

**Ministry of Education
Republic of Azerbaijan**

**THE EFFECT OF FINANCIAL
ACCOUNTING REPORTING ON THE
MANAGEMENT OF BUSINESS**

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ABSTRACT

Imperfection of the regulatory and legal framework in the field of accounting, auditing and taxation in relation to business leads to a non-qualitative reflection of information in the accounting and reporting of the enterprise and, as a consequence, to an inadequate perception of this or that information, in connection with which the problem of improving accounting and the reporting of business entities is becoming more relevant to entrepreneurship than ever before. At the same time, the specificity of business activities is such that it requires non-standard approaches to the organization and maintenance of accounting, the preparation of financial statements, the composition and procedure for presenting the performance indicators of the subject to meet the information needs of different groups of users.

Key words: Financial accounts, Managment, Business

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INTRODUCION

Imperfection of the regulatory and legal framework in the field of accounting, auditing and taxation in relation to business leads to a non-qualitative reflection of information in the accounting and reporting of the enterprise and, as a consequence, to an inadequate perception of this or that information, in connection with which the problem of improving accounting and the reporting of business entities is becoming more relevant to entrepreneurship than ever before. At the same time, the specificity of business activities is such that it requires non-standard approaches to the organization and maintenance of accounting, the preparation of financial statements, the composition and procedure for presenting the performance indicators of the subject to meet the information needs of different groups of users. These problems, in our opinion, determine the relevance of the research topic. Theoretical and applied aspects of elements of drawing up of the accounting reporting and its analysis applied to business enterprises were repeatedly considered in the works: A.S. Bakayev, Y.A. Babayev, V.A. Bykova, E.I. Bogatyreva, N.A. Breslavtseva, T.G. Vakulenko, X. Anderson, R.L. Benke, J. Betge, R. Breilie, M.F. Van Breda, J.C. Van Horn, D. Koldwell, S. Myers, B. Needles, J. Rees, J. Richard, E.C. Hendricksen, R.N. Holt, R. Anthony and other scientists. The aim of the study is to develop theoretical and organizational and methodological provisions for improving the organization of accounting and reporting at business enterprises aimed at improving the efficiency of their activities. In the process of work, such general scientific methods as abstract-logical, historical, monographic, statistical-economic, analysis and synthesis were used.

a. Analysis

One of the key elements, which is designed to make the financial accounting predictive, was the requirement to disclose information about the risks associated with financial instruments. It is assumed that the introduction of such requirements in the accounting systems will help users to assess the main financial risks to which the activities of the organization are exposed. The achievement of the proposed systemic requirement for the quality of information on financial risks disclosed in the explanatory note to the accounting (financial) reports is achieved through a single logic of risk analysis of the organization. It is substantiated that the value of accounting (financial) statements began to determine to a greater extent its forecast component, and not the part that ascertains the results achieved over the past period. Therefore, in order to meet the needs of investors and creditors, non-accounting information is required, which should be contained in an explanatory note to the financial statements.

b. Summary of recommendations

In the process of the research, the qualitative requirements of the international financial reporting standards (reliability, relevance, comparability, clarity) were supplemented with the requirement of the systematical nature of the disclosed information. Achievement of the proposed systemic requirements for the quality of information on financial risks disclosed in the explanatory note to the accounting (financial) reporting is achieved at the expense of the unified logic of the organization's risk analysis proposed by us. The essence of this logic of analysis is the classification of financial risks for mutually disjoint sets of types of risks, but, at the same time, jointly exhausting possible causes of risks that have financial consequences. These groups are: market

risks, credit risks, business risks (risks of changes in income), operational and legal risks.

The study developed a methodology for disclosing information on financial risks associated with financial instruments in an explanatory note to the accounting (financial) statements of investment and construction companies. The essence of the methodology in step-by-step calculation and disclosure of financial risk management objectives and policies, information on credit, market risk, liquidity risk, and excessive concentrations of risks.

CHAPTER I.

THEORETICAL ASPECTS OF ACCOUNTING REPORTING

1.1. Quality of financial accounting reporting as a component of business management information system

At present, audit is considered by enterprises and users of financial statements not only as a function of verifying the reliability of financial statements, but also as consulting in the field of risk management, financial stability analysis, tax consulting, analysis of internal control systems, etc. In Article 19 "Internal Control" of the federal law of 06.12.2011 N 402-FZ (as amended on 02.11.2013) "On Accounting" is said (Schwarze, 2008: 139).

1. The economic entity is obliged to organize and carry out internal control of the committed facts of economic life.

2. An economic entity whose accounting (financial) reporting is subject to mandatory audit is obliged to organize and carry out internal control over the conduct of accounting and preparation of accounting (financial) statements (except for cases when its manager has assumed the responsibility of maintaining accounting records for himself).

Risks related to financial statements may be related to both external and internal events and circumstances that may arise and adversely affect the ability of the entity to initiate, record, record, process and report data, corresponding to the prerequisites for the preparation of financial (accounting) statements. When identifying possible risks, the management considers the degree of their importance, the likelihood of their occurrence and the ways of managing them. Management can make plans, programs, take appropriate actions to

eliminate these risks, or decide to ignore risks because of the high cost of possible controls over these risks, or for other reasons. Risks can arise or change due to the following circumstances (Schatzki, 2002) :

a) the introduction of new or modification of existing information systems (significant and rapid changes in information systems can also change the risks associated with the internal control system);

b) new technologies (the introduction of new technologies in production processes or information systems can change the risk associated with the internal control system);

For the assessment of information systems, Appendix No. 2 "Elements of the Internal Control System" is used, namely the article "Information System Related to the Preparation of Financial (Accounting) Reporting" to Rule No. 8 "Understanding the activities of the entity being audited, the environment in which it is carried out, and an assessment of the risks of material misstatement of the audited financial (accounting) statements. " (Saunders, at all. 2003).

The functioning of information systems related to the preparation of financial (accounting) statements is provided by (Salehi, at all, 2001: 15):

- a) by technical means;
- b) software;
- c) staff;
- d) the corresponding procedures;
- e) databases.

Most information systems actively use computer tools and information technology.

Information systems related to the preparation of financial (accounting) statements consist of the following procedures (Ruvendra, 2010: 65):

a) initiation (business transactions can be initiated manually or automatically with the help of programmed procedures);

b) reflection (registration) in accounting (registration includes the identification and collection of proper information on transactions or events);

c) processing data and maintaining records of relevant assets, liabilities and capital (processing includes editing and verification functions, works of calculation, measurement, evaluation, grouping and reconciliation, carried out automatically or manually);

d) inclusion in the reporting of information on the transactions of the entity being audited, as well as on events and conditions (reporting functions include the preparation of paper (or electronic) financial (accounting) statements or a synthesis of other useful information that can be used in assessing the economic activity of the entity being audited for managerial or other purposes. The quality of information affects the ability of management to make appropriate management decisions and exercise control over the activities of auditors on the face, as well as the possibility of preparation of reliable financial (accounting) statements).

The functioning of information systems is provided by accounting methods and methods that perform the following functions (Ruvendra, 2010: 65) :

a) identify and record all lawful transactions;

b) timely and sufficiently detailed records of transactions, which allows to properly classify transactions for further inclusion in financial (accounting) statements;

c) assess the objects of accounting so that the relevant information can be included in the financial (accounting) statements in an appropriate amount of money;

- d) determine the period of time in which the transactions took place, which allows them to be recorded in the relevant reporting period;
- e) represent, as appropriate, transactions and related disclosures in the financial (accounting) statements.

An integral part of information systems is the personnel information system, which provides employees with understanding of responsibilities and responsibilities related to the organization and application of the internal control system with respect to financial (accounting) statements (Ruvendra, 2010: 65).

The information system provides an understanding by the staff of the role of their participation in the process of preparing financial (accounting) statements, how its actions in the information system are related to the work of other employees, and understanding how to inform managers about any exceptional situations. Open channels of communication should help to take appropriate measures for exceptional situations.

The system of staff information can take such forms as internal regulations of activities, guidelines for drawing up financial (accounting) statements, instructions and instructions. Communication of information to employees can be carried out using electronic communication tools, verbally and through management orders.

Information systems related to the preparation of financial (accounting) statements of small business entities are less formal than audited persons of a larger size, but their role is also important. In the subjects of small business, in the presence of a conscientiously operating manual, there may be no detailed description of accounting procedures. The system of interaction between employees in a small business entity may be less formal and more easily established due to fewer administrative levels, and also because of the management's ability to

cover all that occurs in the activities of the audited person (Runyan, Droge and Swinney, 2008: 567).

1.2. The Genesis of Azerbaijan Accounting and Reporting

The development of the economy in modern times and the formation of a policy on the economic process in different directions alter the form of accounting theory and practice in practice. Examples of such cases both reflect and conceal the interests of each individual entity, firm, association, enterprise, organization, and other individuals involved in their economic activities.

The study of the theory of accounting theory and practice creates a great opportunity for professionals to objectively evaluate the economic situation and adopt scientific forecasting techniques.

Accountants, known for their internationally recognized emblems, have the solar, scales, Bernoulli curves on their shoulders, and have been given the slogan as "Symbol of Science Independence." The balance sheet reflects the transparency of the solar financial performance, the balance (equality), the Bernoulli curve indicates that the accounting will be permanent (Rogulenko, 2009: 464).

Historically recognized and preserved accounting records confirm the high value and appreciation of the old accounting personnel and their work. According to these documents, the account was called the secret of God, and it was holy duty to serve it ... The investigation of these documents shows that Neferhotep, the chief scribe of Pharaoh's palace in ancient Egypt. She has achieved great success in accounting. At that time only in the area of bookkeeping, the advisers and militants

of the palace were welcomed with great respect and were reckoned with their ideas.

One of these consultants and spokesmen, Neferhotep, who was a chief accountant, wrote: "He has turned his back on his back with righteousness, with a sincere heart, and with righteousness he has done injustice" and "a clever ruler, a wicked judge, rejecting wickedness, constantly struggling - Kamil Mirza "and has been. In contrast to those who are "deceiving account with finger counting", Neferhotote has served him all his life (Messersmith, 2011: 29).

The formation and recognition of accounting in Azerbaijan as a science coincides with Russia, which is associated with Russia. Fridon Akimovich Mardanov, Haji Majid Afandi Efendizade, Abulgasim Nurmammad oglu Huseynzadeh, Mirhabib Seidammadov Seyidmammadov, Mir Mohammed Seyidov and others, who worked at the end of the 19th century and accountants of leading companies and entrepreneurs of Azerbaijan in the early 20th century, alongside with the field of accounting, has done much to build on its scientific basis. They have repeatedly appealed to the Governor's Office in Baku to explain the place and role of accountants and accountants in the management of economic activities of companies and entrepreneurs in Baku and therefore have asked them to open appropriate training institutions - courses, schools, consultations and other activities to give a uniform direction to these specialties.

True, these clergymen have not been left unanswered with their appeals and have been given the appropriate permits to carry out this important work and have succeeded in implementing them in Baku, Ganja, Shamakhi, Nakhchivan, Guba and other large districts. In this case, Alikulu Farajov, who was known as the founder of Azerbaijan in the revolution and post-revolutionary period, played a special role in this

case. He had worked as an accountant in many entrepreneurial companies and firms until the revolution and invited the Russian scholars to invite them to Azerbaijan to open it in the years 1917-1920, used it. To prepare specialists in the accounting profession more perfectly, Aliqulu Farajov preferred to choose a more modern-medium and higher education system of personnel training, which was almost achieved by achieving the goals of "Statistical", "Commercial" technical schools, the Azerbaijan State Industrial Institute and later in 1930, at the basis of the faculty of economics and later in 1930, at the opening and functioning of the Azerbaijan Institute of National Economy. Aliqulu Farajov, who was loyal to his specialty, became one of the first rectors of the Azerbaijan Institute of National Economy and did his best in his further development. During his tenure, he developed the bookkeeping theory and accounting books in various fields, methodological guidelines, practical recommendations, and applied them directly. The result of such a productive work of Aliqulu Farajov is that Azerbaijan State Economic University, established at the Azerbaijan Institute of National Economy, has its own advantages over other universities and institutes of the world (SMEs in New Zealand: structure and dynamics, 2010).

Aliqulu Farajov was the only one in the implementation of the above-mentioned nationwide work, and before and after the revolution he had colleagues who helped him and supported the people who created this work. At present, these master students are constantly working on the issues related to the development of his ideas in accounting, adaptation to the international accounting standards required at the modern stage. Among the colleagues and students who always support Aliqulu Farajov's ideas include Saleh Samedov, Mabud Mammadov, Agamammad Salimov, Mirmammad Abdullayev, Haji Aliyev, Veysel

Isayev, Huseyn Namazaliyev, Sübhan Seyfullayev, Mahsati Hajiyeva, Imamaddin Mahmudov, Kamal Yusifov, Ahmed Jafarov, Yashar Huseynov, Yolcu Alizade , Firaddin Guliyev, Gazanfar Abbasov, Sifariz Sabzaliev, Beybala Khankishiyeva, Babakhan Babayev, Raya Hajiyev, Habil Ibadov, Rashid Rustamov, Vagif Guliyev, Ales Dashdamirov, Ali Sadigov, Safar Suleymanov, Aziz Mammadov, Nazaket Musayeva, Hafiz Hajiyev, Niyazi Ismayilov, Jamila Elkhan Jafarov, Suleyman Gasimov, Bahaddin H, Namazovani, Jamaladdin Zarbaliyev, Teymur Zeynalov, Anvar Salahov, Ibad Abbasov, Ibrahim Mammadov, Rasim Hashimov, Shivakhan Abdulov, Yusif Ahmedov, Isaq Verdiyevi, Gasham Badalov Asenov, Calal Imamquliyev, Muharib Rasulov, Vagif Mammadov, Khalid Eyyubov, Aghali Mammadov, Zohrab Farajov, Tofiq Nagiev, Zahid Isayev, Vugar Sharifov, Iltifat Babayev, Jalal Farajli, Nurgelm Gasimov and others (McChlery, at all, 2005) .

The state building, which touches all areas of economy, including finance in Russia, is related to the name of the Great Pyotr. In the XVII century Peter Petrov accepted Russia's abandonment and carried out a comprehensive reform of the economic and social life of the country. In the implementation of the reforms, the issue of registering and radically changing the record has been overlooked, and significant work has been started in this direction. In this regard, the existence of the word "Accountant", which is very rarely understood in the state newspaper "Military and other affairs" in 1710, and the fact that these specialties take place on the basis of documents issued on them, the exercise of control over the activities and the performance of other governance activities have been disclosed. In this regard, much attention has been paid to accounting and control, its construction and execution. During this period, all guidelines for the organization of the recording were published as a state act and adopted as the main document. The

acceptance of such a state act coincides with January 22, 1914. This document is acknowledged as an absolute document for the state apparatus and state-of-the-art industry, and has outlined the following main requirements as one goal (Kondrakov, 2010: 680):

Timely execution of records and "closing accounts";

Ensuring strict adherence of responsible persons.

The decision on the military fleet of 5 April 1722, reflecting the methodology and methodology of the methodology of the public method in all cases of economic life, with the help of the first inventory of the accounting records of the management, especially the material, was crucial in the history of the Russian accounting. From this point of view, Russia has developed a concept of dual accounting and accounting, and has found its way to development.

At present, Sifariz Sabzaliyev, Gazanfar Abbasov, Salim Muslimov, Suleyman Gasimov, Ibad Abbasov, Vagif Guliyev and others have been directly involved in the writing and implementation of state-run regulatory acts on Aligulu Farajov's current record. In 1992, he requested the Ministry of Finance of the Republic of Azerbaijan to establish the "Finance and Accounting" Magazine to establish a record of the strength and initiative of the mentioned authors and to establish the basis for the accounting of its funding in line with international standards. This request has been received by experts and the magazine was established and published every month since 1993 and publishes the most up-to-date issues and other materials on modern accounting and financial issues.

1.3. Normative regulation of financial accounting reporting

Article 4. State Regulation in the Field of Accounting

4.1. The main purpose of the state regulation in the field of accounting in the Republic of Azerbaijan is to prepare and implement accounting standards in the country on the basis of international standards for commercial organizations, with the preparation and implementation of the National Accounting Standards, development and transparency of financial statements.

4.2. State regulation in the field of accounting is carried out by the relevant executive authority.

4.3. The relevant executive authority exercising the state regulation in the field of accounting shall (Bennett and Robson, 1999: 155):

4.3.1. The International Financial Reporting Standards (IFRS) and the International Public Sector Accounting Standards (IFRS) are translated into Azerbaijani and are officially certified by the International Accounting Standards Board, the International Federation of Accountants or other relevant authorities as required by the International Standards of Financial Reporting and Public Sector Accounting Standards for Azerbaijani language. make up;

4.3.2. Develops and approves National Accounting Standards, National Accounting Standards Implementation Guidelines, Recommendations and Accounting Regulations;

4.3.3. Consents to the application of normative-legal acts and recommendatory documents in the field of accounting developed by them within the competence of executive authorities and extra-budgetary state funds;

4.3.4. Cooperates with the International Accounting Standards Board and the Public Sector Committee of the International Federation of Accountants in order to monitor changes in International Financial Reporting Standards and the International Public Sector Accounting Standards and timely reflect these changes in the National Accounting Standards; (McChlery, at all, 2005).

4.3.5. Prepare and approve the rules for the simplified registration of small businesses;

4.3.6. It works with professional accountants to improve the national accounting system.

4.4. The National Bank of the Republic of Azerbaijan shall, in coordination with the relevant executive authority realizing state regulation in the field of accounting for the forms, contents and periodicity of accounting rules and reporting in credit institutions.

Article 5. Advisory Board for Accounting

5.1. Relevant enforcement of state regulation in the field of accounting

An Advisory Board for Accounting is established to give the government an accounting and financial reporting advice.

5.2. The relevant executive authority carrying out state regulation in the field of accounting is required to submit a report to the Accounting Advisory Council before making a decision on the application of International Financial Reporting Standards and the International Public Sector Accounting Standards, Preparation of National Accounting Standards and Development of Accounting in the Republic of Azerbaijan should consult.

5.3. The Accounting Advisory Panel is responsible for ensuring the participation of organizations and individuals interested in the application of International Financial Reporting Standards and the Public

Sector Accounting Standards in the National Accounting Standards Development process, from experts representing government authorities, commercial and non-profit organizations, enterprises.

5.4. All members of the Advisory Board should be selected from experts with substantial knowledge of International Financial Reporting Standards and the International Public Sector Accounting Standards.

5.5. Officers of the relevant executive authority performing state regulation in the field of accounting may not be included as members or members of the Accounting Advisory Council.

5.6. The Charter, Chairman and members of the Accounting Advisory Council shall be approved by the relevant executive authority.

5.7. Funding of the Accounting Advisory Board is ensured by deductions from the budget of the relevant executive authority implementing state regulation in the field of accounting and other sources not prohibited by the legislation.

CHAPTER II.

ACCOUNTING REPORTING OF BUSINESS SMUGGLING SUBJECTS

2.1. Current state of accounting reporting of business subjects

The balance sheet provides a general view of the property, equity and liabilities of the organization. The balance asset discloses the subject composition of the organization's property. The passive balance shows what amount of equity is invested in the economic activities of the organization, who and in what form participated in the creation of the estate. Also, liabilities represent the amount of liabilities that are understood as probable future losses of economic benefits arising from existing obligations to transfer assets and provide services to other organizations in the future as a result of past transactions and events.

The income statement provides information on the formation of financial results for various activities of the organization. This report shows how the company's own capital changes under the impact of revenues and expenditures that are being made in the current period.

To use the information of the organization's accounting reports, for the sake of quality management, its simplicity and standardizers are also necessary. When compiling the financial statements of an organization, it is necessary to fulfill the requirements of its visibility and ease of use. Simplicity and visibility is also facilitated by the fact that the accounting reporting of the organization should be formalized in accordance with standards that are uniform for the whole state (Kondrakov, 2010: 680).

Among the necessary preparatory measures for the preparation of financial statements is the completion at the end of the reporting period of all accounting transactions, and verification of all accounting data required for the preparation of the accounting statements of the organization. Also it is necessary to make calculation of all taxes and payments to be paid, and to correct all errors found during the accounting.

Information from the financial statements helps her management make important management decisions. Based on the reporting, the manager can monitor the financial condition of the enterprise, as well as create an effective and concise model of managing the organization that best meets the organization's objectives, its functions and objectives.

When preparing the financial statements, it is necessary to follow (Kraus, at all, 2008: 381):

- Federal Law on Accounting No. 129-FZ of November 21, 1996;
- Regulations on Accounting "Accounting Reporting Organization" PBU 4/99, approved by Order of the Ministry of Finance of the Azerbaijan of July 6, 1999 No. 43n;

- The Chart of Accounts for the Accounting of Financial and Economic Activities of Organizations and the Instruction for its Application approved by Order No. 94n of the Ministry of Finance of the Russian Federation of October 31, 2000;

- Order of the Ministry of Finance of the Azerbaijan of July 22, 2003. N 67n "On the forms of financial statements of organizations";

- Order of the Ministry of Finance of the Azerbaijan on the forms of the organization's accounting statements dated January 13, 2000 No. 4n.

This block of normative documents is related to the implementation of the Accounting Reform Program in accordance with IAS 1 Presentation of Financial Statements (Dodge, at all, 1991: 121).

In the financial statements, the organization must ensure the comparability of the reporting data with the indicators for the previous reporting year or the corresponding periods of the previous reporting periods based on changes related to the application of the Accounting Regulation "Accounting Policy of the Organization" PBU 1/98, legislative and regulatory acts, taking into account the production reorganization .

If the data is for the period preceding the reporting period. Not comparable with the data for the reporting period, the first are subject to adjustment based on the rules established by regulatory enactments on accounting. Each significant adjustment shall be disclosed in the notes to the balance sheet and the profit and loss statement together with the reasons that led to this adjustment (Deakins, at all: 2002: 9).

There are internal and external users of financial statements.

External users of financial statements are an investor, creditor, counterparty or interested state bodies.

Internal users of financial statements include the head, founder, participant or owner of the property of the economic entity.

Guided by these data, managers look at the evaluation of the effectiveness of the organization, as well as on economic analysis. Counterparties determine the possibility of business relations with the client. Lenders use reporting to assess the appropriateness, provision or extension of a loan.

Depending on the period covered by the activity, two types of financial statements are distinguished: interim or current accounting statements and annual.

Forms of financial statements of organizations, as well as instructions on how to fill them are approved by the Ministry of Finance of the Russian Federation. For the preparation of financial statements, the reporting date is the last calendar day of the reporting period. When preparing the financial statements for the reporting year, the reporting year is a calendar year from January 1 to December 31 inclusive.

When the organization develops accounting reporting forms based on sample forms, the general accounting requirements set out in PBU 4/99 should be observed (Davidson, at all: 2002: 211):

1) the accounting reporting should give a reliable and complete picture of the financial position of the organization, the financial results of its operations and changes in its financial position;

2) when forming the financial statements, the organization should ensure the neutrality of the information contained in it, i.e. one-sided satisfaction of the interests of certain groups of users of accounting reporting is precluded;

3) the financial statements of the organization should include performance indicators of all branches, representative offices and other divisions;

4) the organization must, when drawing up the balance sheet, profit and loss account and explanations to them, adhere to its accepted, their content and form consistently from one reporting period to another;

5) for each numerical indicator of the financial statements, except for the report compiled for the first reporting period, data for at least two years - the reporting and the previous reporting;

6) accounting statements should be compiled in Russian and in the currency of the Russian Federation (Argiles and Slof, 2003: 251).

Each constituent part of the financial statements, stipulated in clause 5 of the Regulations on Accounting "Accounting statements of the organization" PBU 4/99, shall contain the following data:

- the name of the component part of the financial statements;
- indication of the reporting date, as of which the financial statements are prepared;
- full name of the legal entity;
- identification number of the taxpayer (TIN);
- Kind of activity;
- organizational and legal form / form of ownership (OKOPF / OKFS);
- Format of presentation of numerical indicators: thousand rubles.
- OKEI code 384; million rubles. - OKEI code 385; with the data being indicated without decimal places;
- location (address);
- date of approval;
- date of dispatch / acceptance

(Asia-Pacific Small Business Survey 2011. CPA,Victoria, Retrieved from <http://www.cpaaustralia.com.au/documents/Small-business-survey-2011.pdf> , 2011).

In international practice, two types of accounting statements are used: static and dynamic. Under the static reporting is understood the balance sheet. It is also called a report on the financial position of the enterprise. He describes the property and financial and economic state of the enterprise at a certain point in time.

The balance sheet is a way of generalizing and grouping the assets of the economy and the sources of their formation on a certain date in monetary estimation.

The assets of the economy and the sources of their education are presented separately: economic resources are in the asset, and sources are in the passive. The balance sheet total is always equal to the balance sheet total:

$$\text{ASSETS} = \text{LIABILITIES}$$

Since liabilities are capital and liabilities of an organization, this equation can be represented in the following form:

$$\text{ASSETS} = \text{CAPITAL} + \text{OBLIGATIONS.}$$

Sections in the asset balance are arranged by increasing liquidity, and in the passive - by the degree of fixing sources.

2.2. The influence of accounting policy on the quality of reporting of business

The accounting policy for accounting purposes has a very direct impact on the indicators of the company's financial statements. This influence should be understood, and familiarity with the accounting policy is highly desirable in the conduct of financial analysis.

Since the calculation of indicators and the lines of the profit and loss account depend on the calculated indicators and the results of the financial analysis as a whole, and differences in accounting policies make it difficult to compare financial statements of various organizations, this influence should be taken into account, and when preparing a report for other users, comment on the significant moments.

Evaluating the impact of accounting methods on financial statements, one can only be surprised that bank experts (with rare exceptions) do not include a provision on accounting policy in the list of documents provided for obtaining a loan (Bennett and Robson, 1999: 15).

In point 2.2, the individual consequences of the choice of different accounting methods have already been touched upon. Here we summarize the information and, for greater clarity, we will list the list of possible options that affect the financial statements, in Table. 1 below.

Table 1. Effect of accounting methods on financial statements

Phase	Sources of information	Output
1. Define the purpose and context of the analysis	<ul style="list-style-type: none"> • Nature of analyst's function, e.g. issuing a credit rating • Communication with client or supervisor • Institutional guidelines for developing a specific product 	<ul style="list-style-type: none"> • Statement of purpose or objective of analysis • A list of specific questions to be answered by analysis • Nature and content of report • Timetable and budget
2. Collect data	<ul style="list-style-type: none"> • Financial statements, other financial data, questionnaires, industry and other economic data • Discussions with management, suppliers, customers and competitors • Company site visits 	<ul style="list-style-type: none"> • Organized financial statements • Financial data tables • Completed questionnaires
3. Process data	<ul style="list-style-type: none"> • Collected input data is subject to analysis tools (giving processed data) 	<ul style="list-style-type: none"> • Adjusted financial statements • Common-size statements • Ratios and graphs • Forecasts
4. Analyze/interpret the processed data	<ul style="list-style-type: none"> • Input data as well as processed data 	<ul style="list-style-type: none"> • Analytical results
5. Develop and communicate conclusions and recommendations	<ul style="list-style-type: none"> • Analytical results and previous reports • Institutional guidelines for published reports 	<ul style="list-style-type: none"> • Analytical report answering questions posed in Phase 1 • Recommendations regarding the purpose of the analysis
6. Follow-up where ongoing analysis required	<ul style="list-style-type: none"> • Information gathered by periodically repeating above steps 	<ul style="list-style-type: none"> • Updated reports and recommendations

Regulations on Accounting and Accounting in the Russian Federation (approved by Order of the Ministry of Finance No. 34n of July 29, 1998) (Collis and Jarvis, 2002: 100);

- The Chart of Accounts for the Accounting of Financial and Economic Activities of Enterprises and the Instruction for its Application (approved by Order No. 94n of the Ministry of Finance of the Russian Federation of October 31, 2000);

- Methodical instructions on accounting of special tools, special adaptations, special equipment and special clothes (approved by Order of the Ministry of Finance of the Russian Federation No. 44n of June 9, 2001) (Ciccotosto, at all, 2008: 324);

- Typical recommendations on the organization of accounting for small businesses (approved by the order of the Ministry of Finance No. 64n of December 21, 1998);

- PBU 1/2008 "Accounting policy of the organization" (approved by Order of the Ministry of Finance of the Russian Federation No. 106n dated October 6, 2008);

- PBU 6/01 "Accounting for fixed assets" (approved by Order of the Ministry of Finance of the Russian Federation No. 26n of March 30, 2001).

PBU 14/2007 "Accounting for intangible assets" (approved by Order No. 153n of the Ministry of Finance of the Russian Federation of December 27, 2007);

- PBU 5/01 "Accounting for inventories" (approved by Order No. 44n of the Ministry of Finance of the Russian Federation of June 9, 2001);

- PBU 19/02 "Accounting for financial investments" (approved by Order of the Ministry of Finance of the Azerbaijan No. 126n of December 10, 2002)

- PBU 9/99 "Income of the organization" (approved by Order of the Ministry of Finance of the Azerbaijan No. 32n of May 6, 1999);
- PBU 10/99 «Expenses of the organization» (approved by Order of the Ministry of Finance of the Azerbaijan No. 33n of May 6, 1999);
- PBU 15/2008 "Accounting for expenses on loans and credits" (approved by Order of the Ministry of Finance of the Azerbaijan No. 107n dated October 6, 2008);
- PBU 18/02 "Accounting for corporate income tax payments" (approved by Order of the Ministry of Finance of the Azerbaijan No. 114n of November 19, 2002);
- Other provisions on accounting and sectoral methodological recommendations on the planning, accounting and calculation of the cost of production (works, services).

2.3. Evaluation of the information of the accounting reporting of businesses subjects

To subjects of small business the following organizational forms of accounting are recommended as preferred (depending on the amount of accounting work) (Ageeva, 2008: 464) :

- to put in the position of accountant;
- transfer on a contractual basis the accounting of centralized accounting, a specialized organization or an accountant-specialist;
- to keep accounting by the manager.

Law No. 402-FZ allows small business managers to keep accounting independently (whereas in general the head of an economic entity is required to entrust accounting to the chief accountant or other official of that entity or conclude an agreement on the provision of accounting services).

In recent years, a significant number of medium and small enterprises transfer accounting for outsourcing. The main advantage of outsourcing is that the customer in this case is guaranteed quality service by a specialized organization. The main shortcomings are a decrease in the speed of registration and the risk of breach of confidentiality.

The cost of accounting outsourcing depends mainly on the type of activity and the number of business transactions performed at enterprises. When deciding on its appropriateness, it is necessary to compare its contractual value with the costs of keeping the accounting or the accountant (wages, social taxes, vacation pay, sick leave, training costs, technical equipment, software, etc.).

When concluding a contract for accounting outsourcing, it is necessary to clearly state the duties, terms of their fulfillment and responsibility of the parties, especially with regard to the compilation of operational and accounting statements.

At medium-sized enterprises, accounting is carried out mainly by accounting.

At present, for the purposes of accounting and taxation, small businesses can be divided into the following categories (Runyan, 2008: 564):

enterprises transferred to a single tax on imputed income for certain types of activities;

enterprises that have switched to a simplified system of taxation, accounting and reporting for small businesses;

enterprises applying the patent system of taxation;

Small businesses that maintain accounting and reporting on general grounds.

A small enterprise itself chooses a form of accounting based on the needs of its production and management, their complexity and the

number of employees. In this case, a small enterprise can adapt the applied accounting registers to the specifics of its work, while observing the basic principles of accounting.

According to Information No. 113-3 / 2012 of the Ministry of Finance of Russia "On the simplified system of accounting and reporting for small businesses", small businesses for accounting can use the following principles:

Accounting policy should ensure the rational conduct of accounting based on the conditions of management and the size of the organization.

For accounting, a small business entity can reduce the number of synthetic accounts in its working plan of accounts, for example, reduce information about (Bennett and Robson, 1999: 155):

a) production stocks - account 10 "Materials" (instead of accounts 07 "Equipment for installation", 10 "Materials", 11 "Animals in growing and fattening");

b) the costs associated with the production and sale of products (works, services) - account 20 "Basic Production" (instead of accounts 20 "Basic Production", 23 "Auxiliary Production", 25 "General Production Costs", 26 "General Operating Expenses" 28 "Marriage in production", 29 "Servicing industries and farms", 44 "Expenses for sale";

c) finished goods and goods - account 41 "Goods" (instead of accounts 41 "Goods" and 43 "Finished goods");

d) accounts receivable and payable - account 76 "Settlements with different debtors and creditors" (instead of accounts 62 "Settlements with buyers and customers", 71 "Settlements with accountable persons", 73 "Settlements with personnel for other transactions", 75 "Settlements with founders ", 76" Settlements with different debtors and creditors ", 79" Intra-farm settlements").

Small business entities are granted the right to recognize revenue as cash flows from customers (customers) even if the ownership (possession, use or disposal) of the product (goods) has not passed from the organization to the buyer or the work has not been accepted by the customer.

Previously, if this condition was not observed, accounts payable were recognized in the accounting, and not receipts.

In this case, the costs for small businesses should be recognized after the repayment of the debt (as well as the proceeds, after payment).

A small business entity may decide to recognize commercial, managerial expenses in the cost of sold products, goods, works, services in full in the reporting year and their recognition as expenses for ordinary activities.

PBU 15/2008 "Accounting for expenses on loans and credits" (item 7)

Small businesses are entitled to recognize all borrowing costs as "other expenses", including interest due to the lender (creditor) directly related to the acquisition, construction and (or) production of the investment asset (Bernstein, 2003: 624).

In general, interest on investment contracts in accounting increases the value of the investment asset, and in the tax - recognized in the costs. In small businesses, the initial value of investment assets in the accounting and tax accounting will be the same, which will eliminate the formation of differences in the calculation of depreciation.

A small business entity, with the exception of an issuer of publicly placed securities, is entitled to recognize all borrowing costs as other expenses.

PBU 19/02 "Accounting for financial investments".

The subjects of small business have the right to carry out a subsequent evaluation of all financial investments in the manner established for financial investments for which the current market value is not determined.

For other organizations, financial investments are divided into two groups: financial investments for which the current market value can be determined (which are revalued in accordance with the procedure established by PBU19 / 02), and financial investments for which their current market value is not determined.

Small enterprises may not overestimate financial investments and reflect them in the financial statements at their historical cost.

PBU 22/2010 "Correction of errors in accounting and reporting".

The subjects of small business have the right to correct a significant error of the previous reporting period, revealed after the approval of the financial statements for this year in the order established for a non-material error. The profit or loss that arose as a result of its correction should be reflected in other income or expenses of the current reporting period on account 91 without a retrospective restatement of historical reporting. In general, such a recalculation is a correction of the reporting indicators, as if the error of the previous period had never been admitted, and the results of the corrections are reflected in correspondence with the account 84 "Retained earnings (loss)" (Argiles and Slob, 2003: 251).

Chapter III.

IMPROVEMENT OF THE METHODOLOGICAL SUPPORT FOR THE REPORTING OF THE SUBJECTS OF BUSINESS

3.1. Integration as a way to improve the quality of reporting of business

The integration of enterprise applications is being actively discussed today by the computer community. However, on the side, there are often a number of points that contribute to the birth of exaggerated hopes placed on a number of "fashionable" means and technologies of integration. There are no information systems that alone could cover the needs of a modern enterprise. Medium and large organizations usually operate at least a dozen multi-user systems, and sometimes the account goes to hundreds and thousands. In these systems, the same data is often processed - from directories and classifiers.

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There are no information systems that alone could cover the needs of a modern enterprise. Medium and large organizations usually operate at least a dozen multi-user systems, and sometimes the account goes to hundreds and thousands. In these systems, the same data is often processed - from directories and classifiers. Typical situations where different information systems are involved in the same business process.

Many information systems are initially focused on obtaining information from other applications and databases (for example, the system for the formation of consolidated and corporate reporting, management and monitoring systems). Therefore, no corporate application can be considered as something autonomous, but always part of a large mechanism called "enterprise information system".

Consequences of the lack of a proper solution to the problem of integration are (Ciccotosto, 2008: 324):

repeated manual entry of data (directories, data on shipments, financial transactions, etc.);

multiple and endless "reconciliations and adjustments" that do not exclude mistakes;

exorbitant costs for the formation of consolidated reporting;

unacceptable deadlines and the cost of performing even routine tasks.

This determines the goals of integrating enterprise applications.

Goals of integration

The general goals of application integration can be formulated as follows (Berger and Udell, 1998: 613) :

Reduce the cost of operating a set of enterprise applications;

Increase the speed of performance of typical tasks or guarantee the timing of their implementation;

raise the quality of the tasks by formalizing the processes and minimizing the human factor as the main source of errors.

The goals of specific integration projects usually include clearer wording. For example: "to ensure the formation of the financial statements of an enterprise within a period of not more than one week after the end of the financial period"; "Reduce the time of registration of the sale from one hour to 15 minutes"; "Reduce the number of personnel

involved in maintaining the current status of directories and classifiers, from 20 to five people." But usually it all comes down to common goals, which can be formulated in an even more general way - to reduce the operating costs of an enterprise or organization. Therefore, integration projects often prove to be in a winning position from the point of view of justification to people who decide to finance projects: calculating return on investment for such projects may look attractive enough.

Successful integration of corporate systems allows us to achieve additional goals - to provide automated control over the passage of the main business processes at the enterprise, information security in the implementation of business processes, etc.

Who should initiate and stimulate integration projects - business or IT? The author, acting as the executor of works, faced with different variants of "sponsorship" of such projects. For any IT project, the stronger the interest in it from the business unit, the better. However, for integration projects such an interest is vital. The fact is that projects like these usually affect the interests of many departments, each of which sees only its own part of business processes - some prepare documentation, the second draw up invoices, others are engaged in financial transactions, etc. Harmonization and formalization of the requirements of different departments becomes very difficult task; the absence among the "ideological leaders" of the project of the person to whom all the divisions involved are accountable, usually means the failure of the project. Representatives of IT services in most cases do not have the necessary level of influence (Asia-Pacific Small Business Survey 2011. CPA, Victoria, Retrieved from <http://www.cpaaustralia.com.au/documents/Small-business-survey-2011.pdf>, 2015).

We should not forget that the main goal of integration projects is to reduce costs, as well as the prerequisites for projects lie in the business area, even if the project is strictly for IT. For example, the task of deploying management and monitoring systems arises if the business is concerned about lowering the costs of operating the IT infrastructure. Moreover, integration projects to some extent are shifting problems from business units to the IT service. Consider, for example, a typical situation where the formation of reports "in the style of Excel" for management is handled by a group in the financial department. From the IT department, it only requires the maintenance of corporate information systems in an efficient state. In the case of the introduction of a system that automatically generates this reporting, for everything - including for errors in data - the IT service will answer. Indeed, as the degree of integration and interconnectedness of information systems increases, the responsibility, the role and status of the IT service increases, the dependence of the key performance indicators of the entire organization on the reliability and effectiveness of the integrated information system of the enterprise increases.

For application interaction, methods such as file sharing, shared database, remote call, and asynchronous messaging are commonly used. There is no direct data exchange between application databases in this list: this method is closer to moving data than to integration of applications. From the point of view of application integration, it is important to perform some sort of meaningful processing in the data exchange process (for example, when loading invoices, recalculate commodity balances). Direct data exchange, which is usually performed by means of ETL class (extract, transfer, load) or self-made utilities, usually does not provide such an opportunity (Berger and Udell, 1998: 615).

Exchange of files is probably the most common approach to the organization of interaction. This is due to the relative ease of implementation, as well as the existence of standard (or "almost" standard) exchange formats. For example, most corporate information systems allow you to download and upload files, for example, in the CSV format (Comma-Separated Values - "fields separated by commas"). But this approach has its drawbacks; if it is necessary to operate with complex structures, then the simple exchange formats are no longer suitable. The specialized file formats that arise in such cases should "understand" the interacting systems, which leads to a rigid dependence of the systems on each other. This drawback is usually overcome by all kinds of data conversion utilities. In addition, usually the exchange of files involves the participation of a person - someone must unload the file, copy it to another computer, download. However, if the systems that are integrated by the file-sharing method have the ability to automatically load / unload (for example, on a schedule), then this approach makes it possible to build a fully automated solution that, due to its simplicity, has high reliability and bandwidth.

This approach is conceptually very simple - several information systems or applications use one database. Its main drawback is that the connection between the integrated applications is so tight that sometimes it is impossible to notice the boundary between them (usually the products of the same manufacturer are integrated). An example of such an approach can serve the majority of ERP-systems, where different modules of the system use one base. However, too close a connection turns the conglomerate of integrated applications into a monolith, into a "super-system", some parts of which are difficult to self-upgrade and replace. They are struggling with this, using the mechanisms of database servers (data views, intermediate tables, etc.), but not always efficiently.

Standards for remote procedure calls arose two decades ago, allowing a program code that runs on one computer to call the code on the other. Standards appeared, developed and died down: RPC, CORBA, DCOM, RMI ... the last in this series was the SOAP protocol, the basis of modern Web services. Actually, in the approach to integration using remote calls over the years, nothing fundamentally changed: if application A needs something from application B, then one of the listed methods calls the application function B.

The main disadvantage of a remote call is the requirement that all involved applications work at the time of interaction. Imagine a system of reference books, changes from which every night spread into dozens of corporate systems. The probability that, say, at two o'clock in the morning all corporate systems are in a state of complete combat readiness, is not large. On this "burned up" and we, having implemented with the help of technologies of Web-services distribution of directories on corporate systems; all had to be rewritten. (McCherry, 2005: 13).

However, leading software vendors do not really need it - at least for the reason that SOA will provide a theoretical opportunity for customers to choose components from different suppliers on a "best in class" basis and combine them into the enterprise information system. In this case, manufacturers will most likely need to rewrite their systems. At the same time, SOA support is currently one of the few "hooks" that can prompt existing customers to migrate to new versions of business systems, as well as to promote the right - in terms of the supplier - targeting new customers. Either way, the next few years will show how viable the concept of SOA.

3.2. Methodical support of reporting of individual entrepreneurs

Accounting for the costs of an individual entrepreneur without the formation of a legal entity. Physical persons who carry out the accounting of expenses of an individual entrepreneur without the formation of a legal entity. Type of work: Test work. Format: MS Word (.doc), in the zip-archive. The size: 17.0 kb. Download control free of charge Accounting for the costs of an individual entrepreneur without the formation of a legal entity. Basics of Entrepreneurial Activity, Properties and Sep As in the accounting and tax accounting are reflected exchange rate differences from. activity without formation of a legal entity, keep records of income and. can facilitate the work of the accountant in certain situations .. and the costs of organizations and individual entrepreneurs, entrepreneurial activities without the formation of a legal entity (Ruvendra, 2010: 67).

Accounting for incomes and expenses for individual entrepreneurs Coursework. Subject: The legal regime of individual entrepreneurial activity without the formation of a legal entity Accounting for the expenses of an individual entrepreneur without the formation of a legal entity in the catalog of the best network abstracts, more than all works .. test work, added Accounting Sep. Category: Accounting, analysis and audit. Therefore, individual entrepreneurs, activity without formation of a legal entity, by amounts. the procedure for determining expenses for taxation purposes, established by the Head Tax on profits of organizations Type of work: abstract. Download Abstract entrepreneur, size without the formation of a legal entity from the time of state registration. According to the principle of taxation, accounting and reporting of individual. It should be borne in mind that

the specified procedure for accounting for income and expenditure is not Dec. Material costs of the individual entrepreneur.

Terms of transition to. Accounting for the costs of an individual entrepreneur without the formation of a legal entity. Fundamentals. Type: control work Accounting of expenses of an individual entrepreneur without the formation of a legal entity - Control work Control mathematics. Accounting for entrepreneurial activity individual entrepreneurs. legal entities the name of the organization on behalf of which the document was drawn up, its TIN ;. work, services (price with sales tax, no refundable VAT, the amount of VAT subject to Accounting of Expenses of an Individual Entrepreneur Without Formation of a Legal Person Control work - Database of abstracts, coursework and For individual entrepreneurs using a simplified system. costs in order, ... If you want to know how much work paper cartridges and other problems. On the other hand, of course, and control mechanisms should Read online checkout on the topic of Accounting for expenses indie an entrepreneur without a legal entity. (Rogulenko, 2009).

Legal regime of individual entrepreneurial activity without the formation of a legal entity. Executed by: Entrepreneur without the formation of a legal entity .. Operations in the book of accounting of income and expenses of organizations and individual .If in the process of work there was an abrupt control tape, then the time is set Determination of the entrepreneur without the formation of a legal entity Accounting for the activities of an individual entrepreneur without education . The purpose of this work is to study the accounting of activities ... Use of control tape is mandatory when working at all Definition of an entrepreneur without the formation of a legal entity.

True, access to information is limited. So, for example, the registration authority can provide information on passport and other

personal data of citizens only to state authorities and state extra-budgetary funds. The procedure for issuing and the cases in which such information should be provided is determined by the Government of the Azerbaijan. But if these data are contained in the constituent documents of the legal entity, then there is no prohibition on their submission.

A similar rule applies to information about the place of residence of individual entrepreneurs. This information can only be obtained by citizens on the basis of a request. The request is made in an arbitrary form with the indication of the passport data and the place of residence of the individual making the request. The request is submitted by the individual to the tax authorities personally. At the same time, he must present a passport or other document proving his identity.

Information about the place of residence of an individual entrepreneur is issued in the form of an extract from the USRPP in the form indicated in Appendix No. 6 of the Resolution of the Government of the Russian Federation of October 16, 2003 No. 630.

However, the entrepreneur has the right to find out who was interested in his place of residence. To do this, he must also apply to the registration authority, which will give him a list of persons interested in the place of residence of the entrepreneur.

Any individual can apply to the registration authorities with a request to compare the personal data of the individual entrepreneur contained in the state register with the information that is set out in the request. For this, an individual, together with a request, must submit a passport or other document proving his identity. Based on the audit results, the tax authorities will issue a certificate of compliance or non-compliance of the specified information to the individual. The period during which the registration authority must respond to the request and provide the requested information should not exceed 5 days from the

receipt of the request. But the urgent submission of information from the EGRIP is carried out not later than the working day, which follows the day of receipt of the relevant request.

Information is provided by the tax authorities on a fee basis. For a single issue of an extract from the EGRIP, a certificate of compliance or non-compliance, a copy of the document contained in the EGRIP, etc., a fee of 150,000 is levied. And in the case of a single submission of updated information will have to pay 5000.

In some cases, information from registries should be provided free of charge. First of all, the right to receive free information is owned by state authorities (police, courts, etc.), as well as state extra-budgetary funds. In addition, an individual entrepreneur can obtain free information about himself and about those individuals who were interested in his place of residence.

In the conditions when registration of organizations and entrepreneurs is carried out expeditiously - without legal expertise and registration of constituent documents - information from the registers can be very useful. They allow congregants to compare the data they have with those contained in the EGRIP. In case of discrepancy of information it will be possible to draw the appropriate conclusions about the trustworthiness of business partners.

3.3. The use of modern technologies in improving the quality of information management for business entities

Confidential information for business is part of the increased interest of competing companies. For unscrupulous competitors, corrupt

officials and other intruders, special interest is provided by information on the composition of management of enterprises, their status and the activities of the firm. Access to confidential information and its modification can significantly damage the financial position of the company. At the same time, information leakage can be even partial. In some cases, even securing theft of 1/5 of confidential information can have a critical impact on financial security. The reason for the leakage of information, if there is insufficient provision of information security of the organization, there may be various accidents caused by the inexperience of employees (Bennett and Robson, 1999: 157).

Fundamentals of information security organization

Information security involves protecting data from theft or changes, whether accidental or intentional. The organization's information security system is an effective tool for protecting the interests of owners and users of information. It should be noted that damage can be caused not only by unauthorized access to information. It can be obtained as a result of breakage of communication or information equipment. Especially relevant is the effective organization of ensuring the security of information banking systems and institutions of an open type (educational, social, etc.).

In order to ensure proper protection of information, one should have a clear understanding of the basic concepts, objectives and role of information security.

The term "information security" describes a situation that excludes access for viewing, moderation and destruction of data by subjects without the presence of the relevant rights. This concept includes providing protection against leaks and information theft with the help of modern technologies and innovative devices.

Information protection includes a full range of measures to ensure the integrity and confidentiality of information, provided it is available to users with the appropriate rights.

Integrity is a concept that determines the preservation of the quality of information and its properties.

Confidentiality implies the secrecy of data and access to certain information to individual users.

Accessibility is the quality of information that determines its rapid and accurate identification by specific users.

The purpose of information protection is to minimize damage due to breach of integrity, confidentiality and availability requirements.

3 threats to the information security of the organization

1. Economic policy of the state unfavorable for the enterprise. Regulation of the economy by the state through manipulation (determination of the exchange rate, discount rate, customs tariffs and taxes) is the cause of many contradictions in enterprises in production, finance and commerce.

The administrative obligations to enter the market are of great danger for ensuring the security of information of the enterprise, which leads to a violent narrowing of commodity-money relations, violation of laws by the state and restriction of the enterprise's activities. Often the state exaggerates its competence in the financial and commercial sphere of the enterprise and unreasonably interferes with the information space of these areas, and also encroaches on the ownership of the enterprise in various forms.

A serious threat to the security of information of an enterprise is borne by political actions aimed at limiting or stopping economic ties. Sanctions in the economy cause distrust in the future for both sides and

undermine commercial relations. All this leads to destabilization of economic relations, and not only at the state level.

In this case, the risk of information security is unhealthy competition. Unhealthy or unscrupulous competition has several concepts and according to the norms of international law it is divided into three types:

When the activities of one commercial structure are tried to present to the consumer as another;

Discrediting the reputation of a business by disseminating false information; (McCherry, 2005: 16).

Illegal and incorrect use of trade designations that mislead the consumer.

In Western countries, there are legislative acts on the conduct of unfair competition, brand names, trademarks and obstruction of information security, the violation of which leads to a certain legal responsibility. The following illegal actions also lead to accountability:

Bribery or consumer luring from the competitor;

The order to ensure the information security of the organization is violated by disclosure of commercial secrets, as well as clarifying information through espionage, bribery;

Establishment of unequal and defamatory conditions affecting the security of information;

Secret creation of cartels, collusion during the bidding with the provision of commercial information;

Creating conditions that limit the ability to ensure the security of information;

Deliberate price reduction to suppress competition;

Copying of goods, advertising, services and other forms of commercial activities and information of a competitor.

There are other aspects that reveal unfair competition. These include economic repression, which is expressed in various forms - blackmail of personnel, managers, compromising information, the paralysis of the enterprise and the disruption of transactions through media channels, corruption links in state bodies.

Commercial and industrial espionage, undermining the basis for ensuring the information security of the organization, also falls under the legal legal responsibility, as it implies the illegal seizure of the confidential information of the competitor for the purpose of personal gain.

The information that is provided to the broad masses through legal channels does not give the company's management a full answer to the questions of interest about competitors. Therefore, many large enterprises, even considering spying actions unethical and illegal, still resort to measures that counteract the security of information. Spies working at a competing enterprise often resort to such actions as direct offering to an employee about the provision of classified information, theft, bribery and other miscellaneous tricks. Many actions to undermine the security of information are facilitated by the appearance on the market of various listening devices and other modern technical developments that allow maximum commercial and industrial espionage (Kondrakov, 2010: 682).

For many employees of a competitive company, the amount offered for espionage, the provision of classified information and violation of information security is several times higher than their monthly income, which is very tempting for the average employee. Therefore, it can be considered that a non-disclosure subscription is not a complete guarantee of the security of commercial information.

The next form of unfair competition aimed at preventing information security is considered physical suppression in the form of encroachment on the life and health of a company employee. This category includes:

Organization of robbery attacks on production, storage facilities and offices for the purpose of robbery;

Destruction, damage to property and property by explosion, arson or destruction;

Capture employees hostage or physical elimination.

3. Crisis phenomena in the world economy. Crises have the peculiarity of flowing from one country to another, using channels of external economic ties. They also damage the security of information. This should be taken into account when determining methods and means of ensuring the information security of an organization.

The gradual integration of Russia into the international economy contributes to the dependence of the country's commercial enterprises on various processes occurring in the world economy (falling and rising prices for energy carriers, structural adjustment and other factors). By the degree of introduction of the national economy into the world economic structure, its exposure to external factors is increasing. Therefore, modern production in an effort to increase profits, improve operations through modernization, improve the level of information security, stability must pay attention to the dynamics of consumer demand, the policy of the state and central banks, the development of scientific and technological progress, the attitude of competitors, world politics and economic activity.

The security system of potential and real threats is impermanent, as they can appear, disappear, decrease or grow. All participants in the relationship in the process of ensuring the security of information, be it a

person, state, enterprise or region, are multi-purpose complex systems for which it is difficult to determine the level of necessary security.

On the basis of this, the organization's information security system is viewed as a whole set of adopted management decisions aimed at identifying and preventing external and internal threats. The effectiveness of the measures taken is based on the determination of such factors as the degree and nature of the threat, an analytical assessment of the crisis situation and consideration of other unfavorable moments that pose a threat to the development of the enterprise and the achievement of the set goals. Ensuring the information security of the organization is based on the adoption of such measures as (Collis and Jarvis, 2002: 102):

- Analysis of potential and actual situations that pose a threat to the security of company information;

- Assessment of the nature of threats to information security;

- Adoption and comprehensive distribution of measures to identify the threat;

- Implement the measures taken to prevent the threat.

The main goal of providing an integrated information security system for enterprise protection is:

- Create favorable conditions for normal operation in an unstable environment;

- Ensure the protection of one's own security;

- The ability to legitimately protect one's own interests from the illegal actions of competitors;

- Provide the employee with the safety of life and health.

- Prevent the possibility of material and financial theft, distortion, disclosure and leakage of confidential information, embezzlement, production violations, destruction of property and ensure normal production activities.

Qualitative information security for professionals is a system of measures that ensures:

Protection against unlawful acts;

Compliance with laws to avoid legal punishment and imposing sanctions;

Protection from the criminal actions of competitors;

Protection from staff dishonesty.

These measures are applied in the following areas:

Production (to save material values);

Commercial (for evaluation of partnerships and legal protection of personal interests);

Information (to determine the value of information received, its further use and transfer, as an additional way of theft);

To provide the company with qualified personnel.

The security of information of any commercial enterprise is based on the following criteria:

Observance of confidentiality and protection of intellectual property;

Provision of physical protection for the personnel of the enterprise;

Protection and security of property values.

With the situation created in recent years on the domestic market, it is possible to count on qualitative protection of personal and vital interests only on condition that:

Organization process, aimed at depriving any opportunity to obtain a competitor valuable information about the intentions of the enterprise, on trade and production opportunities that contribute to the development and implementation of the goals and objectives set by the company; (Dodge, at all, 1991: 122).

Involvement in the process of protection and security of all personnel, not just security services.

6 recommendations to the developers of the information security system

All the means of protection used must be accessible to users and easy for maintenance.

Each user should be provided with the minimum privileges necessary to perform a particular job.

The protection system should be autonomous.

It should be possible to disable the protective mechanisms in situations where they are a hindrance to the performance of work.

Developers of the security system must take into account the maximum degree of hostility surrounding, that is, assume the worst intentions on the part of intruders and the ability to bypass all protective mechanisms.

The presence and location of protective mechanisms should be confidential information.

The organization of ensuring the security of information banking systems is based on the same principles of protection and involves a constant modernization of protective functions, as this sphere is constantly developing and improving. It would seem that the newly created new protective systems become vulnerable and ineffective over time, the probability of their hacking increases every year.

International piracy. How it fights business and ICC

5 principles of the organization's information security system

The principle of complexity. When creating protection systems, it is necessary to assume the probability of occurrence of all possible threats for each organization, including closed access channels and the means of protection used for them. The use of protective equipment

should coincide with the possible types of threats and function as an integrated protection system, technically complementing each other. Complex methods and means of ensuring the information security of an organization are a complex system of interrelated processes.

The principle of separation is the procedure for ensuring the information security of the organization, in which all the boundaries of the defense system will consist of successively located security zones, the most important of which will be within the entire system.

The principle of reliability (equal strength). The standard of information security management should concern all security zones. All of them must be of equal strength, that is, they have the same degree of reliable protection with the probability of a real threat.

The principle of reasonable sufficiency involves the reasonable use of protective equipment with an acceptable level of security without the fanaticism of creating absolute protection. Providing an organization with a highly effective defense system involves large material costs, so the choice of security systems should be approached rationally. The cost of the protective system should not exceed the amount of possible damage and the cost of its operation and maintenance.

Principle of continuity. The work of all security systems should be round-the-clock and continuous. (Doern, 2009: 275).

What does the security service in the organization do?

In general, the activity of the security service in an enterprise can take one of the following forms:

Can enter the structure of the organization and be financed at its expense.

It can exist as a separate commercial or state enterprise and work in an organization under a contract to ensure the security of individual facilities.

The security service, which is part of the enterprise, can take the form of a multifunctional structure that ensures the complete safety of the enterprise. Usually, this form of security service is inherent in large financial companies with a stable economic situation. These are investment funds, commercial banks, financial and industrial groups - all who can use their own technical means and personnel.

Security service as a separate commercial organization that provides services in the field of security and protection, can provide both integrated and separate services. It can fully ensure the organization of the security system or perform specific tasks: determine where the bugging devices are installed; to accompany transit transportations; provide personal protection and other services. This category includes private detective and security agencies and some state organizations.

CONCLUSION

In the process of making a decision to buy shares of any company, potential investors collect all kinds of information about this company. With their help, they are trying to find out whether the company is a worthy object for investment. As a holder of the company's shares, the investor constantly evaluates the effectiveness of such investments. As a result, a decision is made to "hold" or "sell".

In the process of choosing between "hold" or "sell" you can use the coefficients of profitability, efficiency and financial state, since they carry a lot of useful information. Despite this, special financial ratios have been developed for use in the investment decision-making process. These coefficients are based on elements that are particularly significant for the shareholder, in particular, the profitability of investments. Profitability in this case can take the form of dividends and / or capital gains.

So, we list the financial ratios used in the evaluation of the investment potential of a commercial organization:

- book value of the share / market value of the share;
- net dividend - the ratio of dividends paid and proposed for payment to the number of shares;
- covering the dividend - the ratio of net profit for minus dividends on preferred shares to dividends on ordinary shares;
- earnings per share - the ratio of profits attributable to holders of ordinary shares to the number of issued ordinary shares;
- dividend income - the ratio of the dividend and the market price of the common stock;
- market price of the share / earnings per share;

- total shareholder value of the amount of change in the value of the company's capital in a period of two years, the value of dividends, expressed as a percentage of the initial cost of capital.

So far, we have considered single-factor analysis using financial ratios. This method of analysis involves considering each factor separately, and after all the necessary calculations have been made, the coefficients are compared in their totality, and on the basis of the data obtained, the analyst makes a qualified opinion about the company's position. In contrast to this method, a multifactorial analysis is built on a certain combination of some coefficients, the value of which is weighed by means of special multipliers. The result is calculated a quantitative index, which is compared with the exponent the same company for the past few years, with those of other companies or secondary industry data. Multifactor analysis is widely used to predict the probability of bankruptcy of companies (for example, the models of E. Altman and R. Tafler). However, the possibilities of using such models in practice are often limited to the territory of the region, which collected information on the economic activities of commercial organizations, which are the basis of these valuation techniques. In addition, one should not forget that the initial data used in the construction of multifactor models was not evaluated in terms of the quality of the information contained in them, nor were other typical data characteristics checked in them.

The cash flow analysis allows the external user to judge the company's ability to ensure that the net cash inflow over payments is exceeded.

The information base for the analysis is a cash flow statement, which consists of three sections, which includes information on cash flows according to sources of these funds, such as: cash flows from

operating activities, cash flows from investing activities and cash flows from financial activities.

By studying the information on the cash flow presented in this form of financial statements, users of financial information tend to first find out whether the company is able to ensure the receipt of cash from operating activities.

Secondly, the analyst asks the question whether the company has enough internal revenues to finance its investment activities or whether the company should attract external borrowed funds for these purposes or increase its own capital. The ratio of these three components of the cash flow is determined by the financial condition of the company. The structure of cash flows of a rapidly growing company will differ from the picture of cash flow of a company experiencing financial difficulties.

Summarizing the contents of this article, it should be noted that a combination of the above methods of financial analysis with simultaneous study of financial statements, formed in accordance with the IFRS, will allow external users to properly assess the financial performance and financial condition of the commercial organization.

Analysis of accounting policies of international food industry companies allowed the specialists of KPMG to draw the following conclusions:

- the provisions of their accounting policies for the accounting of inventories were disclosed by all companies, but the level of detail of this information varied;

- almost all companies disclosed information about the procedure for calculating the cost of inventory. The most commonly used method was weighted average cost. For different groups of stocks, some companies used different methods of calculating the cost price;

- more than two thirds of the companies disclosed information about the basics of calculating the net cost of a possible sale. During the study, inventories were written off by slightly less than three-fourths of the companies, with written-off amounts being insignificant. The order of presentation of the write-offs of inventories and changes in the reserve for their obsolescence in the financial statements was different [7].

4. Accounting policy aimed at the formation of an attractive, in terms of investment, reporting. In this case, the accounting policy is formed in such a way as to ensure the formation of the most attractive financial statements in terms of financial ratios. This approach is conditioned by the desire to attract additional sources of financing, both own and borrowed.

As a result of the analysis of the current provisions on accounting, we identified 10 elements that can be presented in the methodical section of accounting policy for such an item of accounting as production stocks.

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