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ACCOUNTING FINANCIAL RESULTS OF ENTERPRISES: FROM HISTORY TO THE PRESENT

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The final financial result is the main objective of creating and further activity of any enterprise, regardless of its activities or the ownership.

Financial results are one of the most important economic indicators that summarize all the results of economic enterprise activity and provide a comprehensive assessment effectiveness of this activity.

The current economic conditions due to globalization and development of market relations, demand from domestic enterprises search for new ways to improve accounting and financial performance analysis. In Ukraine according to the State statistics service [1] for the first half of 2015 is quite a high percentage of enterprises suffered a loss, only enterprises in the field of education made a profit. However, in comparison with the data obtained for the year of 2014 there was a tendency to decrease the losses that already shows a positive trend of changes (Fig. 1).

Analysis of recent researches and publications

The subject of continuous discussion among scientists and practitioners in the field of Economics and enterprise management are the financial results of the company. The concept of financial results interpreted by various scholars in different ways. Analyzing the definition of financial results, we can conclude that the majority of scholars such as F.F. Butinets, G.L. Voznyuk and A.G. Zagorodniy, V.M. Oparin, N.M. Tkachenko, L.M. Hudoliy consider the financial result as a result of incomes comparison and company expenditures. Such scholars as G.L. Voznyuk and A.G. Zagorodny, and S.L. Lander and O.V. Tymoshenko characterizing financial result from the point of equity view – increase or decrease. Skalyuk R.V. noted that the financial result is high-quality and quantitative indicator of the enterprise activity [13].

Unsolved aspects of the problem

Today the basis for assessing the financial condition of the company are the financial results. Obtained in the course of the enterprise economic activity financial results influence on equity capital that refers to the main objects of accounting. Lack of research questions associated with the accounting of

Давидюк Т.В., Бондар І.О. Бухгалтерський облік фінансових результатів в діяльності підприємств: від історії до сучасності.

Виявлено основні підходи щодо обліку фінансових результатів підприємства. Досліджено існуючі погляди на визначення економічної сутності результатів діяльності підприємства.

Ключові слова: фінансовий результат, прибуток, збиток, бухгалтерський облік фінансових результатів, аналіз фінансових результатів

Давидюк Т.В., Бондарь И.А. Бухгалтерский учет финансовых результатов в деятельности предприятий: от истории к современности.

Определены основные подходы к учету и анализу финансовых результатов предприятия. Исследованы существующие взгляды на определение экономической сущности результатов деятельности предприятия.

Ключевые слова: финансовый результат, прибыль, убыток, бухгалтерский учет финансовых результатов, анализ финансовых результатов

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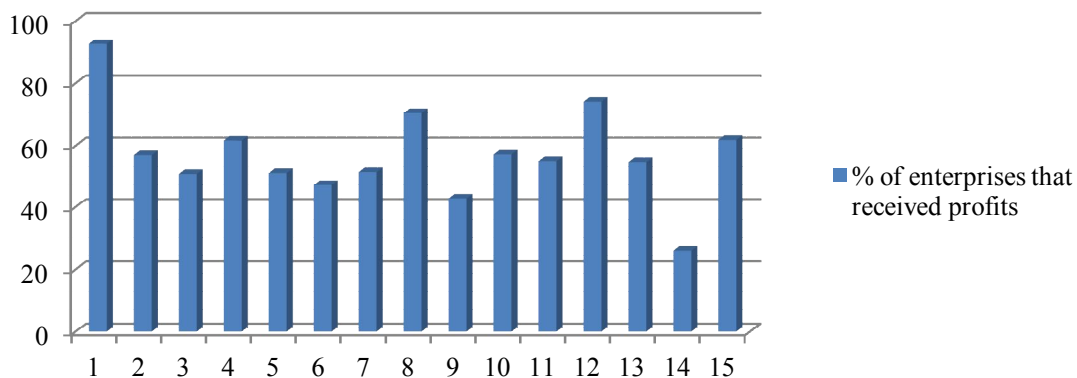
The basic approaches to accounting and analysis of financial results. The existing definition of views on the economic essence of enterprise performance.

Keywords: financial result, profit, loss, Accounting financial results, analysis of financial results

financial results, determined the relevance of the chosen research areas.

The aim of the article is to consider and review approaches regarding the accounting and analysis of

the enterprise financial results, to identify the existing views on the definition of “financial results” and reveal their own vision of the economic essence of the enterprise activity results.



where, 1 – agriculture, forestry and fisheries; 2 – industry; 3 – building and construction; 4 – wholesale and retail trade; repair of motor vehicles and motorcycles; 5 – transport, warehousing, postal and courier activities; 6 – temporary accommodation and catering; 7 – information and telecommunications; 8 – financial and insurance activities; 9 – operations with real estate; 10 – professional, scientific and technical activities; 11 – activities in the field of administrative and support services; 12 – education; 13 – health care and social assistance; 14– arts, sports, entertainment, and recreation; 15 – the provision of other services.

Fig. 1. The percentage of the total enterprises number that received profit for January-June 2015

The main part

Profit is one of the most difficult economic categories. There are different concepts of economic essence, therefore next take a closer look at the main approaches to the interpretation of the profit essence.

The theory of profit before today remains incomplete and contradictory, which can not affect the method of accounting. In the economic literature under the term "profit" together all forms of income – interest, wages, entrepreneurial income, rents [2].

For the first time tried to find out the nature of profit A. Smith and D. Ricardo. They are the source of income determined only the production. A. Smith believed that profit is the product of labor that is assigned to the owner of production means. He also argued that wages, profits and rents are the three primary source of all income [3].

Followers of these scientists systematized and developed their theory. So, John Stuart Mill believed that the profit does not depend on wage, but depend on labor cost [4].

In turn, Karl Marx put forward his economic theory, the central place in which occupies the doctrine about the additional cost. As her transformed form under capitalism is the profit, i.e. the surplus of revenue over capital costs, which is assigned free of charge by the owners of the production means. The transformation of surplus value into profit is due to the fact that the capitalist advances capital not only for the supply of labor, but also for the purchase of production means without which is impossible production process and the creation of added value. Therefore, the surplus value is represented as a product of the advanced capital, acquires the

converted form of profit. The source of income is not the whole capital, but only that part which is spent for labor [5].

Public recognition at the time received and the theory of profit Joseph Also is Schumpeter who believed that profit is the amount above the cost of production, or, from the point of an entrepreneur view, the difference between revenues and costs [6].

The essence of the F. H. Knight concept is that the economic risk requires special remuneration and is provided in the form of profit [7].

In countries with developed market economies do not associate the income with the cost of only living labor. So P. Samuelson the sources income defines income from factors of production, the reward for entrepreneurial activity and implementation of technical improvements [8].

So, there are many concepts and theories determine the financial result of the enterprise. A variety of theoretical approaches to the essence of the category of "profit" shows its complexity and multidimensionality, is characterized by the level of scholars outlook development a particular time and reveals the political aspect of the interpretation financial results, but studies definitions, mostly not contradictory, but rather complementary.

Between the economic and accounting treatment of profit there are substantial differences. In accounting, profit is characterized as specific as the difference between revenues and expenses. In economic terms, the financial result (profit) has a sufficient number of concepts for the identification and development. In addition, the value of the financial result is not only a quantitative indicator, but

also the basis that provides and viability of the entity and reflects the level of performance and also shows that there is scope for further development of enterprises.

However, the category "financial result" is broader than the category of "profit", because profit is one of the two forms (profit or loss) the financial result of enterprise economic activity. Financial result describes the qualitative and quantitative indicators of enterprise economic activity and the profit is the positive value of the financial result, which indicates a high effectiveness of business operations and the efficient use of its capital. A negative value categories of the financial result is reflected in the rate of loss, which indicates a low level or lack of economic activities efficiency, ineffective management of the resource, production and economic potential of the enterprise, inept use of available capital, low quality of enterprise management, etc. [9].

Speaking about the financial company results, should define the concepts of income, expense, profit. In UP(s)A [10] given the following definitions: 1) income is increase in economic benefits in the form assets receipt or liabilities decrease that lead to growth of equity capital (excluding capital growth by contributions from owners); 2) expenditures are decreases in economic benefits in the form assets disposal or increases in liabilities that lead to reduction of own capital (except for reduction of capital through its withdrawal or distribution owners); 3) profit is the amount by which revenues exceed their costs, and the loss is the excess of expenditure over income, for which were realized on these costs.

International accounting standard 1 "financial statements presentation" (hereinafter – IAS 1) [11] results in the following interpretation of the profit concept (loss). Profit is total revenues less expenses, excluding the components of other comprehensive income.

The financial result is the basis, which ensures not only the enterprise viability but also reflects the productivity level and profitability economic activities, the possibility of quantitative growth the main economic indicators and shows the potential of sustainable development enterprise [12].

The main precondition of efficiency increase activity enterprises is determination of financial results essence obtained in the course of business activity, improvement their accounting and the adoption of effective management decisions for the further enterprise development.

Consequently, the financial results reflect the entrepreneurial activity objective its profitability and is crucial for the enterprise. The company's obtained results are interested not only managers, but owners, creditors, government agencies. Profit is the main financial source of enterprise development, scientific and technical improvement of its resource base and products, all forms of investments. Proper organization of accounting of financial results of the company allows management to possess reliable

information about the financial enterprise condition that provides the corresponding managerial decisions. However, the financial result is a complex economic category, which requires more in-depth study of the nature, role, formation characteristics, distribution, use, financial results and their impact on economic enterprise activity, therefore, require further in-depth research.

The question about accounting financial results are highly relevant and are all new problems to be solved, scientists offer new ways of improvement of financial results accounting.

Particularly interesting is the question about the necessity and possibility integration of financial and tax accounting financial results, discussed in the work N.V. Skrypnyck [14]. The author notes that there are both differences and conformity between the accounting and tax accounting of financial results. Therefore, it is logical and rational will be the construction integrated information system in which data will be collected from each accounting system, with the subsequent formation of reporting information focused on the users interests and needs.

A topical issue of enterprises profit formation devotes his article M.V. Pataridze-Vishinska. The author studies the theoretical problem of determining the enterprises financial results in domestic and foreign practice, and the various approaches to the interpretation financial results. The author notes that in the foreign accounting systems: the starting point and the goal is to determine the financial result, which reflects the efficiency of the invested owner capital. An important feature, according to the author, is that today in Ukraine there are two different methods of determining the financial enterprise result, this is due to the presence two types of reporting, tax and financial, in which the order determination of income and expenditure does not match. The main purpose financial accounting is the development and substantiation management decisions aimed at increase of the economic entity efficiency activity. Having considered the peculiarities determination profits for foreign enterprises, the author notes that it is extremely important to implement in the accounting practices of enterprises in Ukraine the performance of different methods, not only the method "input-output". With the income concept as equity implies the possibility of its calculation as net assets increase, or as the difference amount active and passive accounts [15].

In the article "Accounting organization costs, revenues and financial results of the entity" J.S. Karpiak considers the principles of accrual and matching revenues and expenditures, investigates the classification of income and expenses by types of activity that allows you to cover all business transactions undertaken by the company. The author defines the main accounting objectives costs revenues and financial results and the accounting policies, the proposed model formation financial results, organization analytical accounting in the

accounts according to each type of income, expenditures and financial results [16].

The question of the definition company financial results in the conditions existing variations in accounting and tax accounting were also involved Egorova A.G. in the article “Ways harmonization of accounting and tax accounting tax differences” [17].

Very important is the consideration scientific views on the analysis of the financial results of a business entity. For example, Stasiuk L.S. in her research paper reveals and compares the methods of factor analysis of changes in effective index – profit from main companies activity [18].

In her dissertation L.A. Polyvana explores the formation process of enterprises financial results covers theoretical aspects of financial accounting in the conditions of market transformation of the economy defines the economic essence of the concept "profit". In the work-ordered multi-level hierarchy of normative-legislative base on accounting of financial results, results suggested an in-depth classification of costs to the industry, the proposals on improvement of the incomes analytical account, expenses and financial result of the enterprises, their documentary registration. The author has developed the methodological approaches to compilation static budgets with the use Microsoft Excel spreadsheets that are recommended for implementation at the enterprises of trade. For the purpose of application information technologies at the trade enterprises and harmonization accounting financial results of the proposed graphical model of the organization financial and management accounting financial results

in the computerized system retailers. Also, the author formed the optimal system performance indicators monitoring and multi-level system of deterministic factor analysis [19].

Also it should be noted the work of I.Y. Belousovo, which defines the theoretical concepts and methodological tools to determine and ensure the efficiency of the process formation financial results in enterprises, clarified the economic substance of the concept "financial results", substantiates the content, purpose and place of the process formation financial results in the enterprise management system. The author classifies the main groups of factors influencing financial results, defines the essence efficiency formation of financial results and the proposed system indicators for its evaluation. We have studied the dynamics, composition, efficiency formation financial results and trends their development, estimate the impact of external and internal factors upon the financial results of the developed integrated model that allows to quantify the influence external factors on the company financial performance and proposed two models, allowing to assess and to influence the financial results in the management process taking into account the elements of marginal analysis and factor element and the gradual development [20].

Summarize views on the definition actual problems of accounting company financial results in the table 1.

Systematize problems highlighted by scientists on the problems of accounting and economic analysis of the financial results (Fig. 2).

Table 1. Question regarding accounting of financial results

№	Grouping criteria	The academic literature on accounting and analysis of financial results							Summarize
		Skrypnyck N.V. [14]	Patardze-Vishinska M.V. [15]	Karpiak J.C. [16]	Egorova A.G. [17]	Stasiuk L.S. [18]	Polyvana L.A. [19]	Melushova I.Y. [20]	
1	The definition of "financial results"	+	+	+	+	+	+	+	7
2	Classification of incomes, expenses and financial results of the enterprise	-	+	+	-	-	+	-	3
3	Synthetic and analytical accounting of financial results	-	+	+	-	-	+	-	3
4	The issues formation financial results	+	+	+	-	+	+	+	6
5	Determination of financial results in accounting and tax accounting	+	+	-	+	-	-	-	3
6	Domestic and foreign experience of accounting financial results	+	+	-	-	-	-	-	2
7	Legal and regulatory regulation accounting financial results	+	+	+	+	+	+	+	7

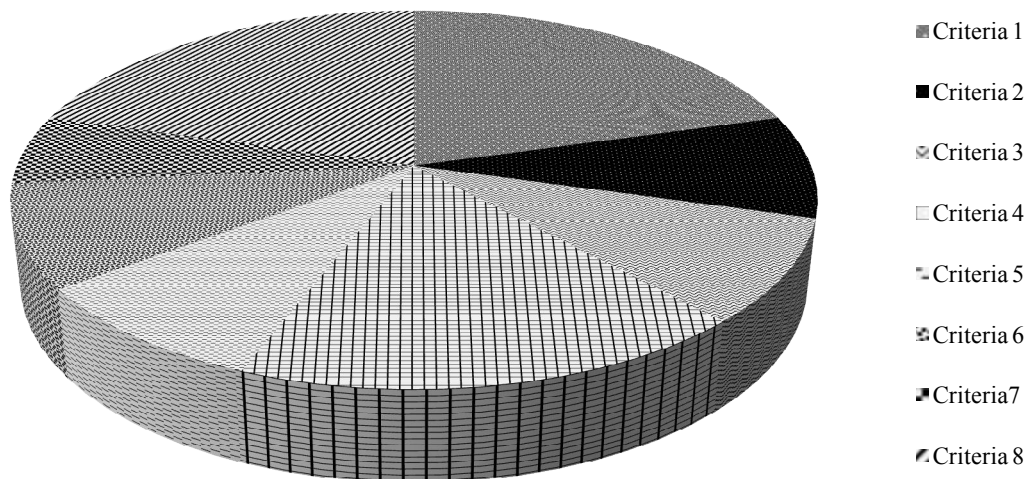


Fig. 2. The total number of researchers according to the grouping criteria

Having considered the diversity of views regarding accounting of financial results, we can conclude that in the sources of the scientific literature, the authors fully reveal the concept of "financial results", give a detailed classification expenses, revenues and financial results of enterprises. At reasonably frequent intervals scholars pay attention to the problem of determining the financial results in accounting and tax accounting, explore the domestic and foreign experience of financial accounting. And of course, appraise and analyzing a specific issue in their work, each author examines legal-regulatory regulation accounting financial results aimed at creating common rules of accounting.

Conclusions

After analyzing all the research on the chosen topic, you can come to the conclusion that it is very important at this stage of economic development, because of the constant increase in the number of enterprises leaves a lot of problematic issues of accounting, analysis and control of financial results. This is due to the fact that, in accordance with the new enterprises every day the number of unprofitable enterprises grows, so scientists are trying to solve the problems of the present study. However, in matters of financial accounting are still a lot of unresolved issues that require detailed research and make proposals for practical activities.

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