

FEATURES OF ACCOUNTING FOR CURRENT ASSETS OF THE ENTERPRISE

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Abstract. *The purpose* of the paper is to study the problem aspects and methods of current assets presentation in the accounting in order to make informed managerial decisions in the enterprise management. *Methodology.* In the process of writing this article various general scientific and specific research methods were used, in particular the dialectic method (in the study of economic phenomena and categories), the induction and deduction method (in the study of the current assets place in the accounting system), the historical, logical and comparison methods (at the stage of accounts specification of the current assets accounting), the systemic method (by the disclosure of the accounting organization processes of current assets), the observation method (in the process of study the state of current assets at the enterprise), the generalization and comparison method (at the stage of theoretical positions generalization and conclusions formation of this study). *Results.* It was established that current assets are a necessary component of the company property and require the development of an appropriate accounting system in order to provide timely information on the presence, movement and use of current assets of the enterprise. The organization of current assets accounting of an enterprise is complicated by the uncertainty and constant changes in the legal acts. In order to accurately present the inventory accounting of the enterprise, the accountants should timely show the economic operations on the receipt and movement of current assets in the primary accounting documents. Taking into account the direction and documentary registration of operations on the receipt and retirement of stocks, we have developed the chart of inventory behaviour at the enterprise, which clearly shows the formation of information of the accounts. The computer accounting program "BAS Accounting" is offered for use, which will allow to optimize the accounting of current assets at the enterprise in the best way. *Practical implications.* The practical use of the proposed offers will ensure the correct presentation of operations on the organization of current assets accounting and the prompt receipt of the necessary information by the company management. *Value/originality.* The results of the study are aimed at improving the quality, reliability and efficiency of current assets accounting and can be used in the work of Ukrainian enterprises. Evaluation of current methods of accounting for current assets, development and implementation of recommendations for their practical improvement will improve both accounting and, accordingly, management decisions on their effective use in the enterprise.

Key words: current assets, accounting organization, computer accounting program, methods of current assets presentation in the accounting, enterprise.

JEL Classification: M40, M41, M42

1. Introduction

The current transformation of the legislative framework significantly changed the principles and conditions of the enterprise activity. The key to stability and profitability of the enterprise is the financial firmness, ensured by an uninterrupted and continuous process of production. The enterprise efficiency directly depends on the current assets formation with the justification of their volumes, composition and characteristics of production.

Current assets are an important element of the production process, which, together with capital assets and labor resources create the preconditions for an expanded reproduction in the industrial sector of the economy. Current assets are distinguished and grouped according to the different criteria with various intention and are a prerequisite for the successful organization of accounting, since it depends on the timely and accurately dispose of current assets, the possibility of operational analysis and forecasting, the grounds of managerial

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decisions and ultimately a qualitative presentation of information on current assets in the enterprise reporting.

The highquality system of accumulation and presentation of information from all accounting areas will allow simple and quick adaptation of the accountant's work to the requirements of regulatory acts, which often change. When assessing the financial and property state of an enterprise, it is necessary to obtain the information from the reporting, which, in particular, contains data about the current assets of the enterprise. It is extremely useful and informative, as it characterizes the possibility of cash flow generation in the future.

Thus, accounting is the collection of documented financial information expressed in monetary form, by documenting business transactions, according to accepted principles and methods, for its analysis, evaluation and reporting to ensure control over the conservation and use of resources, formation of costs and financial results to make informed management decisions of the company's management.

Therefore, today the special attention is paid to the organization of accounting for current assets and their presentation in the financial statement as an important element of the enterprise activity, used to control the fulfillment of project tasks, plans, analysis, forecasting, preparation of business plans.

2. The issues of estimation and determination of enterprise stocks are investigated

In the foreign and domestic literature great attention is paid to the organization of current assets accounting of enterprises, their correct assessment, which affects the results of the enterprise and the reliability of their presentation in the statements.

V. Dubova and O. Shovkopljas (2013) consider the international and domestic interpretation of the concept of "stock", compare the presentation of information about stocks in the financial statements of enterprises in accordance with the National P(S)A No. 1 "General requirements to financial statements" and SME 1 "Presentation of financial statements" (Dubova and Shovkopljas, 2013, p. 142).

O. Horbachova and I. Oliinyk (2016) considered the main critical issues of the accounting process organization and identification the ways of improvement the organization of inventory accounting at the enterprise. The authors studied the issue of inventories assessment at the international level and the probability of use the best international experience in Ukraine (Horbachova and Oliinyk, 2016, p. 102).

Changes that took place in the form and content of financial statements of the company under the influence of international accounting and reporting standards are considered by M. Yermolaieva, Yu.

Skydanenko and A. Trushyna (2017), highlighting a number of controversial issues that arise during the Balance sheet formation, including the current assets formation of the enterprise. The researchers intend to develop proposals, the implementation of which will contribute to the formation of an objective opinion on the company activities by the financial statements user necessary for the adoption of managerial decisions (Yermolayeva, Skydanenko and Trushyna, 2017, p. 206).

A number of scholars considered the theoretical background and practical aspects of the formation and effective use of current assets of agricultural enterprises. The authors form the conceptual model of the management policy of the current assets of the agricultural enterprise. The essence of the model is the organic unity of goals, principles, methods, subsystems, and information support for the implementation of the organizational and economic mechanism for the effective use of current assets. It is substantiated that the proposed components of this mechanism are not exhaustive, and their implementation is not the last stage in the system of financial management of agricultural enterprises, but only a part of the complex and multi-component policy of management of circulating assets (Ulianchenko, Vasylyshyn, Yefanov and Skolotii, 2018, p. 259).

The analysis of the scientific works showed that, despite the significant scientific offers for improving the organization of accounting of current assets, there are a number of unresolved issues regarding the complete and accurate presentation of information on current assets in the financial statements of the enterprise. Taking into account the importance and relevance of the research, the above issues require new research and practical proposals.

3. Methods of current assets presentation in the accounting

The organization of current assets accounting is not only the internal business issues of the enterprise, but also the correctness, completeness and timeliness of tax accrual. Therefore, when studying the organization of current assets accounting it is necessary to be familiarized with the statutory instruments that directly regulate the current assets accounting. It is also necessary to consider the fact of accounting methodology inconsistency (national accounting standards) with the financial legislation.

The Law of Ukraine "On Accounting and Financial Reporting in Ukraine" of July 16, 1999 No. 996 details and clarifies the accounting practices. This law defines the legal principles for the implementation, regulation, organization of accounting and financial reporting in Ukraine and is applied to all legal entities, regardless of organizational and legal forms of ownership.

Undoubtedly, the function of accounting regulation is entrusted to the Ministry of Finance of Ukraine, which is mainly carried out in accordance with the approved Regulation (standard) of accounting, in which, during 1999–2022 34 Regulations (Standard) of accounting were approved.

Pursuant to the National P(S)A No. 1 "General requirements to financial statements", current assets are money and their equivalents not limited in use, as well as other assets intended for sale or use during the operational cycle or for a period of twelve months from the balance sheet date (Ministry of Finance of Ukraine, 2013).

Regulation (standard) of accounting 9 "Stocks" defines the methodological principles for the formation of inventory accounting and its disclosure in financial statements (Ministry of Finance of Ukraine, 1999).

Thus, stocks are current physical assets used in the process of production and circulation and are constantly at different stages of active transformation, starting from purchase to their use at the enterprise or implementation.

An important and significant fact is that the current assets of an enterprise are its important component

of the property, which requires maximum attention to the creation of an efficient and correct accounting system in terms of the formation of complete information on the presence, movement and use of current assets.

On the basis of the study and generalization of the existing system of documenting the operations of the receipt and disposal of current assets used at the enterprises, we have diagrammed the process of inventory accounting at the enterprise (Figure 1).

Constant and significant changes in the legal framework require new effective approaches to solving the issues of accounting for current assets and presentation of information about them in the financial statements of the enterprise.

The enterprise should timely and correctly show the economic operations on the receipt and movement of current assets in the primary accounting documents for the reliable accounting of inventories at the enterprise.

4. Findings

According to the National P(S)A No. 1 "General requirements to financial statements", the second

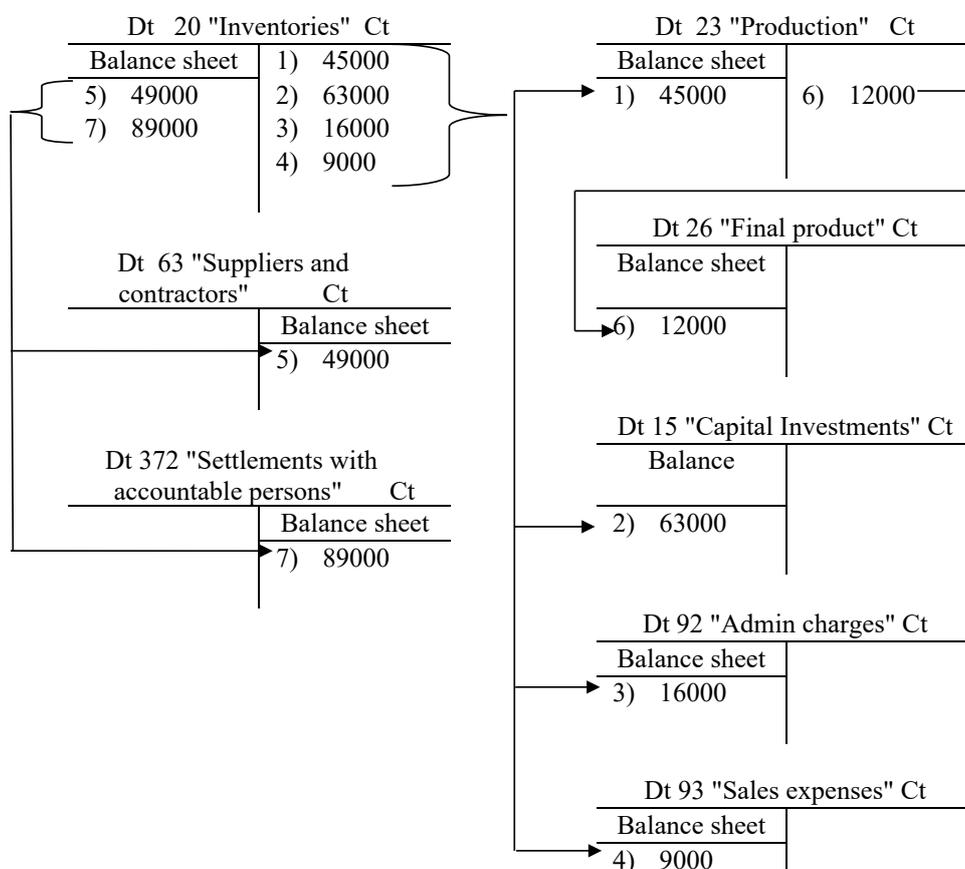


Figure 1. The process of organization of inventory accounting at the enterprise

Source: author's own developments

section of the asset "Current assets" information on highly liquid assets is generalized. This section of the asset contains the following articles: stocks; current biological assets; receivables for goods, works, services; accounts receivable; other current receivables; current financial investments; money and their equivalents; prepaid expenses, other current assets (Ministry of Finance of Ukraine, 2020).

Changes in the structure of the section "Current assets" significantly influenced the indicators that are the source information for the formation, management and analysis of the composition and structure of the company current assets, which in turn created problems in analyzing the changes in current assets, where their detailed analysis is provided, depending on their distribution to certain kinds. Using the data of section II of the assets side of the balance-sheet (Financial Statement), you can determine the state of use and reserves for improving the efficiency of available current assets, formulate conclusions regarding the investment attractiveness and creditworthiness of the enterprise.

In addition, as noted by O. Pavlenko and G. Bursuk (2017), the presence of qualitative results of analysis allows to take effective management decisions for achievement of the set goals. The authors point out that problems in the formation and use of the company property in a timely manner are revealed, and there are significant chances of deconfliction. Also, the effectiveness of using current assets will provide proper property and financial status (Pavlenko and Bursuk, 2017, p. 984).

The role of accounting in the country's economy is difficult to overestimate. In addition, the current stage of development of the Ukrainian economy needs an integrated approach to reforming such a basic component of the information system as accounting, which will contribute to the formation of an effective management function. Accounting plays a major role in the process of adaptation and satisfaction of needs aimed at the intensity of the emergence of demand for the provision of timely, objective and reliable information. Therefore, there will be a constant need in the modern economy of the state for young qualified workers who will have the desire and continuous determination to introduce new methods and forms of accounting, its reform and improvement. BAS (Business Automation Software) is a modern software that helps to automate all processes at Ukrainian enterprises of different forms of ownership and fields of activity. For this, the BAF platform (Business Automation Framework) is used. These are completely new programs developed by European developers exclusively for the Ukrainian market. This computer program will optimize both accounting for current assets and accounting for the enterprise as a whole.

5. Conclusions

Thus, in the period of formation of market relations, an important role is played by accounting, performing informational, analytical, statistical functions. Under the new economic conditions, special attention is paid to the organization of accounting for current assets, as they play an important role in the activities of the enterprise.

The adoption of appropriate management decisions on the activities of the enterprise is based directly on the accounting data, providing information for:

- cash flow management of the enterprise;
- increasing the level of solvency of the enterprise, which consists in managing cash and cash flows;
- inventory management, in particular decision-making on their acquisition, use, choice of methods for assessing their disposal;
- management of production and sales, including the decision of questions on introduction of new products of finished goods for release and sale or improvement of available;
- formation and timely presentation of financial statements, the use of its indicators for effective management decisions.

The company engaged in the production has available current assets, because the successful production activities of the economic entity depend on the degree of current assets security. The adoption of effective managerial decisions is directly proportional to the completeness of the considered accounting and organizational aspects of current assets.

It was established that current assets as a necessary component of the company property require the establishment of an appropriate accounting system in order to provide timely information on the presence, movement and use of current assets of the company.

Implementation of the organization of current assets accounting and presentation of information about them in the financial statements of the enterprise is complicated by the uncertainty and constant changes in legal acts.

The accountants of the enterprise should timely present the economic operations on the receipt and movement of current assets in primary accounting documents in order to provide the correct accounting of inventories at the enterprise.

Taking into account the directions of movement and documentary registration of operations on the receipt and disposal of stocks, we have developed a chart of stock turnover at the enterprise, which clearly shows the formation of information on the bookkeeping accounts.

Prospects for further research should be carried out in the direction of the assessment of current methods of current assets accounting, the development and implementation of recommendations for their practical improvement.

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