

UDC 657.1

## INFLUENCE ELEMENTS IN ACCOUNTING POLICIES ON THE FINANCIAL RESULTS OF THE COMPANY

A.A. Smokvina, PhD in Economics, Associate Professor

S.Yu. Kavierina

*Odessa National Polytechnic University, Odessa, Ukraine*

K.V. Lihanenko

*Danube branch of IPMA, Izmail, Ukraine*

*Смоквіна Г.А., Каверіна С.Ю., Ліганенко К.В. Вплив елементів облікової політики на фінансовий результат діяльності підприємства.*

У статті висвітлено вплив елементів облікової політики на фінансовий результат діяльності підприємства. Розкрито сутність поняття «облікова політика», головне її призначення. Розглянуті нормативно-правові акти різного підпорядкування опираючись на які формується облікова політика підприємства. Визначено значення облікової політики підприємства для користувача. Виділені елементи які здійснюють найбільший вплив на фінансові результати (вибір порогу суттєвості; метод нарахування амортизації; метод оцінки вибуття запасу; метод обліку транспортно-заготовительних витрат; вибір методу визначення оцінки резерву сумнівних боргів; метод калькулювання). Проаналізовані існуючі методи розглянутих елементів облікової політики, визначені їх переваги та недоліки, та встановлені найоптимальніші.

*Ключові слова:* облікова політика, фінансові результати, елементи облікової політики, користувачі облікової політики, методи обліку

*Смоквіна А.А., Каверіна С.Ю., Ліганенко К.В. Влияние элементов учетной политики на финансовый результат деятельности предприятия.*

В статье освещено влияние элементов учетной политики на финансовый результат деятельности предприятия. Раскрыта сущность понятия «учетная политика», главное ее назначение. Рассмотрены нормативно-правовые акты различного подчинения опираясь на которые формируется учетная политика предприятия. Определено значение учетной политики предприятия для пользователя. Выделены элементы, которые оказывают наибольшее влияние на финансовые результаты (выбор порога существенности, метод начисления амортизации, метод оценки выбытия запаса, метод учета транспортно-заготовительных расходов, выбор метода определения оценки резерва сомнительных долгов, метод калькуляции). Проанализированы существующие методы рассмотренных элементов учетной политики, определены их преимущества и недостатки, и установлены оптимальные.

*Ключевые слова:* учетная политика, финансовые результаты, элементы учетной политики, пользователи учетной политики, методы учета

*Smokvina A.A., Kavierina S.Yu., Lihanenko K.V. Influence elements in accounting policies on the financial results of the company.*

The article highlights the impact of accounting policies on the financial results of the company. The essence of the concept "accounting policies", the main purpose. The considered normative-legal acts of different subordination based on which is formed the accounting policy of the enterprise. Set accounting policy for the user. Selected elements that have the greatest impact on financial results (the choice of the materiality threshold; depreciation method; a method of estimating the disposal of stock; accounting transportation method and procurement costs; the choice of determination method of estimation reserve doubtful debts; calculation method). Analyzed existing methods reviewed accounting policies, their strengths and weaknesses, and determined the optimal.

*Keywords:* accounting policies, financial results, elements of accounting policy, users accounting policies, accounting methods

Many businesses underestimate the importance of accounting policies, treating it formally, so do not include effects that lead to inefficient management of the company, as of the selected accounting policy affects various indicators of the company such as: production cost, profit, tax and other.

Financial-economic activity of the enterprise is considered effective if the outcome is positive. If the financial result is analysed from the point of view of accounting, it is the most complex object of analysis, therefore, needs improvement, updating in accordance with new research, and an important role in shaping the values of the main indicators of enterprise activity is given in accounting policy.

As noted P.Ye. Zhytnyi the need for establishing accounting policy in the conditions of market relations associated with:

- the provision in the legislation of alternative options for the organization and accounting;
- extension activities and legal forms of doing business;
- the changing role of accountants in the economic life of the enterprise registrar normal business operations to its active participant [1].

Businesses are given the opportunity under the provisions of applicable legislation to independently formulate accounting policy. But it should be noted that "the existing accounting and tax legislation which defines the principles, methods, techniques of accounting are imperfect and narrowly directed to solve a large number of issues using accounting policies" [2]. That is, often there is no guidance on the recording of certain facts of economic life, so the company has to modify independently taking into account features of activity of the enterprise, avoiding errors that can lead to lower profits of the enterprise.

In the present climate of crisis entrepreneurs seek high level of development need to focus more specifically on the impact of accounting policies on the financial results of the company.

### **Analysis of researches and publications**

Although this issue was analyzed The analysis of researches and publications suggests that the solution

of accounting problems of enterprises depends on the proper organization of accounting policy in various publications by many authors, it has not lost relevance in the present time. Such scientists as: Bilukha M.T., Butynets F.F., Golov S.F., Derii V.A., Zhytnyi P.Ye., Kovalev V.V., Linnyk V.G., Partyn G.A., Pushkar M.S. Sokolov Y.V., Suk P.L., Sheremet A.D., and others explored in his writings, the influence of accounting policy on the financial results of the company, considered solutions to the many challenges businesses to improve their accounting policies. The listed authors have significantly contributed to the development and study of the problem, but despite all their achievements, many issues remain yet to define.

In the works of: M.T. Bilukha, F.F. Butynets, P.Ye. Zhytnyi, V.G. Linnyk, G.A. Partyn, and others, attention is paid to the quality of the information received when choosing accounting policy, which in turn is an important condition to ensure accurate information internal and external stakeholders financial statements. As noted Pushkar M.S., Shchyrba M.T., from the accounting policy adopted depends not only on financial results, and financial condition of the company. Complete and accurate reporting of financial results and financial condition of the company in the financial statements largely depends on the level of formation and application of accounting policies that would take into account the conditions of activity of the enterprise, organizational and technical features, etc [3].

The analysis of researches and publications suggests that the solution of accounting problems of enterprises depends on the proper organization of accounting policy.

#### **Unsolved aspects of the problem**

On the development of accounting policy begins any organization accounting. To the company was the most effective accounting system, the manager and chief accountant must choose from available options, most suitable to reflect the economic life of the company in the reports (the choice of the materiality threshold; depreciation method; valuation method for the stock retirement; determination method of estimation reserve of doubtful debts; calculation methods etc).

There are no doubt those different choices have different consequences and lead to differing results. It is obvious that the influence of some elements (for example, depreciation) can be traced for several years, the influence of others can only be detected in the interim financial statements, and some have no impact on the financial results.

As good choice of such methods as: depreciation, valuation of disposal of inventory, accounting transportation and procurement costs, determination of estimated provision for doubtful debts, the calculation is the key to further effective management of the enterprise, this issue is relevant for further research and carrying out scientific and practical discussions of all who are faced with the accounting policy and reporting.

Thus, the analysis of the impact of accounting policies on the financial performance is widely presented in economic literature. However, we emphasize that the study of the influence of accounting policies on financial result of enterprise activity taking into account the existing methods of the considered elements is dedicated to just some of the works of the authors mentioned above.

*The aim of the article is to review issues regarding the impact of accounting policy on the financial results of the company. To consider methods of depreciation, valuation of inventory disposal, including transport and procurement costs, to determine the valuation of the provision for doubtful debts and methods of calculation. To identify the advantages and disadvantages of the main methods and to determine the influence the elements of accounting policy on the financial indicators.*

#### **The main part**

Economic conditions prevailing at the present stage of development require businesses accounting and reporting by adhering to certain rules that must be applied every year. There are companies regulations, thanks to which accounting is implemented, but is given freedom of choice, companies can choose from a variety of accounting methods is most suitable for reflection of economic operations in accounting. The restrictions on the use of any method are limited by the current legislation and the professionalism of the manager, chief accountant, i.e. persons who are responsible for solving these issues.

The main purpose of accounting policy is to document the methods of accounting acceptable to the activity performed. Given the constant changes that occur in the economy, it is considered appropriate to explore the definition of the essence of the concept "accounting policies" in the regulatory framework, which in turn is the basis for foreign economic activity of economic entities. The company must choose one of several methods provided by law, and secure it in accounting policies [4].

The order of formation of accounting policy in Ukraine is regulated by normative legal acts of different subordination, the main of which-the Law of Ukraine "About accounting and financial reporting in Ukraine", the law of 16.07.1999 № 996-XIV, recent changes have occurred in it 03.09.2015, VPR, 2015, N 45, item 410 [5]. According to the law of Ukraine "About accounting and financial reporting in Ukraine" accounting policies – is a set of principles, methods and procedures used by the company for preparation and presentation of financial statements [5]. An important role is played by regulations (standards) of accounting, such as: NP(S)A1 "General requirements to financial reporting" [6] (contains the definition of the term "accounting policies", also contains the lighting concepts of accounting policy at a time when information is disclosed in the financial statements); NP(S)A6 "Error correction and changes in financial reports" [7] (determined the reasons for changes in accounting policies); The accounts chart of

accounting assets, capital, obligations and economic operations of enterprises and organizations [8]; Instruction on application chart of accounts assets, capital, obligations and economic operations of enterprises and organizations [9]; different methodological recommendations.

The system of normative regulation of accounting in Ukraine is represented by four levels, each of which covers the documents that are shown in the table. 1.

Table 1. Normative regulation of accounting in Ukraine [10]

Level	Documents
I level	The documents regulating the order of accounting, preparation and submission of accounting statements of legal persons.
II level	The chart of accounts national provisions (standards) of accounting, establishes the rules and accounting methods of economic operations, preparation and presentation of financial statements.
III level	Regulations and guidance (instructions, recommendations) on issues of accounting, developed by the Ministry of Finance of Ukraine and other authorities.
IV level	Working papers, formulate the accounting policy of the enterprise: the working plan of accounts, schedule workflow, the modified user registers

In the economic literature there are definitions of "accounting policies". Note that among scientists there is no single summarizing the interpretation of

the term "accounting policies", so some of them take a closer look, table. 2.

Table 2. Approaches to the definition of the term "accounting policies" in the domestic and foreign literature [27]

Author	Definition
Butynets F.F. [11]	Considers a range ways of accounting elected by the company.
Derii V.A. [12]	Understands approved enterprise granted by the state the right choice, given its goals, the specifics of the enterprise and the legislation in force, appropriate methods and forms, technology of accounting.
Zhytnyi P.Ye. [13]	At the same time considers an instrument for historical and current records, a preliminary assessment of economic facts, forecasting, planning and on-farm monitoring, but also an instrument of transformation of information on economic events in the accounting figures in accordance with the requirements of financial reporting and control of production system.
Suk P.L. [14]	Examines how the principles and rules of accounting in a particular company.
Lovinska L.G., Stefaniuk I.B. [15]	Consider a set of principles, methods and procedures used by the entity to conduct the current accounting, preparation and presentation of the financial statements to the extent determined by the Law of Ukraine "About accounting and financial reporting in Ukraine", regulations (standards) of accounting and other normative documents approved by the Ministry of Finance of Ukraine and other Executive authorities after consultation with the Ministry of Finance.
Kutera M.Y. [16]	Considers how the choice of enterprise specific methods, forms, techniques and organization of accounting on the basis of established rules and features of activity (organizational, technological, number and qualification of accounting personnel, level of technical equipment accounting).
Azmyryan A.N. [17]	Considering how the company selected a range of ways of conducting accounting (primary supervision, cost measurement, current grouping and the outcome of the generalization of facts of economic activities) in accordance with the peculiarities of its economic activity, which is used constantly.

Source: *Own elaboration*

Summarizing the above, the accounting policies appropriate to include the Association of accounting information, various methods and procedures that helps the company to rationalize and simplify the accounting process at the enterprise when preparing financial statements.

As noted earlier, the entrepreneurs with considerable emphasis on the quality of the received information when selecting accounting policies. Accounting information has a wide range of users, they are usually divided into internal and external figure 1.

As you can see from the fig. 1. internal users of accounting information is the enterprise management, company owners, heads of departments and others, at

all stages of the management decisions they use accounting information. External users are the state and international regulation and control, enterprise partners, and others, but mainly they are entitled to part of the internal accounting information, in some cases at all.

It should also be noted that some groups are trying to minimize the value of financial indicators, some on the contrary be increased, but there are also groups that are interested in the real picture, that occurs in domestic enterprises.

To analyze the effect of accounting policies on the financial performance need to be identified objects of influence elements of accounting policies.

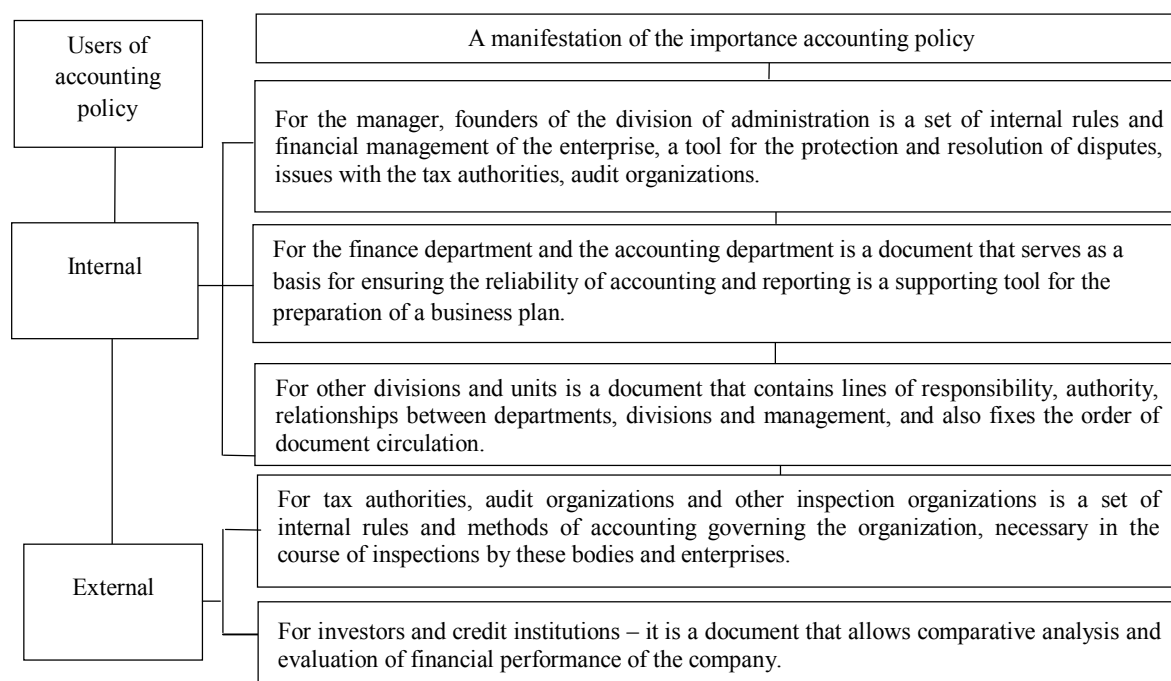


Fig. 1. Assess the importance of accounting policy for internal and external users

Source: Own elaboration

There are many elements of the accounting policy, but as you develop your own accounting policy the company uses, but not all, of the most significant elements, based on the characteristics of its activities.

It is possible to identify elements that have the greatest impact on financial results, including:

- the choice of the materiality threshold;
- depreciation method;
- method of estimating the disposal of stock;
- method of accounting transportation and procurement costs;
- the select the definition method of estimation reserve of doubtful debts;
- calculation method [18].

So the authors Kolesnikov E.A., Travin A.A. consider that one of the elements of the accounting policy, which quietly affect financial results is the choice of the threshold materiality. Information is considered essential, lack of which may affect the decisions of third-party users reporting. The value of this threshold will be chosen, depends on the financial result, because the acquired assets that do not exceed the significant value will be immediately written off as an expense of the company and, as a consequence, reduced profitability of the company [19].

Significant impact on financial results provides amortization. The company chooses from the existing methods is the most favorable. Advantages and disadvantages of each method are shown in table 3.

Table 3. The advantages and disadvantages of depreciation methods [20]

Depreciation method	Advantages	Disadvantages
Straight-line method	Ease of use	The disadvantage of this method is that, the amount of depreciation does not depend on the production volume that not allow to calculate the cost
Reduction method of residual value	The bulk of depreciation occurs in the first years of operation, which is justified in the case of the rapid obsolescence of property, plant and equipment	In the first years of application overestimates the costs of products (goods, works, services)
The method of accelerated reduction of residual value	The bulk of depreciation occurs in the first years of operation, which is justified in the case of the rapid obsolescence of property, plant and equipment	Does not allow to reflect the real financial condition. When applying this method in the first years of operation a fixed asset is overstated costs. The disadvantage is the complexity of calculating
The cumulative method	Unlike other accelerated methods of accrual, reduced depreciation amounts is uniform	When applying this method the amount of depreciation does not depend on the production volume that not allow to calculate the cost
Production method	When applying this method it is possible to realistically assess the condition of the property, plant and equipment and depreciation proportionally to the volume of output (goods, works, services)	The application of the method is limited by the fact that it is not always possible to determine the production capacity of the facility throughout its operating life

Chernichenko L.Y. in his article "The influence of accounting policies on the financial results of the company" believes that the impact of depreciation methods on financial results while applying the straight-line method expenditures for repairs are accounted for in the most recent years of operation, that is, the income of the company in such years will be understated compared to the previous. The use of accelerated methods (reduction method of residual value of fixed assets, the method of accelerated reduction of residual value fixed assets, the cumulative method) leads to overestimate the cost in the first years of use of fixed assets and, consequently, lowering the yield. In the production method, the amount of

depreciation costs depends on the volume of output produced, so this method is the most accurate affect the determination of business income [21].

An important role plays method of assessment of disposal of reserve, because it is necessary to choose the most pleasant option, taking into account the effect of the assessment of many indicators. If the method of decommissioning selected incorrectly, the impact from the increase or decrease of market prices for different types of reserves, will be incorrectly calculated taxable profit of enterprises. The advantages and disadvantages of the methods inventory valuation are recorded in table 4.

Table 4. The advantages and disadvantages of depreciation methods [20]

Depreciation method	Advantages	Disadvantages
Identified cost	<ul style="list-style-type: none"> <li>— the most accurate method;</li> <li>— when applying this method to each unit of inventory is used by special mark that allows us to determine its cost, thus the company can adjust the profit by implementing a more expensive or cheaper stocks.</li> </ul>	<ul style="list-style-type: none"> <li>— the complexity of the method;</li> <li>— resulting from the use of this method is the same in different inventories are stated at cost, which is not always convenient.</li> </ul>
The average weighted cost	<ul style="list-style-type: none"> <li>— gives an objective picture of the movement material values of the enterprise;</li> <li>— with this method, net income will have an average value that most closely matches the actual;</li> <li>— the feasibility of using this method of inventory valuation is also due to the uniformity of their write-off, the reality of the status stock balances in the balance sheet and the cost of expended material values;</li> <li>— method facilitates the work and does not require detailed accounting of the movement for each unit of goods.</li> </ul>	<ul style="list-style-type: none"> <li>— no attention is given to recent prices, as they are more appropriate in the estimation of income and adoption of management decisions;</li> <li>— in a period of rising prices the method leads to the fact that businesses declare more profits than fair, resulting in the excess funds shall be paid in the form of taxes.</li> </ul>
FIFO	<ul style="list-style-type: none"> <li>— method is easy to use and prevents the possibility of manipulating profit;</li> <li>— unused materials are recorded in the balance sheet asset at prices as close to fair market value, at the date of reporting;</li> <li>— advantageous to use when the planned reduction in the procurement of materials and in anticipation of falling prices in the manufactured products;</li> <li>— in a period of rising prices the method gives the highest possible net income.</li> </ul>	<ul style="list-style-type: none"> <li>— method leads to an underestimation of the magnitude of costs that are written off on acquisition prices on the cost of merchandise sold;</li> <li>— in a period of rising prices enterprises declare more profits than real and pay the excess funds in the form of income taxes;</li> <li>— overstates the financial results of that in terms of inflation will reduce the share purchase price to "washout" of current assets and the lack of payment resources to purchase new quantities of goods at prices which are constantly rising.</li> </ul>
Target costs	<ul style="list-style-type: none"> <li>— on going operational cost by taking into account deviations from the norm;</li> <li>— separate account of changes in the rules, i.e. the monitoring of the implementation of saving mode;</li> <li>— consolidation accounting objects, since the legal costing are all types of products, and consider deviations by groups of similar products, thereby reducing the number of objects of calculation;</li> <li>— coverage regulatory calculations large part of the cost;</li> <li>— it possible at least to carry out an inventory of work in progress.</li> </ul>	<ul style="list-style-type: none"> <li>— constant revision of the rules of inventory use, labor, production capacity and current prices.</li> </ul>
To the sales price	<ul style="list-style-type: none"> <li>— this method is common in retail.</li> </ul>	<ul style="list-style-type: none"> <li>— in the balance sheet reflects the sales value of goods net of any unrealized trading margin, which is calculated by using the average percentage of trade margins. Thus calculated value is very approximate and can deviate from the real value of the goods.</li> </ul>

According to Ratushna A.P., a method of estimating the disposal of stocks should objectively reflect the value that will be assigned in the cost reporting period. The only method that in terms of inflation does not reflect the real value of the stock at the date of disposal is the method of FIFO [23]. But, unprofitable enterprises, it is more expedient to apply the FIFO method because it minimizes their losses.

It is also believed that while applying FIFO method, the profit of the company significantly overestimated, as a consequence pay extra money, namely the tax on profit.

Given the significant impact of accounting transportation and procurement costs on the financial result the following table. 5.

Table 5. Methods of accounting transportation and procurement costs [24]

The accounting policies	Alternatives	
Accounting transportation and procurement costs	by direct debit transportation and procurement costs in the initial cost of the units of purchased inventory (the exact distribution (classification));	the average percentage (in the generalization of the sum of transportation and procurement costs on a separate sub-account with subsequent allocation)

There are two methods of accounting transportation and procurement costs. The methodical recommendations on accounting of inventories [24] it is noted that the direct write-off method of transportation and procurement costs it is expedient to apply in the case that it is possible to reliably determine the amount of expenditure directly related to acquired inventory. During the transportation of stocks of the same name it is easy to make, and upon delivery of the stock of a few items, there is a need distribution, transportation and procurement costs between units of inventory. Normative documents are not regulated, what indicators should be taken as the basis for allocation, therefore the company has the right to decide independently and to provide in the administrative documents of the accounting policies. Thus, the company in its discretion determines that the distribution ordering costs between the items of inventories that are carried, is carried out by quantitative (weight, volume, number of seats, units) or valuation criteria (price of the inventory).

The method of "generalization ordering costs in a separate sub-account for subsequent distribution by the average percentage" stipulates that transport and procurement expenses are accounted for in a separate sub-account and will only be charged at the time of disposal of stocks based on the average percentage of transportation and procurement costs. In practice, therefore, transportation and procurement costs are not included in the initial cost of each individual unit of reserves, and the actual cost of disposal. For accounting transportation and procurement costs it is recommended to use the 289 sub-account "Transportation and procurement costs" in trade and in production it is recommended to use a sub-account 200 "Transportation and procurement costs for reserves" with Analytics in the context of individual groups of stocks or sub-account of the second order, for example, sub-account 2011 "Transportation and procurement costs for raw materials". Those accounts should be included in the working plan of accounts [24].

Thus, the direct write-off method of transportation and procurement costs is better to use businesses that are able to identify the costs associated with the acquisition of reserves at the time of posting. The second method used by such enterprises that it is not possible to link to specific units of stocks and determine their size at the end of the reporting period.

In the order on accounting policy of the company should contain information about the accrual method of bad debt reserve is used for the choice of method significantly influences the final performance of enterprises. There are two methods:

- method the absolute amount of doubtful debts;
- method of using the coefficient of ambiguity.

To apply the method of absolute amount of doubtful debts is useful when the enterprise has a small number of debtors and the solvency of each of them has reliable information. In large enterprises where a lot of debtors, this method can only be used if you have created a service those regularly monitoring counterparties for their creditworthiness, otherwise you need to choose another method. That is, this method is mostly used by small businesses, large consider it worthwhile to spend additional funds to create services that would be monitored so choose the method of applying the coefficient of ambiguity.

The majorities of enterprises, provision for doubtful debts do not create, believe that have no the acute need for this, also a lot of companies create it, but expect about it. This is because an unpredictable an appropriate level of responsibility for the violation. The necessity of creating such reserve requirements set by P(S)A 10 "Receivables". Accrued a reserve in the balance sheet reduces the company's assets in the amount of receivables that an entity recognizes questionable. This enables the users of financial statements to get a clear picture, as business owners are not allowed to mislead potential investors [25].

The choice of the system of calculation has a significant impact on the procedure of forming financial results and form of report on financial results. Feature selection methods of calculation contained in table 6.

Table 6. Description of calculation methods [26]

Calculation method	Contents method
Job cost system	Used in various activities of the enterprise. The cost of "going" on certain orders, consignments or contracts that differ from each other
Process method of cost accounting	Used in mass production of homogeneous products (e.g. food industry). The average cost per unit of output are determined by dividing the total cost by the number of manufactured products
Normative method	Costs are accounted for in accordance with established standards, and the production cost shall be calculated at the planning stage of production. The method allows for exact analytical accounting and on the basis of deviations of actual costs from standard to control the overall cost of production
Actual method	"Going" amount for actual expenditures incurred
Mixed method	Direct costs take into account on actual data and overhead - on an average distribution coefficient
Method of "direct - costing"	Costs are divided by the production volume on fixed and variable, and in the cost of goods manufactured include only variable manufacturing costs. Applied at the enterprises of railway transport, oil and fat production
Method of "standard - costing"	Plan costs are accounted for on the basis of existing standards. Analytical accounting of expenses for facilities not expected. The method has "Western" origin
Method of "absorbed" costs	Total production costs charged to cost of goods manufactured and sold are allocated proportionally between products and products, which is still in the warehouse of the enterprise

As can be seen from table 6, each of these methods is used in different conditions, therefore the company is not counting on the size and ownership type independently to approach the choice method of cost accounting and calculation of production costs, which to some degree meet the needs of the effective functioning of the enterprise.

Also, for entrepreneurs it is important to identify the impact of accounting policies on indicators of financial condition of the company.

The system of financial results indicators contains the relative efficiency of management. These indicators include profitability. The profitability indicators more fully, as opposed to profits characterize the final results and profitability of different activities of the enterprise, and, importantly, cost recovery. Due to the fact that the profitability ratio shows the effect of available or used resources more precisely estimated financial viability of the enterprise. This article provides such indicators of profitability: return on sales – Psales, return on equity

– Poe, return on assets – Passets, profitability of working capital – Pwc.

Business activity – Cpr (capital productivity), the coefficient of total asset turnover – (Cgs). Financial stability – the ratio of inventories – (C avail. inventory) is manifested in the rate of turnover its funds. Thanks to it, determine the level of profitability of the enterprise, the higher the turnover, the less we have fixed costs at each production stage, which increases the profitability of the enterprise activity.

Liquidity and solvency: current ratio – Ccl, quick ratio – Cquick liq., the coefficient of own circulating assets – Cowc shows the ability to turn their assets into cash in order to cover all required payments as they fall term. The solvency of the company depends on the liquidity level of the assets.

The same should be allocated to the net assets (NA) are the assets that are used in the main activity and generate revenue.

The influence of the accounting policy elements on the financial condition of the company is contained in table. 7.

Table 7. Elements of the accounting policy on the financial indicators of the enterprise activity

Item accounting policy	The direction influence accounting policy on the financial indicators	
	Increase	Reduction
The use accelerated methods of depreciation	Ccl, Cowc, capital productivity, Cgs	Psales, Poe, Passets, Pwc, NA
The write-off transportation and procurement costs by simplified methods	Ccl, Psales, Poe, Passets, Pwc	Cowc, Cgs, C avail. inventory
Assessment writing off material and production inventory, FIFO	Ccl, Psales, Poe, NA	Cgs, C avail. inventory
The creation of reserves on doubtful debts	Cgs	Ccl, Cquick liq., Poe, Passets, Pwc, NA, Cowc.

Source: Own elaboration

Consequently, the application of accelerated methods of depreciation increases factors such as Ccl, Cowc, capital productivity, Cgs, but reduced Psales, Poe, Passets, Pwc, NA. The write-off transportation and procurement costs by simplified methods affects an increase Ccl, Psales, Poe, Passets, Pwc, and to

reduce Cowc, Cgs, C avail. inventory. If the score writing off of material and production inventories by using the method FIFO, it reduces the performance Ccl, Psales, Poe, NA, but increase Cgs, Cavail. inventory. The creation of reserves on doubtful debt also affected, Cgs – increases, but indicators such as

the Ccl, Cquick liq., Poe, Passets, Pwc, NA, Cowc. – reduced.

Thus, almost all elements of the accounting policy impact to some extent on the values of items in the financial statements and, therefore, in the financial ratios. Through this analysis, systematic direction of the impact of accounting policy. An entity may convert accounting policies effective tool through which will be managed by indicators that characterize the financial condition of the company and all this can be achieved only with due skill.

### Conclusions

Summarizing the above, we can draw the following conclusions. The law of Ukraine do not provide for explicit rules on the formation of accounting policy. This leads to the creation not same accounting information, as a consequence this leads to errors in the choice of principles which are considered will ensure the effective development of the enterprise. Therefore we must carefully and deliberately select to relate to the principles and techniques of accounting estimates. Skill to choose the right principles and factors of influence on the production system can only those professionals who easily adapt to changes of external and internal factors.

All the conventions that arise in the course of determining the financial performance of enterprises monitored from the selected accounting policies, in particular with regard to issues such as the choice of the threshold of materiality, method of depreciation, (found out the use of accelerated methods depreciation affects the increase Ccl, Cowc, Capital productivity, Cgs, and reduction Psales, Poe, Passets, Pwc, NA), a method of estimating the disposal of stocks (if the plant will employ the FIFO method will increase Ccl, Psales, Poe, NA, and reduced Cgs, C avail. inventory), the select the definition method of estimation reserve doubtful debts and stuff. Therefore, the enterprise can independently set the direction of the impact of accounting policies on the financial condition, used one or another method in the element of accounting policy, but it is a difficult task. We must remember it is the adoption of specific accounting policies of the company for the current fiscal year reduces the influence of negative factors such as the complexity and the long period of preparation of financial statements, helps to organize accounting according to the forms of the annual financial statements, ensures the most appropriate methods for obtaining the expected results of financial and economic activity of the enterprise.

### Abstract

Many companies underestimate the importance of accounting policy, treating it formally, so do not foresee the consequences that lead to inefficient management. Businesses give the opportunity under the current legislation to form accounting policies, but often no recommendations for keeping certain facts of economic life, as the company is compelled to refine it themselves with the peculiarities of the company, avoiding mistakes that can lead to lower profits. The purpose of the essay is to examine issues related to the impact of accounting policy on the financial results of the company.

To achieve this goal were we have underlined the elements that carry the greatest impact on financial results (choice materiality threshold, the method of depreciation, reserve estimation method of disposal, the method of calculation of transport and procurement costs, the choice of method for the measurement of the allowance for doubtful debts, the method of calculation). We discussed existing methods of elements of the accounting policies, set out their strengths and weaknesses, and set the most optimal ones.

All the conventions that arise in the course of determining the financial performance of the companies follow with the accounting policies selected, especially for issues such as materiality threshold selection, the method of depreciation (it turned out the use of accelerated depreciation methods affects the increase Ccl, Cowc, capital productivity, Cgs and reduce Psales, Poe, Passets, Pwc, NA), evaluation method of disposal of stocks (if the company used FIFO method then increase Ccl, Pops, Poe, NA, and reduced Cgs, Cr. me.), the method of choice for the measurement of the allowance for doubtful debts and so on.

In the current crisis for entrepreneurs seeking a high level of need to pay more attention to issues of impact elements of accounting policy on the financial results of the company. Therefore, they should pay attention to the research conducted by us.

*JEL Classification: M 40.*

### Список літератури:

1. Житний П. Проблеми формування облікової політики та шляхи їх вирішення / П.С. Житний // Бухгалтерський облік і аудит. – 2005. – № 3. – С. 19-22.
2. Синиця Т.В., Осьмірко І.В. Актуальні проблеми формування облікової політики підприємства [Електронний ресурс] / Т.В. Синиця, І.В. Осьмірко // Бізнесінформ – 2012. – № 12. – Режим



- доступу: <http://cyberleninka.ru/article/n/aktualnye-problemy-formirovaniya-uchetnoy-politiki-predpriyatiy>.
3. Пушкар М.С. Теорія і практика формування облікової політики: монографія / М.С. Пушкар, М.Т. Щирба. – Тернопіль: Карт-бланш, 2010. – 260 с.
  4. Толмачов І.А. Всі про мале підприємництво / І.А. Толмачов. – М.: ГроссМедіаФерлаг: РОСБУХ, 2009. – 408 с.
  5. Закон України «Про бухгалтерський облік та фінансову звітність в Україні» від 16.07.1999 № 996-XIV [Електронний ресурс] / Верховна Рада України. – Режим доступу: <http://zakon4.rada.gov.ua/laws/show/996-14>.
  6. НП(С)БО1 «Загальні вимоги до фінансової звітності» від 07.02.2013 № 73 [Електронний ресурс] / Міністерства фінансів України. – Режим доступу: <http://zakon3.rada.gov.ua/laws/show/z0336-13>.
  7. П(С)БО 6 «Виправлення помилок і зміни у фінансових звітах» від 09.12.2011 № 1591 [Електронний ресурс] / Міністерства фінансів України. – Режим доступу: <http://zakon5.rada.gov.ua/laws/show/z0392-99>.
  8. План рахунків бухгалтерського обліку активів, капіталу, зобов'язань і господарських операцій підприємств і організацій від 09.12.2011 № 1591 [Електронний ресурс] / Міністерства фінансів України. – Режим доступу: <http://zakon5.rada.gov.ua/laws/show/z1557-11>.
  9. Інструкція про застосування Плану рахунків бухгалтерського обліку активів, капіталу, зобов'язань і господарських операцій підприємств і організацій 21 грудня 1999 р. за № 893/4186 [Електронний ресурс] / Міністерства фінансів України. – Режим доступу: <http://zakon3.rada.gov.ua/laws/show/z0893-99>.
  10. Дутчак І.Б. Нормативне регулювання обліку та облікова політика підприємств сфери послуг в Україні [Електронний ресурс] / І.Б. Дутчак // Львівський національний університет імені Івана Франка. Режим доступу: <http://ena.lp.edu.ua:8080/bitstream/ntb/25411/1/30-219-224.pdf>.
  11. Бутинець Ф.Ф. Теорія бухгалтерського обліку: [підручник для студ. вузів спец. 7.050106 «Облік і аудит»] / Ф.Ф. Бутинець. – Житомир: ЖІТІ, 2000. – 640 с.
  12. Дерій В.А. Організація бухгалтерського обліку в підприємстві: курс лекцій / В.А. Дерій. – Тернопіль: Джура, 2003. – 92 с.
  13. Житний П. Системний аспект облікової політики / П. Житний // Бухгалтерський облік і аудит. – 2006. – № 1. – С. 62-65.
  14. Сук П. Облікова політика підприємства / П. Сук // Бухгалтерія в сільському господарстві. – 2005. – № 1. – С. 2-4.
  15. Ловінська Л.Г. Організація бухгалтерського обліку та фінансового контролю в сучасних умовах господарювання в Україні / Л.Г. Ловінська, І.Б. Стефанюк – К.: НДФІ, 2006. – 240 с.
  16. Теория бухгалтерского учета / Под ред. М.И. Кутера. – М.: Финансы и статистика, 2002. – 640 с.
  17. Большой экономический словарь [Текст] / под. редакцией А.Н. Азмиряна. – 6-е издание, дополненное. – М.: Институт новой экономики, 2004. – 1376 с.
  18. Клімович І.М. Вплив облікової політики на фінансову діяльність підприємства [Електронний ресурс] / І.М. Клімович // Харківський торговельно-економічний інститут КНТЕУ. – Режим доступу: <http://nauka.kushnir.mk.ua/?p=28164>.
  19. Колесніков Є.О. Облікова політика як фактор впливу на фінансові результати діяльності підприємства [Електронний ресурс] / Колесніков Є.О., Травіна О.О. // Східноукраїнський національний університет імені В. Даля, м. Луганськ. – Режим доступу: <http://intkonf.org/kolesnikov-eo-travina-oo-oblikova-politika-yak-faktor-vplivu-na-finansovi-rezultati-diyalnosti-pidpriemstva/>.
  20. Гуменюк А.Ф. Інвестиційна природа амортизаційних відрахувань та їх роль у відтворенні основних засобів / А.Ф. Гуменюк // Вісник Хмельницького національного університету. – 2010. – № 5. – С. 204-205.
  21. Черніченко Л.Ю. Вплив облікової політики на фінансові результати діяльності підприємства [Електронний ресурс] / Л.Ю. Черніченко // Видавництво ХНЕУ і м. С. Кузнеця. – 2013. – Режим доступу: <http://repository.hneu.edu.ua/jspui/bitstream/123456789/3825/1/%D0%90.pdf>.
  22. Фесенко В.В. Вибір методу оцінки списання запасів як фактор впливу на формування фінансових результатів [Електронний ресурс] / В.В. Фесенко // Видавництво ХНЕУ ім. С. Кузнеця. – 2012. – Режим доступу: <http://repository.hneu.edu.ua/jspui/bitstream/123456789/328/1/%D1%96%D0%B2.pdf>.
  23. Ратушна О.П. Вплив елементів облікової політики на фінансові результати / О.П. Ратушна // Зб. наук. праць ЧДТУ. Серія: Економічні науки. – 2012. – Вип. 30. – Ч. 2. – С. 204-208.
  24. Методичні рекомендації з бухгалтерського обліку запасів: Наказ Міністерства фінансів України від 10.01.2007 р. № 2 [Електронний ресурс]. – Режим доступу: [http://www.minfin.gov.ua/control/uk/publish/article%3Fart\\_id=66826&cat\\_id=50097](http://www.minfin.gov.ua/control/uk/publish/article%3Fart_id=66826&cat_id=50097).
  25. Церетелі Л. Резерв сумнівних боргів [Електронний ресурс] / Л. Церетелі // Вісник податкової служби України. – 2010. – № 6 (578). – Режим доступу: <http://www.vs.com.ua/index.php?pageid=3481>.

26. Кулинич М.Б. Взаємозв'язок методів калькулювання і методів обліку витрат у вітчизняній і міжнародній обліковій практиці/ М.Б. Кулинич // Видавництво АГРОСВІТ, – 2014. №7. – С. 63-68. [Електронний ресурс]. – Режим доступу:[http://www.agrosvit.info/pdf/7\\_2014/14.pdf](http://www.agrosvit.info/pdf/7_2014/14.pdf).
27. Варчук О.А. Облікова політика підприємства: сутність та проблеми формування. [Електронний ресурс] / О.А. Варчук., І.В. Витичак., А.А. Балан // Економіка: реалії часу. Науковий журнал. – 2013. – № 4 (9). – С. 81-86. – Режим доступу до журн.: <http://www.economics.opu.ua/2013/n4.html>.

## References:

1. Zhitniy, P. (2005). Problemy formuvannya oblikovoyi polityky ta shlyakhy yikh vyrishennya [Problems of accounting policies and solutions]. Accounting and Auditing, 3, 19-22.
2. Sinitsya, T.V. and Osmirko, I.V. (2012). Aktualni problemy formuvannya oblikovoyi polityky pidpryyemstva [Actual problems of formation of accounting policy]. Biznesinform, 12. Retrieved from <http://cyberleninka.ru/article/n/aktualnye-problemy-formirovaniya-uchetnoy-politiki-predpriyatiy>.
3. Pushkar, M.S. and Shchyrba, M.T. (2010). Teoriya i praktyka formuvannya oblikovoyi polityky [Theory and practice of formation of accounting policy]. Ternopil: Carte blanche.
4. Tolmachev, A.I. (2009). Vse pro male pidpryyemnytstvo [All of the small business]. M.: HrossMediaFerah: ROSBUH.
5. Zakon Ukrayiny "Pro bukhhalters'kyy oblik ta finansovu zvitnist v Ukrayini" vid 16.07.1999 № 996-KHIV [Law of Ukraine «On Accounting and Financial Reporting in Ukraine» dated 16.07.1999 № 996-XIV]. (1999, 16 July). Verkhovna Rada of Ukraine. Retrieved from <http://zakon4.rada.gov.ua/laws/show/996-14>.
6. NP(S)BO1 "Zahalni vymohy do finansovoyi zvitnosti" vid 07.02.2013 № 73 [NP (S) BO1 "General Requirements for Financial Reporting" from 07.02.2013 № 73]. (2013, 7 February). Ministry of Finance of Ukraine. Retrieved from <http://zakon3.rada.gov.ua/laws/show/z0336-13>.
7. P(S)BO 6 "Vypravlennya pomylok i zminy u finansovykh zvitakh" vid 09.12.2011 № 1591 [P (S) 6 "Correction of errors and changes in the financial statements" of 09.12.2011 № 1591]. (2011, 9 December). Ministry of Finance of Ukraine. Retrieved from <http://zakon5.rada.gov.ua/laws/show/z0392-99>.
8. Plan rakhunkiv bukhhalterskoho obliku aktyviv, kapitalu, zobov'yazan i hospodarskykh operatsiy pidpryyemstv i orhanizatsiy vid 09.12.2011 № 1591 [Plan of Accounts for assets, capital, liabilities and business operations of enterprises and organizations from 09.12.2011 № 1591]. (2011, 9 December). Ministry of Finance of Ukraine. Retrieved from <http://zakon5.rada.gov.ua/laws/show/z1557-11>.
9. Instruktsiya pro zastosuvannya Planu rakhunkiv bukhhalterskoho obliku aktyviv, kapitalu, zobov'yazan i hospodarskykh operatsiy pidpryyemstv i orhanizatsiy 21 hrudnya 1999 r. za № 893/4186 [Instruction on the application of the Plan of Accounts for assets, capital, liabilities and business operations of enterprises and organizations December 21, 1999 for № 893/4186]. (1999, 21 December). Ministry of Finance of Ukraine. Retrieved from <http://zakon3.rada.gov.ua/laws/show/z0893-99>.
10. Dutchak, I.B. (2014). Normatyvne rehulyuvannya obliku ta oblikova polityka pidpryyemstv sfery posluh v Ukrayini [Normative regulation of accounting and accounting policies of the service sector in Ukraine]. Lviv University, 797 (pp. 219-224). Retrieved from <http://ena.lp.edu.ua:8080/bitstream/ntb/25411/1/30-219-224.pdf>.
11. Butynets, F.F. (2010). Teoriya bukhhalterskoho obliku: [pidruchnyk dlya stud. vuziv spets. 7.050106 «Oblik i audyt»] [Accounting Theory [textbook for students. schools special. 7.050106 "Accounting and Auditing"]]. Zhytomyr: ZHITI.
12. Deriy, V.A. (2003). Orhanizatsiya bukhhalterskoho obliku v pidpryyemstvi: kurs lektsiy [Organization of accounting in the enterprise: lectures]. Ternopil, Jura.
13. Zhitniy, P. (2006). Systemnyy aspekt oblikovoyi polityky [System accounting policies]. Accounting and Auditing, 1, 62-65.
14. Suk, P. (2005). Oblikova polityka pidpryyemstva [Accounting policy of the company]. Accounting in agriculture, 1, 2-4.
15. Lovinska, L.G. and Stefaniuk, I.B. (2006). Orhanizatsiya bukhhalterskoho obliku ta finansovoho kontrolyu v suchasnykh umovakh hospodaryuvannya v Ukrayini [Accounting and financial control in the current economic conditions in the Ukraine]. K.: NDFI.
16. Kutera, M.I. (Eds.). (2002). Teoriya bukhhalterskoho ucheta [Theory and accounting]. M.: Finance and Statistics.
17. Amiryany, A.N. (Eds.). (2004). Bolshoy ekonomicheskyy slovar [Large economic dictionary]. (6th ed.). Moscow: Institute Novaya economy.

18. Klimovych, I.M. (2011). Vplyv oblikovoyi polityky na finansovu diyalnist pidpryyemstva [Effect of accounting policy on the financial activities of the company]. Kharkov Trade and Economic Institute KNTEU. Retrieved from <http://nauka.kushnir.mk.ua/?p=28164>.
19. Kolesnikov, E.A. and Travina, O.O. Oblikova polityka yak faktor vplyvu na finansovi rezultaty diyalnosti pidpryyemstva [The accounting policies as a factor of influence on the financial results of the company]. (n. d.). Eastern National University named after Volodymyr Dahl, Lugansk. Retrieved from <http://intkonf.org/kolesnikov-oo-travina-oo-oblikova-politika-yak-faktor-vplyvu-na-finansovi-rezultati-diyalnosti-pidpriemstva/>.
20. Gumenyuk, A.F. (2010). Investytsiyna pryroda amortyzatsiynykh vidrakhuvanta yikh rolu vidtvorenni osnovnykh zasobiv [Investment depreciation nature and their role in the reproduction of fixed assets]. Herald of Khmelnytsky National University, 5, 204-205.
21. Chernichenko, L.Y. (2013). Vplyv oblikovoyi polityky na finansovi rezultaty diyalnosti pidpryyemstva [Accounting policies effect on financial results of enterprise]. Publishing House. S. Kuznetsya. Retrieved from <http://repository.hneu.edu.ua/jspui/bitstream/123456789/3825/1/%D0%90.pdf>.
22. Fesenko, V.V. (2012). Vybir metodu otsinky spysannya zapasiv yak faktor vplyvu na formuvannya finansovykh rezultativ [The method estimates down of inventories as a factor of influence on the formation of financial results]. Publishing House S. Kuznetsya. Retrieved from <http://repository.hneu.edu.ua/jspui/bitstream/123456789/328/1/%D1%96%D0%B2.pdf>.
23. Ratushna, A.P. (2012). Vplyv elementiv oblikovoyi polityky na finansovi rezultaty [Impact elements of accounting policy on the financial results]. Proceedings of CHSTU. Series: Economics, Vol. 30, 2, 204-208.
24. Metodichni rekomendatsiyi z bukhhalterskoho obliku zapasiv: Nakaz Ministerstva finansiv Ukrayiny vid 10.01.2007 r. № 2 [Methodical recommendations on accounting reserves: Order of the Ministry of Finance of Ukraine of 10.01.2007, 2 number] (2007, 10 January). Retrieved from [http://www.minfin.gov.ua/control/uk/publish/article%3Fart\\_id=66826&cat\\_id=50097](http://www.minfin.gov.ua/control/uk/publish/article%3Fart_id=66826&cat_id=50097).
25. Tsereteli, L. (2010). Rezerv sumnivnykh borhiv [Provision for doubtful debts]. Journal of Tax Service of Ukraine, 6 (578). Retrieved from <http://www.vs.com.ua/index.php?Pageid=3481>.
26. Kulynych M.B. (2014). Vzayemozvyazok metodiv kalkulyuvannya i metodiv obliku vytrat u vitchyznyaniy i mizhnarodniy oblikoviy praktytsi [The relationship calculation methods and techniques of cost accounting in domestic and international accounting practice]. Publisher Agrosvit, 7, 4 (pp. 63-68). Retrieved from [http://www.agrosvit.info/pdf/7\\_2014/14.pdf](http://www.agrosvit.info/pdf/7_2014/14.pdf).
27. Varchuk, O.A., Wytychak, I.V. and Balan, A.A. (2013). Oblikova polityka pidpryyemstva: sutnist ta problemy formuvannya [The accounting policies of the enterprise: the concept and problems of formation]. Economy: time realities. Science journal, 4 (9), (pp. 81-86). Retrieved from <http://www.economics.opu.ua/2013/n4.html>.

Надано до редакційної колегії 16.01.2016

Смоквіна Ганна Анатоліївна / Anna G. Smokvyna  
[smokvinaann@te.net.ua](mailto:smokvinaann@te.net.ua)

Каверіна Світлана Юріївна / Svetlana Yu. Kavierina  
[Cherub14@mail.ru](mailto:Cherub14@mail.ru)

Ліганенко Ксенія Віталіївна / Kseniia V. Lihanenko  
[Lig-ksyukha@yandex.ru](mailto:Lig-ksyukha@yandex.ru)

**Посилання на статтю / Reference a Journal Article:**

*Вплив елементів облікової політики на фінансовий результат діяльності підприємства [Електронний ресурс] / Г. А. Смоквіна, С. Ю. Каверіна, К. В. Ліганенко // Економіка: реалії часу. Науковий журнал. – 2016. – № 1 (23). – С. 61-71. – Режим доступу до журн.: <http://economics.opu.ua/files/archive/2016/n1.html>*