

UDC 658.5

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ECONOMIC UNIT ACCOUNTING POLICY PRACTICAL ASPECTS ANALYSIS

It is researched non-standard situations occurrence conceptual framework and economic unit accounting policy practical aspects for economics stochasticity conditions. It is disclosed economic sectors peculiarities impact on routine technological processes divergences. It is also suggested recommendations for practical non-standard situations negative effect reducing in economic unit business activity during accounting policy forming for stochasticity conditions. The stochasticity is correlated to non-standard management decisions risk that can not be calculated in the most of accounting processes. In the same time correct accounting policy forming makes an impact to accounting systems operating and also financial and economic activity management effectiveness and long term strategy development.

Keywords: analysis, economics stochasticity, practical aspect, non-standard situation, conceptual framework, accounting policy, economic unit.

Problem statement. Modern economic relations are characterized by non-stability, stochasticity high level and predictability low level which define economic units' business functioning special terms. The stochasticity is correlated to non-standard management decisions risk that can not be calculated in the most of accounting processes. In the same time correct accounting policy forming makes an impact to accounting systems operating and also financial and economic activity management effectiveness and long term strategy development.

The stochasticity problem as nowadays accounting methodology component needs further researches.

Mentioned above give relevance rationale for theoretical and methodological researches, stochasticity terms accounting policy tools and methodic forming, and economic processes management non-standard solutions.

Analysis of recent studies and publications. Accounting policy as economical definition was spread recently in the international accounting practice. This explains why a lot of scientists are interested in accounting policy research field.

The accounting policy theoretical and methodic aspects were enlightened in dissertation projects by L. Z. Shneydman [1], L. A. Leonova [2], A. V. Yanchev [3], M. A. Ivanov [4], I. N. Sysoeva [5], joint scientific papers [6], individual ones by P. Y. Zhytnyj [7], M. T. Shchyrba [8], articles by L. M. Kindratska [10], P. Ye. Zhytnyy [9; 11–14], O. Yu. Lukyanova [11–14] and other is-

sues by B. A. Rayzberg, L. Sh. Lozovskiy, E. B. Starodubtseva [15], O. I. Volkova [16], L. P. Habarova [17], R. A. Alborov [18], M. I. Kuter [19], etc.

It is possible to make conclusions based on authors' researches that are mentioned above that economic formation shift and market-oriented communications switch caused accounting effectiveness reducing for its clients. Also accounting goal was transformed (when it was appeared different forms of properties, it became ineffective to orientate on state as a base user). Foreign countries accounting experience use (which was formed in market-oriented economy terms) determines accounting policy applying for domestic accounting approach [6, p. 186].

Modern economic units can form accounting policy by themselves but it is not always suitable for nowadays business relations requirements. Accounting policy value is less evaluated that it should be. Now it is seemed to be more formal tool than real one [9]. This explain why accounting is not realizing its informational, control and analytical functions and not satisfying proprietors, managers, creditors and other users demands [8, p. 11].

At the same time there are precedents when enterprises protects their business and strengths that has legal effect and can be used during solutions on economic activity. These points are not included into accounting police regulation document.

It is partially reasoned by the fact that peculiar business information is confidential



and contains commercial, economic and technological secrets which are not allowed to be publicized. Also these data can largely influence on economical state of enterprise and its financial results level which must be included in accounting (financial statements).

Regulatory document [20, item 3] allows publicize economic unit accounting policy completely or partially in accordance to current legislation, constituent documents or on their own initiative. It excludes confidential information loss. At the very moment both accounting policy content and composition must provide rational support of accounting and compromise between owner interests protection and information entirety for external clients [6, p. 197].

Singling out the unresolved parts of the overall problem. In nowadays market competitive environment entrepreneur must have not only retrospective routine data which makes base for economic unit financial state analysis but also get information from current and further events. It caused by enterprise need to choose independently development tactics and strategy taking into account stochasticity elements with non-standards solutions that depends on specific and aim of activity.

This problem researches enlighten that accounting policy components, methodic, technical and organizational aspects are plural ones and needs complete investigation for domestic economy conditions [8, p. 161]. It confirms the relevance and appropriateness of the chosen research direction.

The aim of the article is to substantiate further development conceptual basics of organizational and technical, and practical recommendations for accounting policy forming in stochasticity with the aim to reduce practical non-standard situations negative impact to economic unit business activity.

Presentation of the main material of the research. Any business functioning depends on accounting system operating provides to management informational base and enterprise financial and economical activity from a start-up till the elimination.

Economical processes unpredictable stochasticity impacts on accounting correctness. Stochasticity includes:

1. Situations which are caused by natural environment, climate and other processes which can be solved by prediction and further adapting.

2. Objectives uncertainty and multi criteria for political instability terms.

3. Uncertainty which is correlated to different subjects' activity and their possibility to effect on decisions consequences in order to minimize losses and profit rate increase.

4. Analytical parameters precision indicators that depend on the current assets turnover rate, etc.

For example, liquidity analytical performance can not accurately assess enterprise financial condition, as the assets liquidity and liabilities maturity in accordance to balance sheet can be determined approximately. Thus, stocks liquidity depends on their quality (turnover, share scarce, materials and products). Accounts receivable liquidity also depends on its turnover, late payments share and bad debts. Therefore, liquidity evaluating accuracy radical increase can be achieved with internal review taking into account stochasticity elements.

Thus, uncertain environment decision-making process is complex and multifaceted. Accounting policy should be based on finding alternative directions in the aim to make rational unconventional solutions. Their content depends on personnel qualifications which connected to economic unit accounting and analytical functions. Decision makers must understand strengths, limitations of each approach and decision-making procedures and know how to choose the best option in any situation [2, p.41].

Accounting and analytical personnel potential qualification impacts to ability to solve practical non-standard problems.

Economic unit accounting policy practical aspects arise at money circuit production stage which is advanced directly into business process [16, p. 166]. At this stage it is continued to advanced value created by products in value of used inventory, than it is made advance for salaries and related expenses, and fixed assets transferred, etc. Industry specific production process also must be taking into account as routine business operations, production related costs and materials character-





istics non-standard deviations impact to economic unit final results.

M. I. Kuter notes that when accountant began to avoid assumptions and reflect not only the obvious facts there is space for interpretation, group interests and accounting policy. Business process participants realize their interests, set certain objectives to be achieved (or not to be achieved) with selecting accounting policies [19, p. 542–543].

Accounting policy practical aspects increase accountants activities in operational process, enhance their role in financial and business strategy development. Nowadays there is no methodical support for management decisions under uncertainty. Economic units must be mostly focused on the points in accounting policy which are fixed in internal regulation by management [20]:

- accounts operating chart;
- primary accounting documents forms;
- assets and liabilities evaluation methods;
- accounting information rules and workflow processing technology;
- economic operations procedure control.

Economic operations control order [20, item 4] is implemented inadequately in business practice. Internal process control significance is increasing, also it is required economic unit further improvement in accounting information organization, analysis and use, also accounting policy control function strengthening. It must be one of the tools to identify abnormal situations and prevent their negative impact on internal processes. This approach is not contrary to the normative documents requirements [20, item 6]; economic unit accounting policy must provide:

- all economic activities facts must be specified in accounting (completeness requirement);
- economic activity must be noted timely in financial statements accounting records (timeliness requirement);
- willingness to recognize expenditures and commitments in accounting more than possible income and assets, avoiding hidden reserves creation (diligence requirement);
- economic activity accounting records must be made correlated to economic sub-

stance and conditions (substance over form demand), etc.

Entity's accounting policy elements choice influencing factors range is broad and covers both aggregated characteristics and economic activity indicators, especially inventory items use [6, p. 201].

Industrial stocks are economic unit current assets part; it is not included in production process and not admitted in processing [15, p. 113]. It is primary component of economic cycle and cause of non-standard situations which must be noted during accounting policy forming.

Inventory management system control functions gain requires analytical accounting and practical problems solution.

This research paper object is non-standard situations accounting organizing problem for uncertainty conditions, it is need to consider their reasons for entity's accounting policy formation occurrence and impact in more details.

It is needed to mention that practical aspects of accounting policy are more researched than theoretical ones [10].

Different industries manufacturing practice has its own peculiarities in the very points how to take into account defects, consignments, raw materials quality, their change depending on external factors influence, their impact to cost increasing, production capacity, efficiency reducing, storage rules violation, raw materials and commodities spoiling in storage process, etc. All these cause non-standard situations in accounting.

Non-standard situations and events accounting policy task is to create conditions economic unit management information support on feedstock quality according to established standards, materials, components, spare parts, etc., which are intended for use in the economic process and business internal infrastructure optimal use. The aim of this information is to prevent unnecessary costs occurrence at all economic process stages. All these need information which was formed in accounting policy and thorough analysis.

In this area primary urgency is non-standard situations parameters evaluating problem during accounting policies forming period. Current assets assessment reliability

depends on inventory quantity, quality and precision characteristics. Incorrect assessment causes errors in economic indicative criteria parameters, which characterize current assets use in economic process, etc. Only objective assessment gives economic process facts correct understanding [3, p. 64].

The simplest and the most common evaluation method for stochasticity terms are project parameters adjusting. Values are set to individual or multiple indicators, than evaluating is making as for the certain information case. It also must be taken into account that higher degree of uncertainty needs greater correction value. When troubleshooting detects violations, it is necessary to make subsequent processes adjustment. This approach eliminates hidden defects and non-compliance goods possibility in production process and helps prevent financial costs growth. This method is aimed to finding accounting alternative areas in order to make rational decisions under uncertainty conditions that are an accounting policy formation practical aspects implementation important step.

Information that is mentioned above for economic activity peculiarities enlighten that main cause for accounting system practical aspects is uncertainty.

Conclusions and prospects for further research. Research indicates that current unstable market economic relations contain many drawbacks, main one is the primary cause of accounting system practical aspects when the accounting and analytical staff need to solve non-standard problems. Economic practice non-standard situations occurrence investigation in different industries revealed that their reasons are caused by their productive sector specific. Non-standard situations occurrence accounting policy task is to create conditions for enterprise management regular information and excessive costs occurrence prevent in all the stages of production process. Nowadays economic operations control procedure is one of the most important ones for accounting policy but it is still not realized correctly in economic practice. This is especially important for internal control which should be the main tool for identifying non-standard situations. In general the accounting policy practical aspects are expanding ac-

countants activities scope in the operational process, enhance its role in financial and business development strategy.

Further research will provide disclosure of conceptual and organizational economic unit accounting policy formation clauses under uncertainty.

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Аналіз прикладних аспектів облікової політики підприємства

У статті розглянуті концептуальні засади виникнення нестандартних ситуацій та прикладних аспектів облікової політики підприємства в умовах невизначеності. Розкрито вплив галузевих особливостей на формування відхилень від заданих технологічних процесів. Дано практичні рекомендації щодо зниження негативного впливу прикладних нестандартних ситуацій на господарську діяльність організації, які повинні знайти відображення при формуванні облікової політики підприємства в умовах невизначеності.

Ключові слова: аналіз, невизначеність, прикладний аспект, нестандартна ситуація, концептуальні засади, облікова політика, підприємство.

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Анализ прикладных аспектов учетной политики предприятия

В статье рассмотрены концептуальные основы возникновения нестандартных ситуаций и прикладных аспектов учетной политики предприятия в условиях неопределенности. Раскрыто влияние отраслевых особенностей на формирование отклонений от заданных технологических процессов. Даны практические рекомендации по снижению негативного влияния прикладных нестандартных ситуаций на хозяйственную деятельность организации, которые должны найти отражение при формировании учетной политики предприятия в условиях неопределенности.

Ключевые слова: анализ, неопределенность, прикладной аспект, нестандартная ситуация, концептуальные основы, учетная политика, предприятие.

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*Стаття подана
12.05.2016 р.*