environment. An integrated information system for tourist destinations needs to provide information about the eco-efficiency of an individual business process, activity, product, or the entire life cycle of a Strategic Business Unit (SBU). Researchers conclude that the information infrastructure for environmental reporting lies in the reporting system for sustainable development of tourist destinations. ("Website," n.d.)

**Michael John Jones (2010)** investigated a multifaceted theoretical model to support environmental accounting and reporting (serious environmental hazards, corporate responsibility, new industry-environment relationships, measuring and impacting industry impacts). Disclosure and reporting). Researchers conclude that the theoretical framework suggests that organizations need to disclose their environmental performance to stakeholders as part of their stewardship function. ("Website," n.d.)

**Dascalu, C. (2010)** analyzed the externalities of social and environmental accounting. Researchers conclude that a portfolio of information for assessing externalities contributes to the accurate assessment of accounting proposals and the objective assessment of this type of requested information in the context of global performance management. ("Website," n.d.)

**Amanda Ball et al. (2010)** examined that the new institutional theory could improve the understanding of the organization's overall response to social and environmental issues and social activities. In particular, you can build an accounting response for your organization. Researchers conclude that the importance of ethical values and ecological thinking in change (including accounting changes) is to help institutions act in ways that lead to a sustainable future. ("Website," n.d.)

**Herath, G. (2005)** investigated the role of natural resource accounting in sustainable development. Accounting for natural resources is important because there are some weaknesses in national well-being, as measured by gross domestic product (GDP). Researchers conclude that the main weakness of GDP as a measure of development is that it does not take into account damage to environmental resources. ("Website," n.d.)

**Ball, A (2005)** We analyzed environmental accounting on the long-term social transition to "sustainable development". Researchers conclude that this study shows the different ways environmental accounts are used to facilitate such changes. ("Website," n.d.)

**ByungWook Lee (2005)** studied environmental accounting and was quickly accepted as a powerful tool for environmental management. In particular, global companies representing Europe, North America and Japan have applied environmental accounting to improve environmental efficiency and resource productivity. Researchers say that increasing external pressure from stakeholders such as financial institutions, SRIs (Socially Responsible Investment), governments, and communities has led companies to become more interested in environmental accounting. ("Implementing Environmental Management Accounting: Status and Challenges" 2005)

**Jones, M.J. (2003)** Extending previous research by investigating corporate natural asset reports, reviewing environmental accounting in the context of large sites, and using the UK-listed company Hyder plc. Researchers conclude that the potential benefits of the natural resource model are important, but the costs are modest. ("Website," n.d.)

**Carlos Larrinaga Gonzalez (2001)** is one of the processes by which organizations can and do change in a substantive way to address the environmental agenda, and Environmental accounting allows these organizations to change. So I investigated that it was a department. The corporation does not change in response to environmental requests. Rather, it changes the environmental agenda itself, allowing organizational activities to continue as before. ("Website," n.d.)

**Frank Birkin (2000)** investigated the ontology of individual objects and the ontology of interconnected events to develop accounting practices that support the development of sustainable business activities. Appropriate epistemology has also been proposed and the use of appropriate accounting tools is being contemplated. Researchers conclude that they provide an expression of sustainable development that is compatible with the ontology of interrelated events. ("Website," n.d.)

**Gray, R. and others. (2000)** began to explain the essence of the problem by investigating environmental accounting research through this "manager" lens and reporting new analyses of data from accounting, sustainability, and international research of multinational corporations. I did. Researchers conclude by seeking a clearer study of the tacit assumptions in general accounting research, especially environmental accounting research. ("Website," n.d.)

**Peter Bartelmus (1998)** examined the need for sustainable development to integrate economic and environmental concerns into planning and policymaking. To achieve integration, economists and environmental scientists apply tools and values to each other's disciplines. The result is the contrast of monetary valuation in environmental economics and accounting, and the development of non-monetary measures and indicator frameworks. (Uno and Bartelmus 2013)

**Richard B. Norgaard (1989)** analyzed economists over the last two decades and attempted to logically extend the System of National Accounts to include the value of resources, environmental systems, and their services. .. Alternatives to improving the account were discussed in detail, but no agreement was reached. The debate was fueled by a false, implicit belief among participants that there is the best way to understand how the economy relates to the environmental system. Researchers conclude that developing and using multiple approaches is more scientifically rigorous and likely to be fail-safe. ("Website," n.d.)

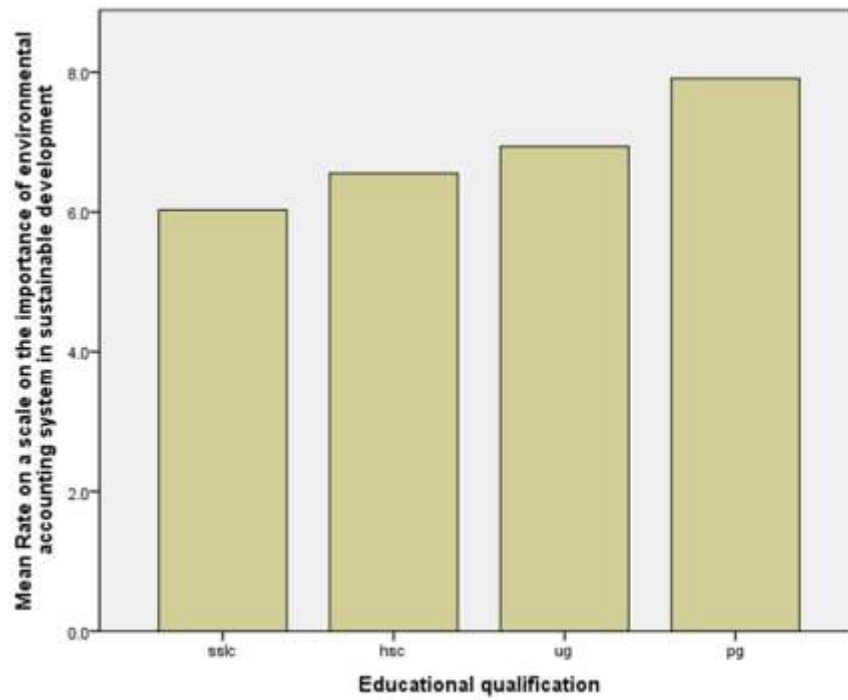
## METHODOLOGY

The Research method followed here is empirical research. A total of 203 samples have been taken out of which is through convenient sampling. The sample framework taken by the researcher from common people. The independent variables are Gender, Age, Occupation, Educational Qualification and Monthly Income. The dependent variables are the Need of Environmental Accounting, the Scope of Environmental Accounting, the challenges of environmental accounting and Environmental Accounting refers to

preserving the Ecosystem as well as maintaining long-term profitability of the firm. The statistical tools used in this research are graphical representation and correlation tables.

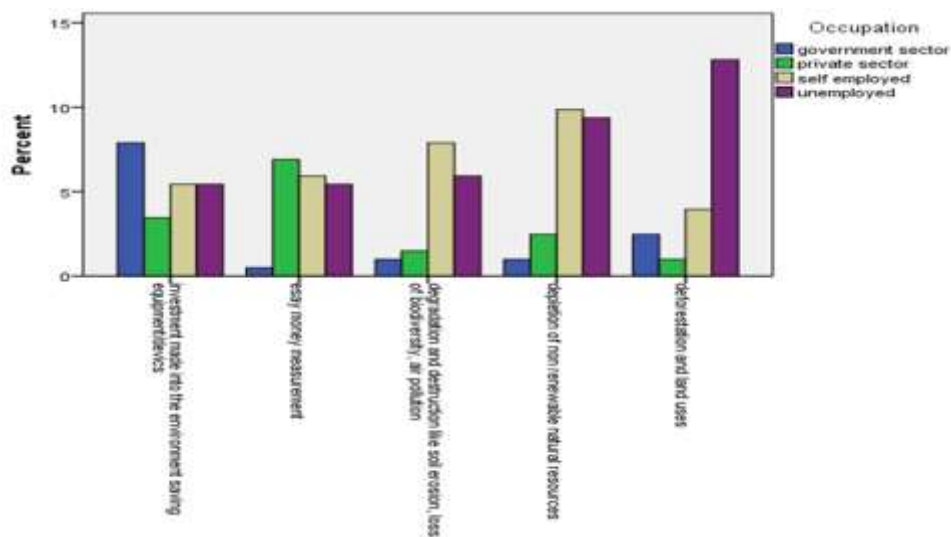
**Analysis**

FIGURE 1



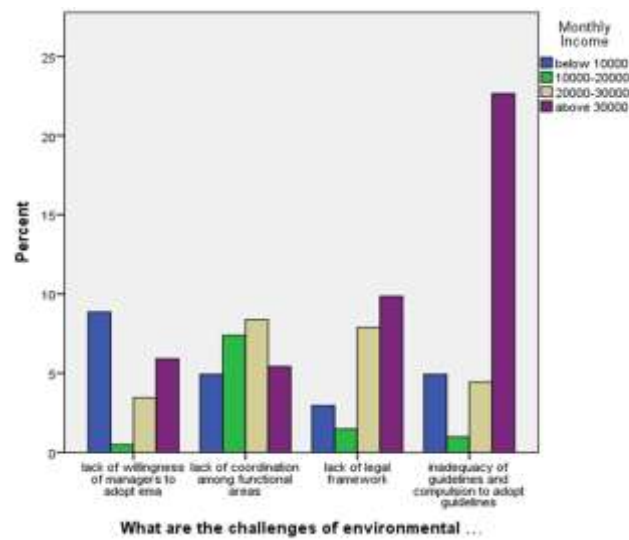
LEGEND: Fig 1 shows the opinion of the respondents with different educational qualifications to the importance of the environmental accounting system in sustainable development.

FIGURE 2



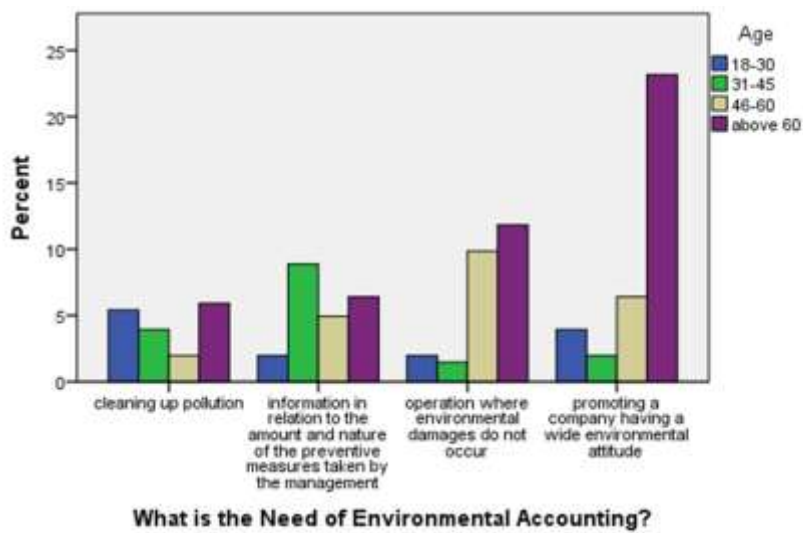
LEGEND: Fig. 2 shows the opinion of the respondents of their occupation to the scope of environmental accounting.

FIGURE 3



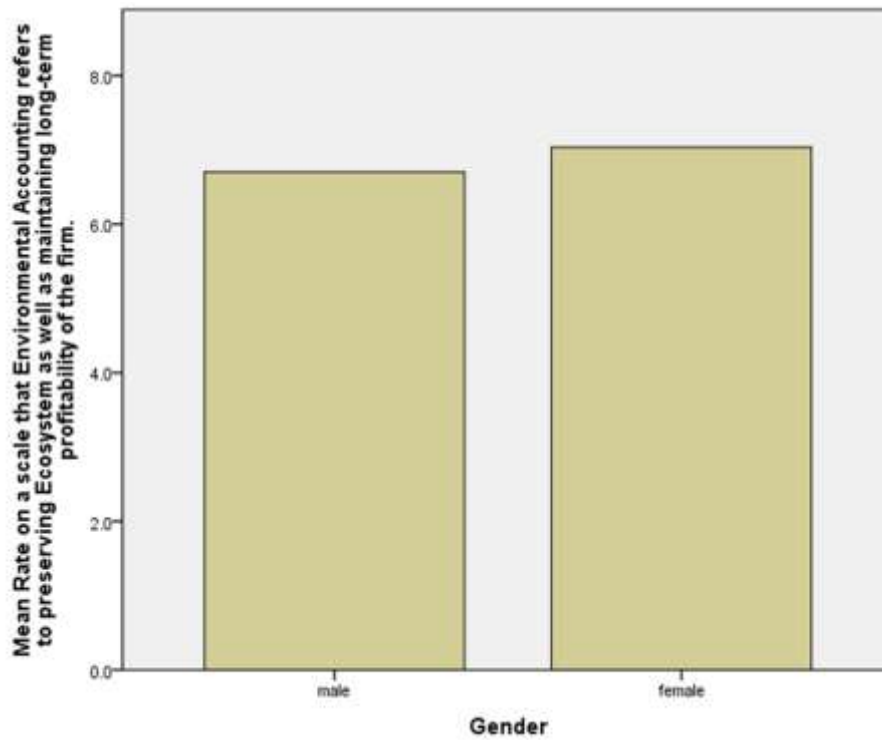
LEGEND: Fig. 3 shows the opinion of the respondents with different monthly income to the challenges of environmental accounting.

FIGURE 4



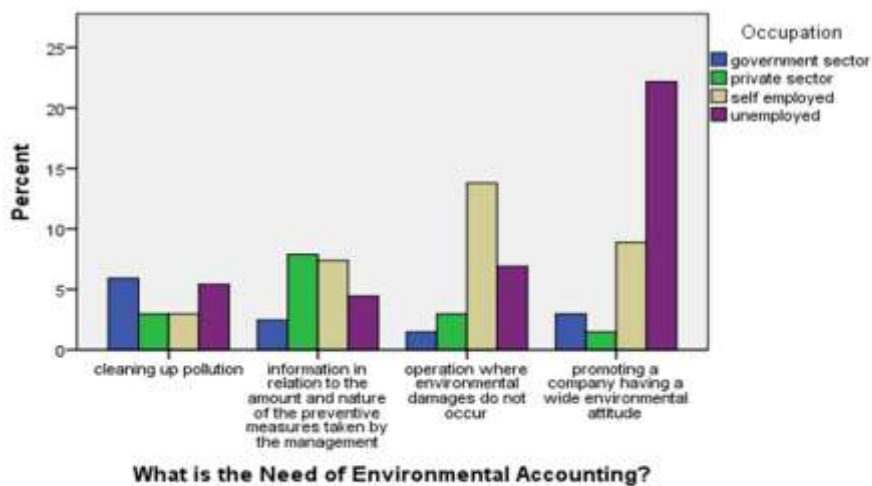
LEGEND: Fig. 4 shows the opinion of the respondents on the basis of their age to the need for environmental accounting.

FIGURE 5



LEGEND: Fig. 5 shows the opinion of the respondents irrespective of their gender to the environmental accounting preserves the Ecosystem as well as maintaining long-term profitability of the firm.

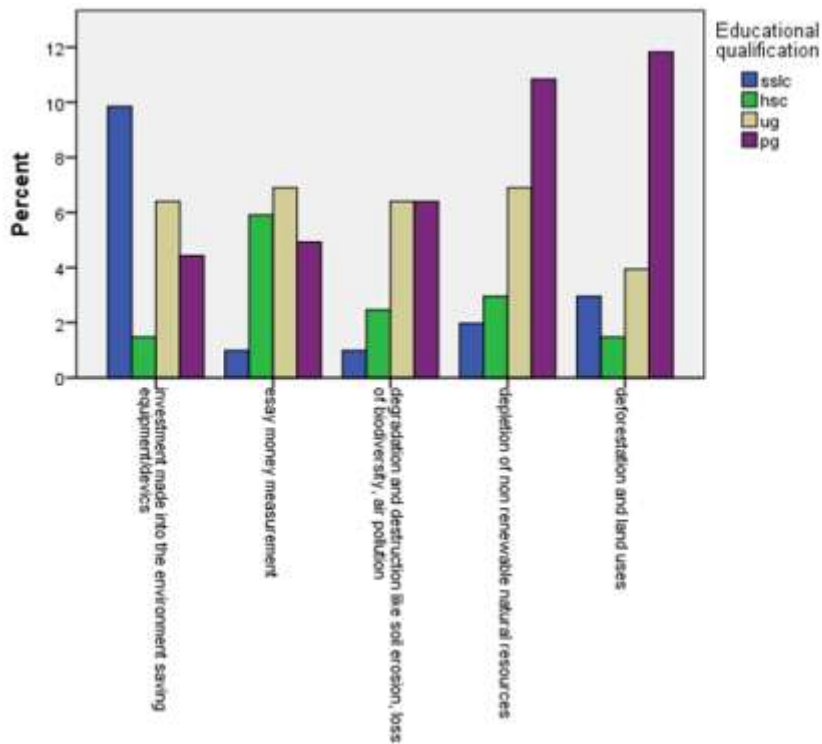
FIGURE 6



LEGEND: Fig. 6 shows the opinion of the respondents of their occupation to the need for environmental accounting.



FIGURE 7



LEGEND: Fig. 7 shows the opinion of the respondents with different educational qualifications to the scope of environmental accounting.

TABLE 1

Correlations				
		What is the Need of Environmental Accounting?	What is the Scope of Environmental Accounting?	Educational qualification
What is the Need of Environmental Accounting?	Pearson Correlation	1	.648**	.392**
	Sig. (2-tailed)		.000	.000
	N	203	203	203
What is the Scope of	Pearson Correlation	.648**	1	.311**

<b>Environmental Accounting?</b>	<b>Sig. (2-tailed)</b>	<b>.000</b>		<b>.000</b>
	<b>N</b>	<b>203</b>	<b>203</b>	<b>203</b>
<b>Educational qualification</b>	<b>Pearson Correlation</b>	<b>.392**</b>	<b>.311**</b>	<b>1</b>
	<b>Sig. (2-tailed)</b>	<b>.000</b>	<b>.000</b>	
	<b>N</b>	<b>203</b>	<b>203</b>	<b>203</b>
<b>**.</b> Correlation is significant at the 0.01 level (2-tailed).				

LEGEND: Table 1 shows the correlation between need for environmental accounting and scope for environmental accounting.

TABLE 2

<b>Correlations</b>				
		<b>What are the challenges of environmental accounting?</b>	<b>What is the Scope of Environmental Accounting?</b>	<b>Occupation</b>
<b>What are the challenges of environmental accounting?</b>	<b>Pearson Correlation</b>	<b>1</b>	<b>.675**</b>	<b>.373**</b>
	<b>Sig. (2-tailed)</b>		<b>.000</b>	<b>.000</b>
	<b>N</b>	<b>203</b>	<b>203</b>	<b>203</b>
<b>What is the Scope of Environmental Accounting?</b>	<b>Pearson Correlation</b>	<b>.675**</b>	<b>1</b>	<b>.327**</b>
	<b>Sig. (2-tailed)</b>	<b>.000</b>		<b>.000</b>
	<b>N</b>	<b>203</b>	<b>203</b>	<b>203</b>
<b>Occupation</b>	<b>Pearson Correlation</b>	<b>.373**</b>	<b>.327**</b>	<b>1</b>

	<b>Sig. (2-tailed)</b>	<b>.000</b>	<b>.000</b>	
	<b>N</b>	<b>203</b>	<b>203</b>	<b>203</b>
<b>**.</b> Correlation is significant at the 0.01 level (2-tailed).				

LEGEND: Table 2 shows the correlation between challenges of environmental accounting and the scope of environmental accounting.

TABLE 3

<b>Correlations</b>					
			<b>Rate on a scale on the importance of environmental accounting system in sustainable development</b>	<b>Rate on a scale that Environmental Accounting refers to preserving Ecosystem as well as maintaining long-term profitability of the firm.</b>	<b>Monthly Income</b>
<b>Spearman's rho</b>	<b>Rate on a scale on the importance of environmental accounting system in sustainable development</b>	<b>Correlation Coefficient</b>	<b>1.000</b>	<b>.662**</b>	<b>.276**</b>
		<b>Sig. (2-tailed)</b>	<b>.</b>	<b>.000</b>	<b>.000</b>
		<b>N</b>	<b>203</b>	<b>203</b>	<b>203</b>
	<b>Rate on a scale that Environmental Accounting refers to preserving Ecosystem as well as maintaining long-term profitability of the firm.</b>	<b>Correlation Coefficient</b>	<b>.662**</b>	<b>1.000</b>	<b>.043</b>
		<b>Sig. (2-tailed)</b>	<b>.000</b>	<b>.</b>	<b>.545</b>
		<b>N</b>	<b>203</b>	<b>203</b>	<b>203</b>

Monthly Income	Correlation Coefficient	.276**	.043	1.000
	Sig. (2- tailed)	.000	.545	.
	N	203	203	203
<b>** . Correlation is significant at the 0.01 level (2-tailed).</b>				

LEGEND: Table 3 shows the correlation between the importance of the environmental accounting system in sustainable development and the environmental accounting preserves the Ecosystem as well as maintaining long-term profitability of the firm.

### RESULTS

**Fig. 1** shows that the respondents who have completed UG and PG that it is important to have an environmental accounting system for sustainable development. **Fig. 2** shows that the respondents who are self-employed and unemployed are in an opinion that depletion of non-renewable natural resources and investment made into the environment saving equipment or devices. **Fig. 3** shows that the respondents earning a monthly income of above 30,000 is in an opinion that lack of coordination among functional areas and inadequacy of guidelines and compulsion to adopt guidelines are the major challenges of environmental accounting. **Fig. 4** shows that the respondents between the age group of 46-60 and above 60 are of the opinion that Operation where environmental damages do not occur and Promoting a company having a wide environmental attitude are the needs of environmental accounting. **Fig. 5** shows that the female respondents have agreed that environmental accounting preserves the Ecosystem as well as maintaining long-term profitability of the firm. **Fig. 6** shows that the respondents who are self-employed and unemployed are in an opinion that Operation where environmental damages do not occur and Promoting a company having a wide environmental attitude are the needs of environmental accounting. **Fig. 7** shows that the respondents who have completed UG and PG are of the opinion that depletion of non-renewable natural resources and investment made into the environment saving equipment or devices.

**Table 1** shows that, wherein a Pearson correlation test performed between the independent and the dependent variables, it can be seen that the person correlation coefficient(hereinafter mentioned as the *p value*) between the variable what is the need for environmental accounting and what is the scope of environmental accounting is 0.648 which is greater than 0.5 which means that the 2 variables are statistically significant and there lies a positive correlation between the 2 variables. Discussing the strength of correlation as the *p value* is between greater than 0.5 and between 0.5 to 1, it can be inferred that there is a strong correlation between the said variables.

**Table 2** shows, wherein a Pearson correlation test performed between the independent and the dependent variables, it can be seen that the person correlation coefficient(hereinafter mentioned as the *p value*) between the variable what are the challenges of environmental accounting and what is the scope of environmental accounting is 0.675 which is greater than 0.5 which means that the 2 variables are statistically significant and there lies a positive correlation between the 2 variables.

**Table 3** shows the spearman correlation coefficient between the independent variable of monthly income and the dependent variable of importance of environmental accounting system in sustainable development is .276 which is less than 0.5 which means that there is no significant correlation between the 2 variables

## DISCUSSION

**Fig. 1** shows that the respondents who have completed UG and PG that it is important to have an environmental accounting system for sustainable development. From the above analysis the respondents have come to a point that environmental accounting is an essential tool which does not menace the resources for future generation's life on earth.

**Fig. 2** shows that the respondents who are self-employed and unemployed are in an opinion that depletion of non-renewable natural resources and investment made into the environment saving equipment or devices. It is understood that non renewable resources have to be protected for the future generation as well as environment saving equipment must be used for the betterment of the economy and the future generation.

**Fig. 3** shows that the respondents earning a monthly income of above 30,000 are in an opinion that lack of coordination among functional areas and inadequacy of guidelines and compulsion to adopt guidelines are the major challenges of environmental accounting. Proper guidelines have to be established so that every firm or company mandatorily adopts the practice of environmental accounting.

**Fig. 4** shows that the respondents between the age group of 46-60 and above 60 are of the opinion that Operation where environmental damages do not occur and Promoting a company having a wide environmental attitude are the needs of environmental accounting. Since the companies have promoted unethical and have adopted tools which can destroy the environment there should be a need for promoting environmental accounting.

**Fig. 5** shows that the female respondents have agreed that environmental accounting preserves the Ecosystem as well as maintaining long-term profitability of the firm. The adoption of environmental accounting not only maintains the ecosystem but also integrates the financial implications of environmental issues.

**Fig. 6** shows that the respondents who are self-employed and unemployed are in an opinion that Operation where environmental damages do not occur and Promoting a company having a wide environmental attitude are the needs of environmental accounting. It highlights the contribution of natural resources for economic development as well as the cost imposed by pollution or resource degradation.

**Fig. 7** shows that the respondents who have completed UG and PG are of the opinion that depletion of non-renewable natural resources and investment made into the environment saving equipment or devices. Based on the above points it increases the scope from the internal and external point of view of the business concern.

**Table 1** shows, wherein a Pearson correlation test performed between the independent and the dependent variables, it can be seen that the person correlation coefficient (hereinafter mentioned as the *p value*) between the variable what is the need for environmental accounting and what is the scope of environmental accounting is 0.648 which is greater than 0.5 which means that the 2 variables are statistically significant and there lies a positive correlation between the 2 variables. Discussing the strength of correlation as the *p value* is between greater than 0.5 and between 0.5 to 1, it can be inferred that there is a strong correlation between the said variables.

The table also shows that the *p value* between the variables that are needed for environmental accounting and educational qualification is 0.392 which is less than 0.5 therefore we may infer that there is no significant correlation between the 2 variables. However as the *p value* falls between 0.3 and 0.5, it can be mentioned that there is a weak positive correlation between educational qualification and need for financial accounting. Therefore it can be inferred that in general there is no significant correlation between the said variables however in certain cases, there is a correlation between the 2 variables. The same inference shall apply in the case of correlation between the independent variable educational qualification and dependent variable what is the scope of environmental accounting as the *P value* is 0.311 which means that there is no statistically significant correlation between the 2 variables. However in certain exceptional cases it is seen as an exception.

**Table 2** shows, wherein a Pearson correlation test performed between the independent and the dependent variables, it can be seen that the person correlation

coefficient(hereinafter mentioned as the *p value*) between the variable what are the challenges of environmental accounting and what is the scope of environmental accounting is 0.675 which is greater than 0.5 which means that the 2 variables are statistically significant and there lies a positive correlation between the 2 variables. Discussing the strength of correlation as the *p value* is between greater than 0.5 and between 0.5 to 1, it can be inferred that there is a strong correlation between the said variables. Coming to the correlation between the independent variable occupation and the dependent variable, what are the challenges of environmental accounting? The *p value* is 0.373 which is less than 0.5 therefore we may infer that there is no significant correlation between the 2 variables. However as the *p value* falls between 0.3 and 0.5, it can be mentioned that there is a weak positive correlation between the said variables. Coming to the correlation between the scope of environmental accounting and challenges in environmental accounting, the *p value* is 0.675 which means that there is a correlation between the 2 variables which is positive and considerably high. However when the variable scope of environmental accounting is tested with occupation *p value* is .327 which means that there is no significant correlation between the 2 variables. However as far as the strength is considered, it is a weak positive strength, which means that in certain cases there would lie a correlation between the 2 variables.

**Table 3** describes the spearman correlation performed between dependent variables namely importance of environmental accounting system in sustainable development and Environmental Accounting refers to preserving Ecosystem as well as maintaining long-term profitability of the firm which are the opinion of the Respondents and their monthly income. The spearman correlation coefficient between the independent variable of monthly income and the dependent variable of importance of environmental accounting system in sustainable development is .276 which is less than 0.5 which means that there is no significant correlation between the 2 variables. Considering the strength of correlation, since the *p value* falls between 0.1 and 0.3, the strength between the 2 variables can be inferred to be very weak. At the same time the *p value* between the variables monthly income and importance of environmental accounting system in sustainable development is 0.43 which is less than the threshold value of 0.5 which means that there is no statistically significant relationship that lies between the 2 variables and the strength between the 2 is also very weak positive and negligible in nature. This leads to an inference that there is no correlation between the variables monthly income and importance of environmental accounting system in sustainable development but except in a very few negligible circumstances are would be a positive relation which would be very weak.

### Limitation

The major limitation of my study is the sample frame. The people were not ready to share their experience and also were not ready to give their pictures. Most of them thought that I was doing it for some other purpose. Most of them feared that some problem could occur by opening up and sharing their views. Since most of them were not from commerce background they were not able connect accounting with the environment. Another major limitation was respondents were reluctant to give their photos, especially female respondents since they feared whether it was for illicit purposes.

### Suggestion

From the above study the researcher suggests that since environmental accounting is still in a developing process there should be more stringent guidelines and rules in relation to environmental accounting. The major motive is, it makes the organisations responsible for the activities in degrading the environment. If there are stricter guidelines it makes it mandatory for the organisations to install environmental friendly equipment and accounting. Also, the ICAI advises the organisations to take up environmental accounting standards throughout all the firms. Strengthening the environmental facts structures would require concerted and sustained multi-business enterprise efforts, Main regions for interest include: the enlargement of efforts to gather

discipline statistics on environmental conditions; the improvement of environmental signs through the applicable line agencies; enhancements in the functionality of presidency laboratories; the computerisation of statistics combination, evaluation and management; and the development of public get right of entry to statistics on environmental condone and trende Improvement of the environmental facts desires to be complemented through more potent coverage evaluation capabilities. In the near future, extra and wider software of environmental accounting is expected, often because of the success of sizable ecological overall performance that contributes to accelerated income and the introduction of price introduced companies.

## **CONCLUSION**

The main goals of economic development and well-being, ecological balance and sustainable development models have led to the recognition that nature needs to be protected. Optimal use of wasted resources, effectiveness of natural resources, environmental protection and economic growth, and environmental quality of the tide provide a practical integrated model. Sustainable development of the concept, social, ecological, economic, spatial and cultural aspects. When the environmental problems that occurred in the process of industrialization reached a serious rate all over the world, developed countries have sought preventive or diminishing solutions to these problems. These environmental problems experienced in industrialization have led to a better understanding of the importance of the concept of sustainable development. As a result of increased environmental sensitivity, an approach to environmental accounting was born. From the above analysis it can be concluded that it is important to have an environmental accounting system for sustainable development, depletion of non-renewable natural resources and investment made into the environment saving equipment or devices, lack of coordination among functional areas and inadequacy of guidelines and compulsion to adopt guidelines are the major challenges of environmental accounting, Operation where environmental damages do not occur and Promoting a company having a wide environmental attitude are the needs of environmental accounting and environmental accounting preserves the Ecosystem as well as maintaining long-term profitability of the firm.

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Vejzagić, Vjanković (2012) studied that measuring the eco-efficiency of tourist destinations is the basis for building a system for reporting changes and impacts of individual entities operating in the environment. An integrated information system for tourist destinations needs to provide information about the eco-efficiency of an individual business process, activity, product, or the entire life cycle of a Strategic Business Unit (SBU). Researchers conclude that the information infrastructure for environmental reporting lies in the reporting system for sustainable development of tourist destinations.

Michael John Jones (2010) investigated a multifaceted theoretical model to support environmental accounting and reporting (serious environmental hazards, corporate responsibility, new industry-environment relationships, measuring and impacting industry impacts). Disclosure and reporting). Researchers conclude that the theoretical framework suggests that organizations need to disclose their environmental performance to stakeholders as part of their stewardship function.

Dasuki, C. (2010) analyzed the externalities of social and environmental accounting. Researchers conclude that a portfolio of information for assessing externalities contributes to the accurate assessment of accounting proposals and the objective assessment of this type of requested information in the context of global performance management.

Amanda Ball et al. (2010) examined that the new institutional theory could improve the understanding of the organization's overall response to social and environmental issues and social activities. In particular, you can build an accounting response for your organization. Researchers conclude that the importance of ethical values and ecological thinking in change (including accounting changes) is to help institutions act in ways that lead to a sustainable future.

Heath, G. (2005) investigated the role of natural resource accounting in sustainable development. Accounting for natural resources is important because there are some weaknesses in national well-being, as measured by gross domestic product (GDP). Researchers conclude that the main weakness of GDP as a measure of development is that it does not take into account damage to environmental resources.

Ball, A. (2006) We analyzed environmental accounting on the long-term social transition to "sustainable development". Researchers conclude that this study shows the different ways environmental accounts are used to facilitate such changes.

ByungWook Lee (2005) studied environmental accounting and was quickly accepted as a powerful tool for environmental management. In particular, global companies representing Europe, North America and Japan have applied environmental accounting to improve environmental efficiency and resource productivity. Researchers say that increasing external pressure from stakeholders such as financial institutions, SRI (Socially Responsible Investment), governments, and communities has led companies to become more interested in environmental accounting.

Jones, M.J. (2003) Extending previous research by investigating corporate natural asset reports, reviewing environmental accounting in the context of large firms, and using the UK-listed company Hyder plc. Researchers conclude that the potential benefits of the natural resource model are important, but the costs are modest.

Carlos Larrinaga Gonzalez (2001) is one of the processes by which organizations can and do change in a substantive way to address the environmental agenda, and Environmental accounting allows these organizations to change. So I investigated that it was a department. The corporation does not change in response to environmental requests. Rather, it changes the environmental agenda itself, allowing organizational activities to continue as before.

Frank Birkin (2000) investigated the ontology of individual objects and the ontology of interconnected events to develop accounting practices that support the development of sustainable business activities. Appropriate epistemology has

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also been proposed and the use of appropriate accounting tools is being contemplated. Researchers conclude that they provide an expression of sustainable development that is compatible with the ontology of interrelated events.

Gray, R. and others. (2000) began to explain the essence of the problem by investigating environmental accounting research through this "manager" lens and reporting new analyses of data from accounting, sustainability, and international research of multinational corporations. I did. Researchers conclude by seeking a clearer study of the tacit assumptions in general accounting research, especially environmental accounting research.

Petar Bartelmas (1998) examined the need for sustainable development to integrate economic and environmental concerns into planning and decision-making. To achieve integration, economists and environmental scientists analyze tools

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