

INCREASE OF EFFICIENCY OF ACCOUNTING IN INTERNET TRADE OF ADVERTISING EXPENSES



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The summary: the structural transformations of economy occurring owing to spread the Internet using of a society form new industries in traditionally conservative spheres of ability to live. Gradually in separate subsector Internet shops and their quantity constantly were allocated grows. In turn advertising in internet area means that shops change and transforme. In connection with sharp growth of the Internet share - trade in the market also expenses on publicity accordingly grow. Due to economic integration of Ukraine within the limits of EU there is a requirement for system researches of cost accounting on separate kinds of advertising in Internet trade and developments of offers on its improvement.

Keywords: *Internet trade, Internet shops, the advertiser, the manufacturer of advertising, the distributor of advertising, contextual advertising, banners, expenses.*

Preamble:Statement of this problem is proved by necessity of scientific judgment of the conditions and factors that are determining accuracy of monetary calculations costs of Internet advertizing. Strengthening role of Internet advertizing in marketing communication system is caused by: possibility of fast replacement of the maintenance of an advertizing appeal, orientation to accurately certain target group, combination of optical and acoustic data representation forms, a two-way communication between advertiser and consumer creates special sharpness in problem improvement of the accounting of expenses on this advertizing tool type .

Main part:When seller orders advertising ,he expects that hisgoods will be seen by millions people.He is worry about questions of the costs of costs of the advertising budget, accounting and the taxation certainly disturb in spite of the fact that not all these questions have now concrete answers.

The analysis of last researches and publications by determination of the maintenance of marketing costs testifies to absence of the uniform approach to determination their content. The essential contribution to studying of registration aspect merchandising in electronic trading system was made by Bochulja T. [3, p. 22].

Scientists differently interpret concept of

expenses. The part of scientists at determination of the maintenance of concept "expenses" considers it as an economic category [4,p. 27, 5,p. 29, 9,p. 25] the Second part of scientists - as object of the business accounting. [10,p.33, 11,p.37; 12p.41, 13,p.28, 14,p.43]

Separate authors determine concept of costs both as economic category and as business accounting element. [15,p.56].

Interpretation of concept Bondarenko's T "expenses", NapadovskyL, Skljarenko V.Stoljar Lconnect with the period of origin of costs. [12,p.28] Besides, Adamenko T and Skripnik M consider that expenses are only a part of costs. [10,p. 33, 12,p. 37].

The majority of scientists consider that expenses are assets (or economic resources, money funds, property, etc.) which are used partially (or completely). [10,p. 29, 4,p. 25, 5,p.33, 9,p.37, 14,p.17]. The order of accounting of advertising expenses in work of Gury H [6,p.274] is in detail stated.

The article purpose is the improvement of practical approaches of the accounting of expenses on advertizing in Internet trade.

We will begin a statement of the basic material with the general analysis of a condition of advertising in interenet-trade. In this area it is possible to allocate such participants of the advertising market: the advertiser, the manufacturer of advertising, the distributor of advertising.

The Internet advertising is allocated on banners, contextual advertising, and video advertising. Banner is an image of the various sizes which is often animated. Until recently banners has occupied the greatest relative density in Internet advertising. Gradually they are forced out by contextual advertising which it is possible to direct on target audience, concrete region, concrete interests of Internet users. Contextual advertising is more conveniently considered, allows to supervise expenses of the budget and precisely to determine on what how and when put means have been spent. Video advertising differs dialogic, possibility of mutual relations between the advertiser and the consumer. To basic sites on which advertising takes place it is possible to carry: Internet shops, promo-sites, portals and corporate sites. The Internet shop differs from other sites that except the catalogue of the goods it has functions which allow the Internet user to make purchasing conveniently. The site can also have an account, that is a place of the user where its order and the information on purchasings is displayed. Therefore we will research only advertising in Internet trade which is more structured and directed on the concrete consumer. The solution of this problem will be promoted by application in Internet trade of cash registers

Mobile devices lead up buyer to a door of online shops. If the buyer enters the name of shop in a search line, he expects to see not only the card and the shortest way to desirable shop but also telephone number on which it is possible to call in one contact to the screen and also the list of discounts and special offers in particularly taken shop. Buyers know all the same, as sellers and before to make purchasing modern buyers they will monitoring the accessible information the Internet. Buyer becomes an active participant, even when the initiator of publicity process which on own initiative, asks necessary information and becomes the generator of feed-back in publicity activity

But not only buyers were adjusted to new technologies. By now new rules it is necessary to work and to the seller differently they risk definitively to lose fight with other Internet dealers. The process of shopping will never be such as it was 20-30 years ago. Now it is based

on following principles:

In the Network selles does not bear rent expenditures premises, staff of sellers and the organisation of show-windows that allows to sell the goods more cheaply. As a result Internet trade is in leaders position on the Ukrainian economy rates.

At the same time goods offered for sale on site of the Internet shop, are in a warehouse of the trade enterprise performing this trade - the advertiser. Trade occurs so: the visitor of site chooses the goods from offered, orders and pays it then the goods are delivered to the visitor - to the buyer. So trade in the Internet shop follows basic elements: goods choice, the order, payment and delivery.

The user of an Internet site is the advertising consumer. The payer of the tax to advertising is the advertiser, and the manufacturer and the distributor of advertising act as intermediaries at payment of this tax. Their mutual relations which are based on placing of advertising must be designed the proper document. As there is not set form of such document in Ukraine, then two sides must develop it independently. Mostly they are make an act of reception-transmission. Thus form varieties of such acts differ substantially. It causes ambiguous interpretation of rightness of account expenses and in general realities with grant of this publicity favour of during an audit or verification of tax inspection.

Advertising expenses in Internet trade is not new object of accounting reflexion, therefore first of all we will find out these advertising materials. At their distribution to buyer of goods in Internet shop does not pass the property right to advertising and, certainly, it influences features of its accounting. Advertising on the Internet cannot be the blessing and it cannot be used for the needs. For the advertiser it is the expenses connected with economic activities.

As well as for other sites, the maintenance of the Internet shop site demands certain costs for acquisition (development) of a site. In our opinion for the advertiser advertising expenses it increase in liabilities which lead to equity reduction. The conclusion from this follows that they are necessary for carrying to a miscellaneous cost (expenses on sale). At registration of settlement documents at manufacturer and distributor of advertising this

tax should be considered in the separate line. If wherein copyrights carry over the customer, the web - a site is reflected in tax and the business accounting as the non-material assets, with the subsequent depreciation [2,p.198]. In tax accounting expenses of the enterprise on acquisition or creation a web site do not include in expenses of accounting for the taxation and are subject to depreciation as non-material assets. The linear method on which each separate kind of the non-material assets will be amortised by equal parts proceeding from its historical cost taking into account indexation during term which is determined by the enterprise independently proceeding from term of use of such non-material assets or term of activity of the enterprise, but no more than 10 years of continuous operation is applied to depreciation of non-material assets. In the business accounting such expenses are reflected in a sub-account 154 «Acquisition (creation) of non-material assets», and then at commissioning the Copyright and the adjacent rights with it »are written off on a sub-account 125«. Entering a web - a site as non-material assets in operation is performed on a basis «the input Act in economic circulation of object of intellectual property right as a part of non-material assets» (the sample form № HA-1), the Ministry of Finance of Ukraine confirmed by the order from 22.11.2004 № 732 (it is registered in Ministry of Justice of Ukraine of 12/14/2004 Under № 1580/10179), registration (it is usual for a year) domain name. In business accounting these expenses join in historical cost (account 154), in tax - in a railroad train of expenses for the taxation. Site placing on the Internet (a so-called hosting) and its support (servicing) - administration, accomplishment of backup copies, creations of new references, accomplishment of checks of safety, placing of new information and other materials etc. are carrying costs on maintenance of work of a site, therefore them necessary to include in expenses in accounting (account 93) and in expenses in tax accounting

For minimization of publicity expenses in Internet trade we offer the following order of their analysis..

For each kind of advertising: banners, contextual advertising, video advertising separately to analyse specific cost types,

characteristic for each concrete period of life cycle of an advertising product. So for the period of development of advertising product it is necessary to analyse **costs** for sketches development of advertising product; commodity mark and payment of the workers occupied in development of a product; for the production period it is reasonable to analyse costs on acquisition of materials for production of an advertising product; depreciation of fixed assets and non-negotiable assets, for the period of distribution ; of costs for payment of distributors of an advertising product and for the period of recycling of an advertising product ;of costs for recycling and on payment of the workers occupied in recycling.

In that sate of advertising goods, in case of Internet trade ,does not occur, it is not necessary to speak concerning charge of tax obligations under the VAT, and also under the tax to incomes. Considering communication of advertising expenses with economic activities, we consider their suitable for participation in tax accounting.

Conclusions. The conducted research showed that practical approaches of the accounting in internet advertizing considerably lag behind level of its organization in other subsectors of marketing communications and growth rates of scale on this market. The main phases of phase of cycle in contact with consumer and advertizing product for improvement in accounting of expenses in this article considered the difference of online stores sites from other sites, and also showed distinction of the accounting of expenses on acquisition or creation of sites from the accounting of expenses directly on advertizing. In our opinion for further research identification of shortcomings in cash registers was caused by absence in online stores that didn't allow not only to reveal fully pure effect from publicity expenses in perspective, but also in general to order trade process, payment of taxes. In case of unstable terms the conducts of economic activity at the modern Ukrainian market, advertisers are forced to spare more attention to detailed registration of relations between the subjects in the process of publicity communication. According to practice, it would be better to develop and confirm in accordance

to the requirements of current legislation the standard of compatible document, confirmative implementation of works or grant of services between confirmative implementation of works or grant of services and between basic participants of publicity process of, because

presently sides are developed by such documents independently, that assumes subjectivism in the estimation of different types of expenses during the audit of results of publicity activity.

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