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ACCOUNTING ANALYSIS METHOD OF FIXED ASSETS REVALUATION IMPACT ON DEPRECIATION MONETARY PROVIDING AS A SOURCE OF ENTERPRISE MODERNIZATION FINANCING

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A *The analysis of the impact of the reappraisal of fixed assets on the monetary value of the provision for depreciation deductions is described in the article. The usage of the accounting analysis made it possible to determine that because of modern methods of the reappraisal of fixed assets and invisible assets, the company loses monetary assets in the form of depreciation deductions. As a result, it affects negatively private sources of financing the modernization of enterprises. In our article, it is proposed to close this gap modifying the sequence of actions carrying out the reappraisal of fixed assets and invisible assets and the accruals of depreciation deductions. This method will help the company to recognize assets at present value and it will guarantee the repayment of the invested capital to the fullest extent.*

K *Accounting analysis, modernization, assets, liabilities, capital, income, expenses, investments, depreciation deductions.*

МЕТОДИКА БУХГАЛТЕРСЬКОГО АНАЛІЗУ ВПЛИВУ ПЕРЕОЦІНКИ ОСНОВНИХ ЗАСОБІВ НА ВЕЛИЧИНУ МОНЕТАРНОГО ЗАБЕЗПЕЧЕННЯ АМОРТИЗАЦІЙНИХ ВІДРАХУВАНЬ ЯК ВЛАСНОГО ДЖЕРЕЛА ФІНАНСУВАННЯ МОДЕРНІЗАЦІЇ ПІДПРИЄМСТВА

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A *У статті наведено аналіз впливу переоцінки основних засобів на величину монетарного забезпечення амортизаційних відрахувань. Використовуючи методику бухгалтерського аналізу, вдалося визначити, що при сучасних методах переоцінки основних засобів і нематеріальних активів підприємства недоотримують кошти у вигляді амортизаційних відрахувань. У свою чергу, це негативно впливає на формування власних джерел фінансування модернізації підприємства. Для усунення такого недоліку в статті пропонується змінити послідовність дій при проведенні переоцінки основних засобів і нематеріальних активів та нарахуванні амортизації щодо них. Це дозволить підприємству враховувати активи за сучасною вартістю, а також забезпечить повернення вкладеного капіталу в повному обсязі.*

K *Бухгалтерський аналіз, модернізація, активи, зобов'язання, капітал, доходи, витрати, інвестиції, амортизаційні відрахування.*

МЕТОДИКА БУХГАЛТЕРСКОГО АНАЛИЗА ВЛИЯНИЯ ПЕРЕОЦЕНКИ ОСНОВНЫХ СРЕДСТВ НА ВЕЛИЧИНУ МОНЕТАРНОГО ОБЕСПЕЧЕНИЯ АМОРТИЗАЦИОННЫХ ОТЧИСЛЕНИЙ КАК СОБСТВЕННОГО ИСТОЧНИКА ФИНАНСИРОВАНИЯ МОДЕРНИЗАЦИИ ПРЕДПРИЯТИЯ

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A *В статье рассмотрен анализ влияния переоценки основных средств на величину монетарного обеспечения амортизационных отчислений. При использовании методики бухгалтерского анализа удалось определить, что при современных методах переоценки основных средств и нематериальных активов предприятия недополучают денежные средства в виде амортизационных отчислений. В свою очередь, это негативно влияет на формирование собственных источников финансирования модернизации предприятия. Для устранения данного недостатка в статье предлагается изменить последовательность действий при проведении переоценки основных средств и нематериальных активов и начислении амортизации по ним. Это позволит предприятию учитывать активы по современной стоимости, а также обеспечит возврат вложенного капитала в полном объеме.*

K *Бухгалтерский анализ, модернизация, активы, обязательства, капитал, доходы, расходы, инвестиции, амортизационные отчисления.*

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Reformation processes in the economy of the Republic of Belarus determine the relevance of the problem of formation and effective use of sources of financing of the enterprise modernization. The objectivity and necessity of modernization of Belarusian economy are caused by the requirements of survival in conditions of increasing competition and technological superiority of several countries that have chosen the path of innovative development. Exactly modernization of the economy allows to ensure the economic growth in conditions of innovative economy. This modernization is based on the formation of high-tech resources in the industry, the implementation of modern systems of industry management and effective commercializing of innovative developments.

The liberalization of the civil and financial legislation requires transparent accounting of the usage the depreciation deductions, which arrives in the current accounts of the organization together with the sale proceeds and then should be used for financing of investment programs, the appropriateness and effectiveness of which is determined by the management team of the organization on their own account. In its turn, the management of sources of financing the modernization of enterprises requires improvement of their analysis and accounting.

The current system of accounting and reporting is mainly focused on the reflection of the aggregated data for valuation of assets, capital, liabilities, income and expenses of business entities. However, this use of traditional methods of accounting and analysis of efficiency of business activities does not allow obtaining information about the verifiable data in the context of the actual flows of business processes and activities of economic entities mentioned above. Standard financial reporting forms (form 1 "Balance sheet", form 2 "Profit and Loss Statement", form 4 "Cash flow statement") do not contain any information about the conditions, amounts, and sources of financing investments in the modernization of production or about economic efficiency of its implementation. These forms also do not contain information about the profitability produced by the modernized production equipment or about those cash flows, which were accompanied by the modernization. Above all, they do not contain any information on target usage of those resources, which were allocated and sent for the modernization. This situation reduces the demand for accounting and analytical functions in the system of managerial decision-making. It can be stated that at present the serious potential that lies in accounting and reporting as an essential information management system, is used very slightly.

In this article, we suggest getting acquainted with the accounting analysis of the impact of the reappraisal of fixed assets on the monetary value of the provision for the depreciation deductions, as a private source of financing the modernization of the enterprise. Our aim is to prove the possibility of the application of the accounting methodologies and analytical tools to develop verifiable information on business processes that are typical for the sources of financing of modernization as the special objects of accounting and analysis.

Professor D. A. Pankov and associated professor T. N. Rybak in their researches believe that amortization is a special economic category, that can be regarded both as manufacturing costs and as a resource of reprocessing [1, p . 23].

According to the set of rules «About the procedure of accrual of depreciation of fixed assets and intangible assets» No. 37/18/6 legislation offers the following definition of amortization: amortization is the process of transferring the cost of fixed assets and intangible assets on the value of produced (rendered) goods, works, services during different business activities.

On the basis of the definitions of the term "amortization" it can be stated that the aim of depreciation deductions is the transfer of the value of fixed assets to the price of produced (rendered) goods, works, services during different business activities, as well as the gradual return of cash. So amortization can be regarded as the resource of reprocessing.

The main tasks of depreciation deductions are to distribute the cost of fixed assets at cost over the estimated lifetime through the application of systematic and rational entries, and to return the funds obtained by charging depreciation deductions. In its turn, the amount of the depreciation charge is significantly influenced by the reappraisal of fixed assets and intangible assets, as it affects initial cost and replacement cost of these assets and is regarded as the basis for depreciation calculation.

Considering this, we propose to develop a methodology of accounting analysis. The usage of this methodology will allow to make quantitative and qualitative assessment of the impact of the reappraisal of fixed assets on the monetary value of the provision for depreciation deductions as their own source of financing of the enterprise modernization.

The methodological basis of the proposed methodology is the idea of structural-logical modelling and formalization of information flows based on the use of the principles and methods of accounting and analysis. This methodology of accounting analysis will be based on the principles of sequential sampling, grouping and forming of special information tracks in terms of assets, liabilities, capital, income and expenses of certain accounting data. These actions are based on the data, which are formed under the influence of business

transactions determined by accrual of depreciation and its returning to the company in the form of cash coming from income.

Universal information system of the accounting is based on the classic balance-sheet (accounting) equation:

$$\text{Assets(A)} = \text{Liabilities(L)} + \text{Capital(K)} + \\ + \text{Income(I)} - \text{Expenses(E)}.$$

In our research, we analyzed the movement of amortization of fixed assets since their accruals to the crediting of monetary resources to an account in the form of revenues from the sales. These cash proceeds can use for the modernization by the company.

Figure 1 shows accounting and analytical information model of the movement of amortization of fixed assets since their accruals to the crediting of monetary resources to an account in the form of revenues from the sales. Business transactions describing these business processes are represented in the simplified form.

After making the calculations on the basis on the following illustration and after analyzing them, we can make the conclusion, that the company loses the value of fixed assets in money terms because of accrual of depreciation. Thus, one of the main tasks of amortization, the refund of money spent on fixed assets acquisition, is not achieved.

To analyze the effect of the reappraisal of fixed assets on amortized values the ways of reflection of business transactions on the accounting during the normal life cycle of the object and during its reappraisal were analyzed.

We propose the following illustration for carrying out the analysis: The object with the cost 120 thousand rubles and 5-year date of consumption was obtained. This object of fixed assets can produce 60 units of output during its lifetime (2012 – 5 units of output , 2013 – 10 units of output, 2014 – 15 units of output, 2015 – 10 units of output, 2016 – 20 units of output). Let's use different ways of calculating the amount of depreciation deductions during this period of time.

The ratio (index) of the reappraisal is equal to 1,2414. The replacement cost is equal to 147,252 (120 • 1,2414)

The accruals of depreciation deductions were analyzed in three different cases:

1. Without changing the fixed assets value.
2. During the reappraisal of the fixed assets (in accordance with the legislation);
3. During the reappraisal of the fixed assets (in accordance with the developed algorithm).

The calculations of the amount of depreciation deductions have been made by the following methods: straight-line, declining and performing, in accordance with the illustration.

In the first case the value of the object remains unchanged and the accrual of depreciation leads to a complete refund to the account, as reflected in figure 2, scheme 1. Figure 2 clearly shows that the amount of accumulated amortization is equal to the sum of funds that arrived in the account in the form of revenues from sales of.

In the second case (see Fig. 2, scheme 2) accumulated depreciation after three years of operation activity was made. As a result, it is possible to make the conclusion, that the accrual of depreciation of fixed assets and the reappraisal of the behavior of depreciation deductions leads to a lack of funds on the account of the organization for the buy-out of a new fixed asset. The amount of the depreciation charge doesn't recompense the cost of fixed assets equal to 16, 4 thousand rubles.

To correct the dysfunction of amortization as a source of modernization of production, the following sequence of actions is proposed:

1. To determine the original cost of a fixed asset.
2. To make the accrual of depreciation deductions in accordance with the selected method.

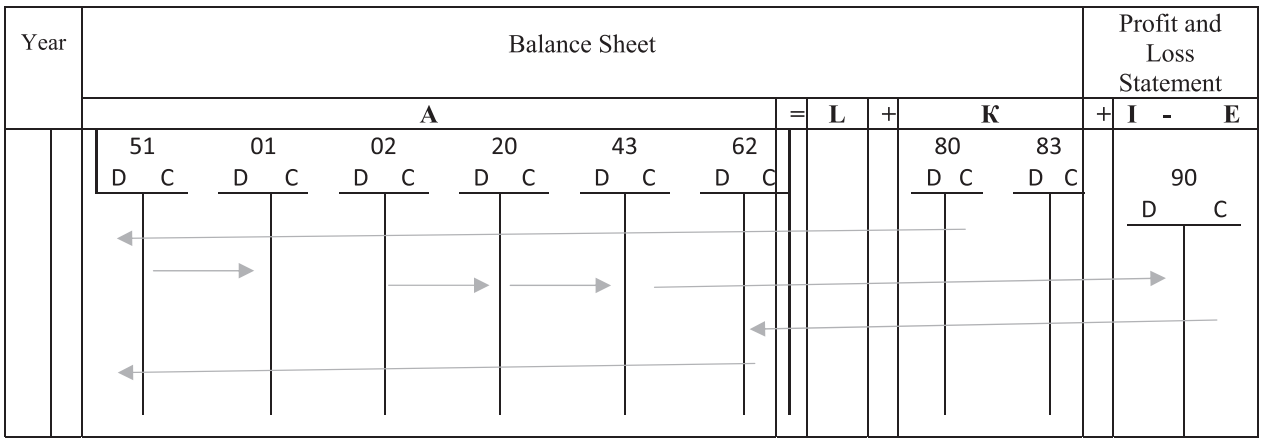

Fig. 1. The scheme of accounting and analytical information model of the movement of amortization of fixed assets

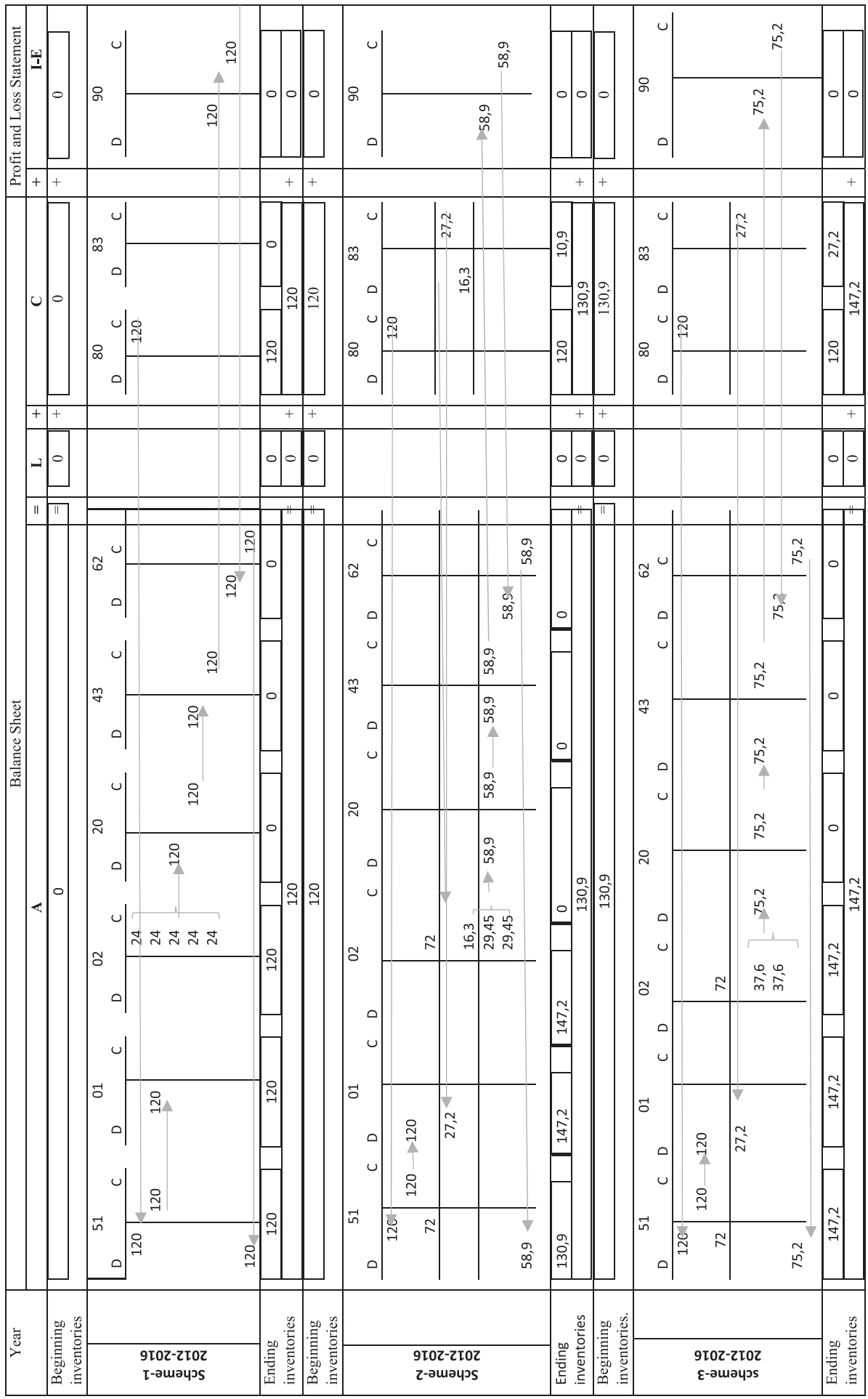

Fig. 1. The scheme of accounting and analytical information model of the movement of amortization of fixed assets

3. To determine the replacement cost of the asset after reappraisal.

4. To specify the residual value of the asset, by subtracting accumulated amortization from replacement cost.

5. To make the accrual of depreciation deductions of the residual value, in accordance with the selected method.

In the third case, during the accrual of amortization of fixed assets and their reappraisal (in accordance with the developed algorithm) the movement of depreciation deductions leads to a complete return of funds to the account of the enterprise, as shown in figure 2 scheme 3, i.e. the amount of accumulated amortization of 147,252 million rubles is equal to the sum of funds on the account in the amount of 147,252 million rubles, that received in the form of revenue from sales. This private source of the enterprise can be used for financing of the modernization.

Thus, the application of the accounting of the impact of the reappraisal of fixed assets on the monetary value of provision for depreciation deductions has allowed finding out that the company loses monetary assets in the form of depreciation deductions, arriving in the account with the revenues from sales of finished goods.

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