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1.2 Peculiarities and directions development of accounting

Accounting in various historical periods of its formation was called "the secret of the gods", "the language of numbers", and "the language of business". Today, accounting is no longer a secret and by no means only numbers. The modern content and functional directions of accounting go beyond the literal perception of the definition of "accounting".

The implementation in Ukraine of a complex of legislative acts and regulatory documents on legal, financial, economic, fiscal, social, accounting-analytical and business regulation has fundamentally changed the system of organization and methods of accounting, expanded the scope of its information presence, strengthened the influence on the process management decision-making. Modern management presents the accounting and analytical segment of the organizational structure of enterprises with new tasks related not only to the application of the classical accounting model, but also to the expansion and deepening of the essence of its subject both in space and time. The dynamic business environment of the 21st century requires a qualitatively new level of training of economic personnel, who must perfectly understand the patterns of market relations, quickly and accurately navigate changing economic situations, and timely generate well-founded recommendations for making optimal management decisions. Only a well-established accounting system can quickly provide managers at different hierarchical levels with the necessary and reliable information for monitoring, analysis, control, forecasting, and business strategy development.

The entire range of professions and positions of the administrative and management personnel of any modern enterprise must possess accounting knowledge, the difference is only in the depth and functional orientation of such knowledge.

In connection with the adaptation of accounting in Ukraine to international standards, the most significant changes in the accounting methodology took place at enterprises of agro-industrial business. At the same time, there is not enough educational literature, in which the issues of theory, organization and accounting methods at agro-industrial enterprises would be covered in the necessary volume [9].

Three types of accounting are used to reflect the economic activity of enterprises, to provide them with timely and complete information about the progress and results of the implementation of business plans, and to evaluate the results of work as a whole: 1) operative; 2) statistical; 3) accounting. Operational accounting is used to monitor and control individual operations and business processes (sowing progress, harvest times, feed procurement, product sales). Natural and labor meters prevail in this accounting. A characteristic feature of operational accounting is the urgency of receiving information about events that have taken place. It makes it possible to quickly obtain the necessary data for the most effective management of the work of the enterprise and its structural units, to detect any shortcomings in the work in a timely manner. The role of operational accounting is especially growing in modern business conditions, when it is necessary to know the market situation, to understand business rights, to make the right decisions quickly and without mistakes.

Statistical accounting studies and controls mass phenomena and processes. This accounting can be both continuous and selective. At the same time, the subject of statistical accounting is not only the study of production processes and its circulation, but also other social phenomena: indicators of the number and composition of the population, material well-being of the people, culture, science, health care, activities of state institutions and public organizations. At the same time, statistics studies the quantitative side of mass social phenomena and processes in an inextricable connection with their qualitative content and reveals the regularities of their development. It uses its own research methods (mass observations, grouping, relative and average values, indices). Statistical data are used not only for current planning, but also for drawing up long-term plans and forecasts for the development of various branches of the national economy, establishing relationships between them [10].

Accounting is a process of identifying, measuring, registering, accumulating, summarizing, storing and transmitting information about the company's activities to external and internal users for decision-making. It covers all economic means and sources of their formation, all economic processes and results of activity. An important feature of accounting is that economic phenomena calculated in natural and labor measures are necessarily summarized in a monetary measure. Accounting reflects economic transactions systematically and provides continuous and continuous monitoring. A specific document must be drawn up for each business transaction. The main features of accounting include: legal evidence, continuity, cost measurement, dual (double) display of the state and changes of economic phenomena and processes.

So, accounting is a system of continuous, continuous, documented and interconnected display of economic assets, sources of their formation and processes, summarized in monetary terms for monitoring the activities of an economic entity and making management decisions. Based on this, accounting performs information, control and management functions. The informational function of accounting consists in obtaining factual information about economic activity. At the same time, accountants perform the function of monitoring the work of the enterprise with the aim of effective use of material, labor and financial resources. This, in turn, enables managers to actively influence economic processes and make optimal management decisions. In market conditions, internal accounting as a subsystem of accounting becomes important for the effective functioning of business. Internal economic (management) accounting is a system of processing and preparing information about the enterprise's activities for internal users in the management process [11].

The purpose of accounting is to provide users with complete, true and unbiased information about the financial position, performance and cash flow of the enterprise for decision-making. To ensure the set goal, accounting must comply with the following basic principles [12]:

- prudence - the application of valuation methods in accounting, which should prevent underestimation of liabilities and expenses and overestimation of assets and income of the enterprise. Accounting must ensure the reliability of the assessment of its objects: means and sources of their formation, economic processes and results of activity;

- full coverage - accounting should cover all aspects of economic activity, providing the necessary information for both control and operational management of the enterprise's activities;

- autonomy - each enterprise is considered as a legal entity, separate from its owners. At the same time, the personal property and liabilities of the owners should not be reflected in the accounting records of the enterprise;

- consistency - constant (from year to year) application of the chosen accounting policy by the enterprise. A change in accounting policy is possible only in cases provided for by national accounting provisions (standards), and must be justified and disclosed in financial statements;

- continuity - the assessment of the company's assets and liabilities is carried out based on the assumption that its activities will continue. In accounting, economic transactions are systematically reflected as they are carried out, which ensures continuous and continuous monitoring and control of economic activity;

- substance prevails over form - transactions are accounted for according to their substance, and not only based on the legal form. This means that economic transactions are reflected in accounting based on their economic content;

- accrual and correspondence of income and expenses - to determine the financial result of the reporting period, it is necessary to compare the income of the reporting period with the expenses incurred to obtain these incomes. At the same time, income and expenses are reflected in accounting at the time of their occurrence, regardless of the date of receipt or payment of funds. This allows you to determine the financial result of the reporting period by comparing the income of the reporting period with the expenses of the same period;

- historical (actual) cost price - the priority is the assessment of the company's assets, based on the costs of their production and acquisition;

- a single monetary unit - measurement and summarization of all economic transactions of the enterprise in its accounting is carried out in a single monetary unit. This makes it possible to summarize the means (property) of the enterprise, the sources of their formation, economic processes and results of activity in a single monetary measure, which is the national currency of Ukraine;

- periodicity - the possibility of dividing the company's activities into certain periods of time for the purpose of keeping records and drawing up financial statements. Such periods can be: month (or other periods of time), quarter, half year, year.

Based on the set goal and principles, the main tasks of accounting are:

- ensuring control over the fulfillment of obligations, availability and movement of property, use of material and financial resources in accordance with approved regulations and estimates;

– prevention of negative phenomena in financial and economic activity, identification and mobilization of intra-economic reserves;

- the formation of complete, reliable information about the economic processes and results of the enterprise, necessary for operational management and management, as well as for its use by investors, suppliers, buyers, creditors, financial, tax, statistical and banking institutions and other interested bodies and organizations.

Accounting reflects the material, labor and financial costs of product production. Thus, the manufactured product and the costs of its production are the object of accounting and constitute its content. The product created in the production process is subject to distribution: one part of it goes to reimbursement of material costs, and the other goes to personal consumption, creation of national consumption funds, accumulations. The distribution of the aggregate product is controlled by accounting. Therefore, the process of distribution of the aggregate product is an object of accounting and is part of its content [13].

The production and distribution of the aggregate product determine the process of exchange, which is carried out by buying and selling. Merchandise and money circulation determines various calculations between enterprises, organizations, institutions, individuals and legal entities, which are controlled by accounting.

In order to properly organize the activities of the enterprise, it is necessary to know what means it has, where these means are located, as well as at the expense of what sources they were formed and what they are intended for. The answer to this question is provided by a scientifically based classification of means. Grouping of economic assets is carried out according to the following characteristics:

1) by composition and location;

2) by functional role in the reproduction process;

3) according to the sources of their formation and purpose.

According to the composition and location, the assets of the enterprise are divided into production assets, assets in the sphere of circulation, assets of the non-production sphere, withdrawn assets and intangible assets. Means of production are divided into means of labor and objects of labor. Assets include land plots, buildings, structures, machines, equipment, vehicles, household equipment, long-term biological assets (perennial plantations, working and productive animals), other non-current material assets. Labor tools participate in the production process for a long time, gradually wear out and partially transfer their value to the cost of the manufactured product [14].

The objects of labor include raw materials, materials, semi-finished products, fuel, spare parts, current biological assets (crops, animals in cultivation and fattening), unfinished production. Items of labor fully transfer their value to manufactured products during one cycle. The assets of the sphere of circulation include objects of circulation, funds, funds in accounts and means that serve the sphere of circulation.

Items of circulation are goods or finished products that are intended for sale. Products can be in the company's warehouse, or be shipped to customers. Funds are necessary for the enterprise for normal economic activity. They are stored in the bank on current, currency or other accounts of the business entity. The minimum amount of money required for immediate needs or salary payment is transferred from the bank account to the cash register. Funds in accounts (receivables) are the debts of other organizations and individuals to this enterprise. This includes debts of buyers, sums issued to their employees under the report (accountable persons) for various expenses, debts of other debtors. The means serving the sphere of circulation include warehouse buildings, equipment, refrigeration units, household equipment, and other means used in the process of selling products.

Means of the non-production sphere are means that do not take a direct part in the production process, but are used for housing and cultural and household services of the company's employees. This includes buildings of cultural and household purpose, housing, health care, culture, education and other non-production sectors, as well as all equipment and inventory belonging to this sector. Seized funds (funds) are such funds that are withdrawn from the turnover of the enterprise, but during a certain period are recorded on its balance sheet, or lost funds. These means include: income tax, advance deductions from income to reserve funds (capital) and special purpose funds, other payments and deductions. Lost funds include losses [15].

Intangible assets (assets) include rights to use land, water, other natural resources, industrial designs, trademarks, intellectual property objects and other similar property rights acquired by the enterprise. According to the functional role in the process of reproduction, the business assets of the enterprise are divided into non-current and current assets (assets). Non-current assets include fixed assets and other non-current tangible assets, intangible assets, long-term financial and capital investments, long-term biological assets, long-term receivables, other non-current assets (assets).

The expected useful life of fixed assets and other non-current tangible assets, intangible assets is more than one year (or one operating cycle, if it exceeds one year). Long-term financial and capital investments are made for a period of more than one year. Long-term biological assets include assets capable of producing agricultural products and additional biological assets during a period exceeding 12 months and biological assets created during a period exceeding one year, with the exception of animals for breeding and fattening. Long-term receivables are debts that the company expects to receive after 12 months from the balance sheet date.

Current assets include production stocks, current biological assets, low-value and perishable items, work-in-progress, semi-finished products, finished products and goods, funds in cash, in bank accounts and other funds, current financial investments and current receivables and other current assets (assets) [16].

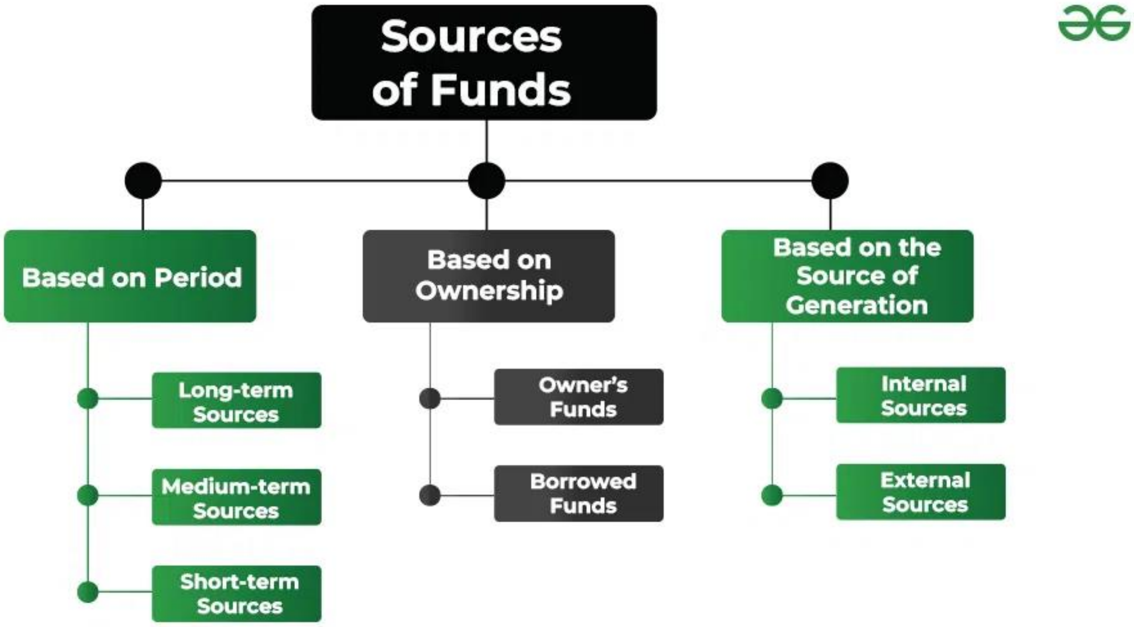
The economic means of the enterprise are formed at the expense of certain sources, which are divided into two types: own sources and sources of borrowed funds.

The generalized classification of the sources of the formation of economic means has the following form. The sources of own funds are own capital, reserves (provision of future expenses and payments), targeted financing and targeted revenues, profit.

An important component of equity is authorized and other registered capital, share capital, as well as contributions to the declared but not yet registered authorized capital. The fixed and current assets provided to the enterprise at the time of its creation in accordance with the charter are called authorized capital. Unlike the property of state-owned enterprises, the owner of which remains the state, the assets of societies, cooperatives, and private enterprises are the property of individual collectives or individuals. The set of contributions (in a thunderous expression) of the participants (owners) to the property at the time of creation of the enterprise to ensure its activity is noted in the statute, and therefore is called the authorized capital. The main source of the increase in the authorized capital is the participants' contributions.

Share capital is a collection of funds of individuals and legal entities, voluntarily placed in companies for the implementation of its economic and financial activities. Share capital includes the sums of contributions of members of a consumer association, a collective agricultural enterprise, a housing and construction cooperative, a credit union, and other enterprises. The amounts of the authorized and share capital are stipulated in the founding documents of the enterprise (Pic. 1).

Capital in revaluations includes the amount of revaluation of non-current assets and financial instruments, which decreases in the event of depreciation and disposal of the specified assets, decrease in their usefulness. In the process of economic activity in the enterprise, additional capital is formed at the expense of non-current assets received free of charge, emission income, accumulation of exchange rate differences. Reserve capital is created by the enterprise in accordance with the current legislation and founding documents at the expense of retained earnings and is used to cover losses, unforeseen expenses and losses [17].



Pic.1 Sources and Factors Affecting the Choice of the Source of Funds

Funds reserved in advance by the enterprise's decision are intended to cover future expenses and payments. These include: provision of vacation payments, additional pension provision, provision for doubtful debts, fulfillment of guarantee obligations.

Targeted financing is carried out from various sources and is directed to the financing of special measures (maintenance of local roads, improvement of soil fertility, fight against diseases and pests of animals and plants, etc.). Funds for targeted financing and targeted revenues can come as subsidies, humanitarian aid, allocations from the budget and extrabudgetary funds, targeted contributions of individuals and legal entities. Profit is the financial result obtained from the sale of products, works and services, other non-sale income. Profit from sales is defined as the difference between revenue (cost of products at sales prices) and cost of products sold [18].

In addition to own sources, in some cases the enterprise needs to use additional sources involved. Sources of funds include bank loans and other loan funds, settlement obligations with various enterprises, institutions, organizations, and individuals (creditor debt), obligations for the distribution of the public product.