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SCIENTIFIC RESEARCH**

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The scientific monograph presents the theoretical and practical aspects of the development of modern scientific research. General questions of economics and enterprise management, regional economics, marketing, technical sciences, technology of food and light industry, and so on are considered. The publication is intended for scientists, educators, graduate and undergraduate students, as well as a general audience.

Table of Contents

CHAPTER «ECONOMIC SCIENCES»

Yuliia Aleskerova, Volodimir Todosiichuk

PLANNING AND FORECASTING
OF FINANCIAL ACTIVITIES IN OSCHADBANK. 1

Yuliia Aleskerova, Lidiia Fedoryshyna

TOURISM INSURANCE MANAGEMENT. 39

Oksana Voloshyna

METHODS OF BANKRUPTCY PREDICTION
AT THE ENTERPRISES UNDER CONDITIONS OF QUARANTINE
RESTRICTIONS DUE TO THE COVID-19 PANDEMIC. 72

Liubov Gutsalenko, Tetiana Mulyk

ANALYTICAL PROVISION
OF LAND RESOURCES MANAGEMENT
OF THE ENTERPRISE: STATE AND IMPROVEMENT. 105

Olena Martseniuk

CURRENT TRENDS AND PROBLEMS
OF THE MARKET OF CIVIL LIABILITY INSURANCE
OF VEHICLE OWNERS AND WAYS TO SOLVE IT. 129

Nadiia Morozova

MODELS OF ANALYSIS AND ASSESSMENT
OF SOCIO-ECONOMIC DEVELOPMENT
OF THE COUNTRIES OF THE EUROPEAN UNION. 159

Yaroslavna Mulyk

ORGANIZATION AND IMPROVEMENT OF INTERNAL AUDIT
IN THE ENTERPRISE MANAGEMENT SYSTEM. 198

Olena Podolianchuk

ACCOUNTING AND TAXATION
OF THE ACTIVITY RESULTS OF ENTERPRISES. 222

Vadym Puhalskyi

THE NECESSITY OF ORIGIN, ECONOMIC CONTENT
AND THE ESSENCE OF TAX CONTROL. 244

**ACCOUNTING AND TAXATION
OF THE ACTIVITY RESULTS OF ENTERPRISES**

Olena Podolianchuk¹

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Abstract. The financial condition of an entity depends on many factors, the most important of which is financial independence, which is the guarantor of a positive financial result, ie profit.

The object of research is the system of accounting and taxation of performance. The subject of the research is theoretical-methodical and scientific-practical principles of accounting and taxation of financial results of enterprises by its types.

Theoretical and methodical bases of scientific research became general scientific and special methods: abstract-logical (for theoretical generalizations of research results and formulation of conclusions); statistical research, in particular, comparisons (to analyze the financial performance of a limited liability company); tabular (for clarity of presentation of the material), grouping (to summarize the results of the study), hypotheses and assumptions (to justify their own opinion).

The information base of the research was the legislative and bylaws of Ukraine, financial statements of the business entity, publications in periodicals, monographs, works of domestic authors, Internet resources.

The purpose of the research is to substantiate the content of financial results as an accounting category and to disclose the practice of their accounting and taxation in order to make proposals to improve the accounting support for the formation of results of activities.

In order to manage financial results, the internal and external factors influencing their formation are characterized.

According to the results of a thorough study of the legal framework and scientific opinions expressed his opinion on the essence of the studied category: financial results – is the final indicator of the enterprise, which is

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determined by comparing income and expenses by its types and manifests itself as net profit (positive result) or uncovered loss).

Two basic approaches to the calculation of financial results of the enterprise, which have some variations in different countries, are revealed.

It is proved that the correctness of the formation of the financial result of the enterprise depends on the reliability and objectivity of recognition, evaluation, classification and methods of accounting for its constituent components – income and expenses, in terms of classification features of economic activity.

The classification groups of income and expenses are revealed and the method of their accounting is characterized. The complexity of accounting for the financial result of the activity is clarified. Modern approaches to determining financial results do not ensure the quality of information needed to make management decisions. Today there is some inconsistency in the classification of activities and sub-accounts of accounting, which are formed and determined financial results. This, in turn, makes it impossible to assess business risks and make objective decisions.

In order to ensure the formation of objective information for the analysis of the results of the enterprise and rational decisions, it is proposed to determine the only classification characteristics of the results of its activities and clearly define the composition of sub-accounts to account 79 «Financial results».

It is proposed to develop a clear mechanism for determining the income tax and assigning it to financial results – to specific sub-accounts of account 79 «Financial results».

1. Introduction

Businesses operate in order to meet the needs of stakeholders and obtain a positive financial result. The financial result will be the main reflection of the efficiency of economic activity. The formation of financial results of enterprises is directly due to their operating activities, which are related to the production and sale of products, goods, services and works. That is, the definition of financial results for each company has its own industry specifics. In modern business conditions, the formation of financial results is influenced by a number of socio-economic factors.

Theoretical and practical bases of accounting and taxation of performance are revealed in the works of domestic scientists: Vakulchuk O.M.

[3], Havrylenko O.Ye. [4], Dombrovska N.R. [6], Zadorozhnyi Z.M. [7], Ishchenko Ya.P. [9], Koval N.I. [9], Melen O.V. [11], Moroz Yu.Yu. [14], Selivanova N.M. [24], Protasova Ye.V. [3], as well as the author's own research [9; 21].

Given the scientific achievements of scientists, it should be noted the lack of a common understanding of the nature of financial results and clarity in the methodology of their accounting and taxation.

The purpose of the research is to substantiate the content of financial results as an accounting category and to disclose the practice of their accounting and taxation in order to make proposals to improve the accounting support for the formation of results of activities.

2. The economic essence of financial results

Different groups of stakeholders are interested in the final financial result of the company and in the objective information about the financial results. Owners (founders, participants, shareholders) are interested in gaining income on corporate rights and increasing corporate rights, which directly depend on the amount of income of the investment object. The financial reward of employees of the enterprise also depends on the effectiveness of the enterprise. Realization of intentions of cooperation of contractors with the enterprise in the market environment also depends on indicators of its profitability. An interested party in the profitability of enterprises is the state in the face of tax authorities, as part of the profits of the enterprise through the mechanism of taxation is available to the state [9, p. 258].

The topic of accounting for financial results is always relevant and controversial for many scholars in the field of accounting and business management. Studying scientific publications on this topic, there is a lack of uniform interpretation of the concept of «financial results», mainly considered the concepts of «profit», «loss», «income» and «expenses».

«Financial result» has many different interpretations. The content depends on the purposes studied in the process of economic activity, on the category of user of accounting data for which the financial result was identified, and on the set of accounting techniques possessed by one or another accounting system [11, p. 1386].

The essence of financial results in the general economic sense is characterized as a result of comparing revenues of the reporting period with costs. Also, income can be equated to the consumer value of products, and costs – with their actual value [2, p. 34].

Financial results are an indicator of the effectiveness of economic activity of the organization, which is calculated by comparing income and expenses, which is in the form of profit or loss [3, p. 163].

Successful, in our opinion, is the definition: financial results – a monetary indicator of the effectiveness of economic activity of the entity by comparing certain income and expenses incurred to obtain them, which can be presented in the form of profit or loss [15, p. 21].

The set of the most significant factors influencing the formation of financial results of economic entities is divided into internal and external (Figure 1).

It is obvious that the management of financial results involves the study and use of those factors that most significantly affect the results of economic and financial activities of the enterprise and the adoption and implementation of such decisions that would increase revenue and reduce costs [25, p. 165].

The financial result in the modern sense is considered as:

- 1) change in the amount (increase or decrease) of equity;
- 2) profit or loss;
- 3) change in the value of net assets of the enterprise;
- 4) the result of comparing income and expenses;
- 5) additional value created in the process of production and implementation of financial and credit transactions;
- 6) the result of the statutory activities of the enterprise (revenue minus the cost of production and sales);
- 7) the price of capital and other factors of production [23, p. 118].

It is almost impossible to cover and reveal the whole essence of the economic content of financial results in one holistic concept. After all, all views and opinions explain a certain aspect of the concept of financial results and deserve attention. But concluding, we can say that the comparison of income with expenses in a certain period reveals the general economic content of financial results [2, p. 35].

Based on the above, it can be argued that the main elements of the financial result are income and expenses.

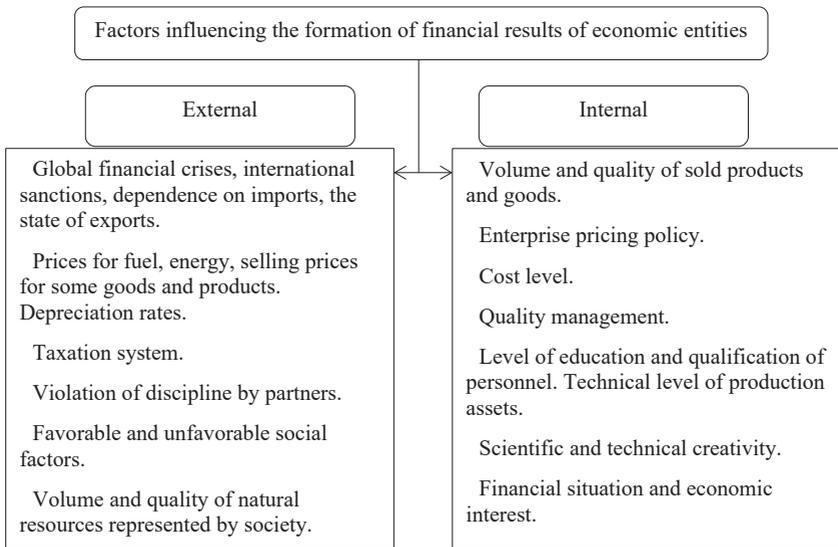


Figure 1. Factors influencing the formation of financial results of economic entities

Source: [1, p. 1294]

This is due to the fact that no normative document contains a definition of this category. Instead, the National Regulation (Standard) of Accounting (NP (S) BU) 1 «General requirements for financial reporting», contains its integral components:

- income – an increase in economic benefits in the form of an increase in assets or a decrease in liabilities, which leads to an increase in equity (except for the gaccounth of capital through contributions from owners);
- costs – a decrease in economic benefits in the form of a decrease in assets or an increase in liabilities, which leads to a decrease in equity (except for a decrease in capital due to its withdrawal or distribution by owners);
- profit – the amount by which income exceeds the associated costs;
- loss – the excess of the amount of costs over the amount of income for which these costs were incurred [17].

Scholars are right that profit is a part of income from various activities of the enterprise (main, other operating, investment, financial and other),

which remains after covering the costs incurred to obtain this income, and loss – part of the costs that exceeds the income from various activities of the enterprise (main, other operating, investment, financial and other), to obtain which these costs were incurred [4, p. 35].

Thus, in the concept of accounting, the financial result can be characterized from three positions:

- 1) as the difference between the magnitude of income and operating expenses for the comparable reporting period;
- 2) as a change in the amount of resources of the enterprise during the reporting period;
- 3) as an increase in equity for the relevant reporting period.

Given the conditioned and own research [monograph income], it is proposed to define the concept of «financial results» to combine three components – the essence, content and form of manifestation (Figure 2).

Thus, financial results are the final indicator of the enterprise, which is determined by comparing income and expenses by its types and is manifested as net profit (positive result) or uncovered loss (negative result).

The correctness of the financial result of the enterprise depends on the reliability and objectivity of recognition, evaluation, classification and methods of accounting for its constituent components – income and expenses, in terms of classification features of economic activity.

It is worth noting that income and expenses are important and at the same time complex categories of the economy. The problem of interpretation, evaluation and recognition is not unique to domestic accounting practice.

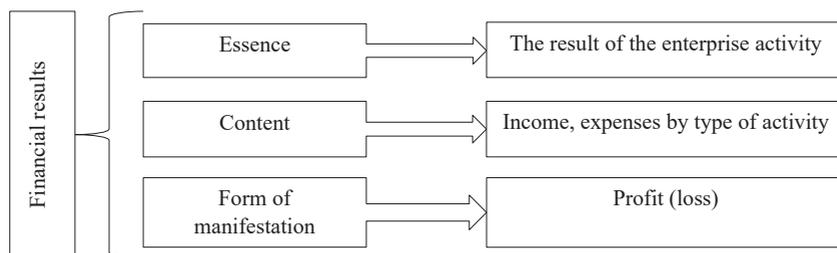


Figure 2. The concept of financial results for accounting purposes

Source: author's interpretation

Thus, on January 1, 2018, International Financial Reporting Standard (IFRS) 15 “Income from Contracts with Clients” came into force, replacing International Accounting Standard 18 “Income”. IFRS 15 defines: income is an increase in economic benefits during the reporting period in the form of income or an improvement in assets or a decrease in liabilities, which leads to an increase in equity, except for an increase in equity associated with contributions from equity participants [13].

The definition of revenue in the National Accounting Regulation (NAR) 1 “General Financial Reporting Requirements” is similar to the interpretation of revenue proposed in IFRS 15 “Revenue from Contracts with Customers”. According to NP (S) BU 1, income is interpreted as an increase in economic benefits in the form of inflows of assets or a decrease in liabilities that lead to an increase in equity (excluding capital gaccountth due to owners’ contributions) [17].

However, NP (S) BA 15 «Income» stipulates that income is recognized when an asset increases or a liability decreases, which causes an increase in equity (except for capital gaccountth due to contributions from participants of the enterprise), provided that the assessment income can be reliably determined [18].

Therefore, the determination of income according to international and national accounting standards is related to the receipt of economic benefits.

According to the Law of Ukraine «On Accounting and Financial Reporting in Ukraine», economic benefit is a potential opportunity for an enterprise to receive cash from the use of assets [22].

Each entity incurs appropriate costs to generate revenue. Therefore, they are no less important component of the financial result and.

It should be noted that there is no separate standard that regulates the definition and procedure for recognizing costs in International Accounting Standards. Instead, the definition of costs is given in the Conceptual Basis of Financial Reporting, according to which costs are a decrease in assets or an increase in liabilities, resulting in a decrease in equity, except as a result of distribution to holders of equity requirements [10]. Analyzing NP (S) BA 1, there is an almost identical interpretation of costs: costs – a decrease in economic benefits in the form of a decrease in assets or increase in liabilities, which leads to a decrease in equity (except for a decrease in capital due to its withdrawal or distribution by owners) [17]. Costs are

recognized in accounting as a decrease in assets or an increase in liabilities, provided that these costs can be measured reliably [19].

The term «expenditures» is related to the term «cost». However, they are not identical and need to be distinguished.

In this regard, it is reasonable to say that the cost of production is an independent economic category, which expresses a complex system of economic relations between economic entities in the process of production and circulation of products. At the same time, the cost as an indicator of economic activity shows the costs of a particular enterprise for the production and sale of certain products in cash, which gives grounds to draw conclusions about the effectiveness of the production potential of the business entity [6, p. 136].

Given the provisions of these regulations, it can be argued that the receipt or reduction of economic benefits depends on the nature of operations (Table 1).

Today there are two basic approaches to calculating the financial results of the enterprise, which have some variations in different countries:

1) the method of comparing income and expenses (cost-output method) – involves determining the profit (loss) in accordance with the principle of accrual and compliance of income and expenses, ie as the difference between income and expenses of the reporting period. This method involves comparing income with the costs incurred to obtain this income.

2) the method of comparing capital (or the method of changing net assets) – involves determining the increase in equity in the reporting period as the difference between the amount of equity at the end and beginning of the reporting period, ie calculates the difference, and if equity increases at the end of the reporting period the company makes a profit, and if on the contrary – a loss [11, p. 1387].

Usually the calculation of the financial result is carried out by the method of «cost – output». The financial result for the reporting period is determined by comparing the income of the reporting period and the costs incurred to obtain these revenues. In this case, income and expenses are reflected in the date of their occurrence, and not on the date of receipt or payment of funds.

Given the above, we analyze the financial performance of the agricultural enterprise (Table 2).

Table 1

Operations that cause receipts or reductions of economic benefits

Receipts	Reduction
receipt of cash from the sale of goods (works, services, other current assets)	transfer of funds for the purchase of goods (works, services)
cash inflows in the form of interest, dividends, etc.	payment of dividends, interest on the use of assets
repayment of receivables by buyers	the emergence of accounts payable to counterparties

Source: substantiated by the author

Table 2

Analysis of financial results of Khmilnytske LLC

Indexes	2018, thousand UAH	2019, thousand UAH.	2020, thousand UAH	Deviation, +/-, thousand UAH	
				2020/2018	2020/2019
Net income from sales of products (goods, works, services)	1690937	781959	944144	-746793	+162185
Cost of goods sold	1675741	742178	993821	-681920	+251643
Gross profit	15781	39781	49677	+65458	+89458
Gross loss					
Other operating income	3200932	159692	285574	-2915358	+125882
Administrative expenses	21635	22313	21057	-578	-1256
Selling expenses	103901	92352	83921	-19980	-8431
Other operating expenses	74271	47133	69057	-5214	+21924
Financial result from operating activities: profit	136321	37675	61862	-74459	+24187
Other financial income	25226	6128	214	-25012	-5914
Financial expenses	88520	97722	83921	-4599	-13851
Pre-tax financial result: profit loss	73027	53919	21845	+94872	-32074
Net profit	73027	53919	21845	+94872	-32074
Net loss					

Source: according to the company's financial statements

According to Table 2, the following conclusions can be drawn: the main part of the financial result is related to operating activities; there is a negative financial result – loss; loss is associated with a decrease in net sales revenue and an increase in the cost of goods sold.

Note that the financial result is not only the final performance of the company for the year, but also information for further management decisions.

Therefore, it is important for users of financial statements to know not only the amount of profit or loss, but also what activities (operating, financial, investment) results.

3. Classification of financial results by type of activity

Determining the financial result of the activity must take into account the classification of income and expenses.

Recognized income is classified in accounting by the following groups [18]:

- income (revenue) from sales of products (goods, works, services) – is the total income (revenue) from sales of products, goods, works or services without deducting discounts, refunds of previously sold goods and indirect taxes and fees, value added tax cost, excise duty, etc.);

- net income from sales of products (goods, works, services) – is determined by deducting from income from sales of products, goods, works, services, discounts, the value of returned previously sold goods, income under contracts owned by customers (principals, etc.), and taxes and fees;

- other operating income – include the amount of other income from operating activities of the enterprise, except for net income from sales of products (goods, works, services);

- financial income – includes dividends, interest and other income received from financial investments (except for income, which is accounted for using the equity method);

- other income – includes income from the sale of financial investments; income from non-operating exchange differences and other income that arises in the course of economic activity, but not related to the operating activities of the enterprise.

Recognized by the company costs in accounting are classified into the following groups [19]:

- cost of goods sold (goods, works, services) – consists of the production cost of products (works, services), which was sold during the reporting period, unallocated fixed overhead costs and excessive production costs;
- overhead costs – costs of production management;
- administrative costs – include the following general expenses for the maintenance and management of the enterprise;
- marketing costs – costs associated with the sale (marketing) of products (goods, works, services);
- other operating costs – include costs of depreciation of inventories, maintenance of socio-cultural facilities, recognized fines, penalties, penalties, etc.;
- financial expenses – interest expenses (for the use of loans received, for bonds issued, for financial leases, etc.) and other expenses of the enterprise related to boraccountings;
- other costs – costs that arise during the activity (except for financial costs), but not directly related to the production and / or sale of products (goods, works, services).

Accordingly, when determining the financial results, a comparison of income and expenses of each activity (Table 3).

At the same time, NP (S) BA 1 defines ordinary activities and main activities. Thus, ordinary activity – any main activity of the enterprise, as well as operations that provide it or arise as a result of its activities, and the main activity – that associated with the production or sale of products (goods, works, services) that is the main purpose of the enterprise and provides the bulk of its income [17].

That is, the guiding indicator of the main activity is the product of a separate production process, which completes the complex production process.

In order to determine the informativeness of data on the results of business entities, we describe the procedure for forming the financial result in the «Statement of financial performance» («Statement of comprehensive income») (Table 4).

Given the results of the study, we can note the diversity in the comparison of income and expenses and attributed them to the relevant activities. In the form of the «Report on financial results» the results from financial and investment activity are not separated by separate articles. This in turn

Table 3

Classification of financial results by the type of activity

Income	Costs
Operating activities – the main activities of the enterprise, as well as other activities that are not investment or financial activities	
income (revenue) from sales of products (goods, works, services) (account 70); other operating income (account 71)	cost of goods sold (goods, works, services) (account 90); overhead costs (account 91); administrative expenses (account 92); selling expenses (account 93); other operating expenses (account 94)
Investment activity – the acquisition and sale of non-current assets, as well as those financial investments that are not part of the cash equivalents (cash)	
income from participation in capital (account 72); other income (account 74)	losses from equity participation (account 96); other expenses (account 97)
Financial activity – an activity that leads to changes in the size and composition of equity and debt capital of the enterprise	
other financial income (account 73)	other financial expenses (account 95)

Source: formed by the author for [8; 17]

raises many controversial issues in the practice of accounting for financial results. Note that the calculation of the financial result must be organically integrated with the information system of accounting accounts.

Currently, the system of accounting accounts to reflect the financial result provides for the use of the following accounts [8]:

1) Accounts of class 7 «Income and results of activities» are designed to summarize information on income from operating, investing and financing activities of the enterprise. The composition of income and the procedure for their recognition are determined by the relevant provisions (standards) of accounting. The accounts of this class during the reporting year on the loan reflects the amount of total income together with the amount of indirect taxes, fees (mandatory payments) included in the sale price, debit – monthly reflection of the appropriate amount of indirect taxes, fees (mandatory payments), annual or monthly transfer of the amount of net income to account 79 «Financial results» [8].

2) To summarize information on operating, investing, financing and other ordinary activities, enterprises use Class 9 “Operating Expenses”

The order of formation of the financial result and total income in the «Statement of financial performance» («Statement of total income»)

Section I. Financial results	
Net income from sales of products (goods, works, services) (series 2000)	– Cost of goods sold (goods, works, services) (account 2050)
=	
Gross profit (series 2090) / loss (series 2095)	
+ other operating income (account 2120)	– administrative expenses (account 2130) – selling expenses (account 2150) – other operating expenses (account 2180)
=	
Financial result from operating activities: profit (series 2190) / loss (series 2195)	
+ income from participation in capital (number 2200) + other financial income (series 2220) + other income (number 2240)	– financial costs (number 2250) – losses from equity participation (account 2255) – other expenses (account 2270)
=	
Financial result before tax: profit (account 2290) / loss (account 2295)	
+ income tax income (number 2300) + profit from discontinued operations after tax (account 2305)	– income tax expenses (account. 2300) – loss from discontinued operations after taxation (account. 2305)
=	
Net financial result: profit (series 2350) / loss (series 2355)	
Section II. Total income	
Revaluation (revaluation) of non-current assets (account 2400) + revaluation (revaluation) of financial instruments (account 2405) + accumulated exchange differences (account 2410) + share of other total income of associates and joint ventures (account 2415) + other total income (account 2445)	
=	
Other aggregate income before tax (account 2450)	
	– income tax related to other comprehensive income (no. 2455)
=	
Other total income after tax (account 2460)	
+ net financial result (profit) (account 2350)	– net financial result (loss) (number 2355)
=	
Total income	

Source: generated by the author for [12]

Accounts of the Chart of Accounts for Assets, Capital, Liabilities and Business Operations of Enterprises and Organizations. The debit of accounts of this class reflects the amount of expenses, the credit – writing off the amount of expenses at the end of the reporting year or monthly to account 79 «Financial results» [8].

3) At the same time, business entities have the right to use only accounts of class 8 «Expenses by elements» (without the use of accounts of class 9 «Operating expenses») to summarize information on the costs of the enterprise. They debit the sub-accounts of account 79 «Financial results» amounts from the credit of accounts 23 «Production» and accounts of class 8 «Expenses by elements» in the order of closing these accounts [8].

4) Account 79 «Financial results» is used to reflect financial results. This account contains three sub-accounts: 791 «Result of operating activities»; 792 «Result of financial transactions»; 793 «Result of other ordinary activities». The credit of account 79 «Financial results» reflects the amounts in the order of closing the accounts of income, the debit – the amounts in the order of closing the accounts of expenses, as well as the appropriate amount of accrued income tax. The balance of the account at its closing is debited to account 44 «Retained earnings (uncovered losses)» [8].

Thus, the credit of account 79 «Financial results» in the order of closing the accounts reflects income, the debit – expenses.

After determining the pre-tax financial result, the accountant must calculate and debit the amount of income tax on account 79 «Financial results», if the entity is a payer of such tax.

Sub-account 641 «Tax calculations» in the context of the analytical account «Income tax calculations» is assigned to account for income tax calculations. The credit of the analytical account «Calculations for income tax» reflects the accrual of income tax, the debit – transfers to the budget.

Account 98 «Income Tax» is also used. This account records the amount of income tax expenses, which consists of current income tax, taking into account the deferred tax liability and deferred tax asset and is determined in accordance with NP (S) BU 17 «Income Tax». The debit of the account reflects the accrued amounts of income tax, the credit – inclusion in the financial results of account 79 «Financial results» [8].

In addition, the chart of accounts for the conduct of operations to reflect income tax designated a number of other accounts, namely [8]:

– 17 – in the case of accrual of current income tax with the reflection of deferred tax assets;

– 54 – in the case of accrual of current income tax due to the write-off of previously accrued deferred tax liabilities.

Accounts 17 and 54 are designed to reflect the temporary difference between the amount of income tax arising from the mismatch between the amount of income from accounting and income that is subject to taxation. These accounts will be available only to those economic entities that, in accordance with the Tax Code of Ukraine, are required to adjust the financial result according to accounting data for tax differences that may arise in connection with determining the tax base according to tax calculations.

Therefore, the «Financial results» finally formed on account 79 are debited to account 44 «Retained earnings (uncovered losses)» by the following accounting entries:

– when making a profit: debit 79 credit 441 «Retained earnings»;

– upon receipt of loss: debit 442 «Uncovered losses» credit 79.

It is objective to believe that the final financial result (profit or loss) of the enterprise consists of the financial result from operations that are the subject of its core business, other operating, financial and investment and which together constitute ordinary activities, as well as extraordinary events [14, p. 138].

The above material confirms the complexity of accounting for the financial result of activities. Modern approaches to determining financial results do not ensure the quality of information needed to make management decisions. Today there is a certain inconsistency in the classification of activities and sub-accounts of accounting, which are formed and determined financial results (Table 5). This, in turn, makes it impossible to assess business risks and make objective decisions.

The generalized data in Table 5 show that income and losses from equity participation are written off to the sub-account «Results of financial transactions», although in essence they relate to investment activities. Therefore, there are different opinions about the objectivity of the formation of information on sub-accounts 792 and 793.

Research outlines a number of shortcomings in the system of accounting for financial results and substantiates approaches to their improvement.

There is no consensus among scholars on the reflection in the accounts

Methods of accounting for the financial result of the enterprise in accordance with the requirements of the Instruction on the application of the chart of accounts

Activity	Display in accounting accounts	
	Debit	Credit
791 «Results of operating activities»	70 «Income from sales», 71 «Other operating income»	791 «Financial results»
	791 «Financial results»	90 «Cost of sales», 91 «Overhead costs», 92 «Administrative costs», 93 «Sales costs», 94 «Other operating expenses»
	791 «Financial results» (for enterprises that use only 8th class accounts)	23 «Production», 80 «Material costs», 81 «Labor costs», 82 «Contributions to social activities», 83 «Depreciation», 84 «Other operating expenses»
792 «Results of financial transactions»	72 «Income from equity participation», 73 «Other financial income»	792 «Result of financial transactions»
	792 «Result of financial transactions»	95 «Financial expenses», 96 «Losses from equity participation»
	792 «Result of financial transactions» (for enterprises that use only Class 8 accounts)	85 «Other expenses» (in terms of financial expenses)
793 «Result of other activities» Activity	74 Other income	793 «Result of other activities»
	793 «Result of other activities»	97 «Other expenses»
	793 «Result of other activities» (for enterprises that use only 8th class accounts)	85 «Other expenses» (in part of expenses related to investment and other activities)

Source: generated by [8]

of income, expenses and financial performance of the enterprise. However, all the authors have an unequivocal opinion on the need to detail the accounting on accounts 79 «Financial results» and 44 Retained earnings (uncovered losses) [24, p. 47].

Moroz Yu.Yu. proposes to make changes to the composition of its sub-accounts of account 79 «Financial results»: 791 «Result of operating activities», 792 «Result of other operating activities», 793 «Result of financial activities», 794 «Result of investment activities», 795 «Result of extraordinary events», that is necessary to eliminate inconsistencies between the needs for information on activities and the existing method of its formation [14, p. 139].

Another approach is proposed [7, p. 232] to carry out in the context of the following sub-accounts and analytical accounts of the first order:

- 791 «Financial result from operating activities»;
- 7911 «Financial result from operating activities»;
- 7912 «Financial result from other operating activities»;
- 792 «Financial result from financial activities»;
- 793 «Financial result from investing activities»;
- 7931 «Financial result from equity participation»;
- 7932 «Financial result from other investment activities».

According to the authors, this approach will help to more accurately determine the financial results of individual activities.

With regard to income and expenses, and accordingly the results of their comparison, resulting from unforeseen (extraordinary) transactions, income is reflected in sub-account 746 «Other income», and expenses – in sub-account 977 «Other operating expenses». There are no clear regulations in the accounting standards and instructions to the chart of accounts.

The reason for this in 2013 was the removal from the Chart of Accounts and Instructions for its application of accounts 75 «Extraordinary income» and 99 «Extraordinary expenses», as well as the removal from the name of sub-account 746 «Other income from ordinary activities» words «from ordinary activities», And from sub-account 977 «Other expenses of ordinary activities» – the words «ordinary». It should be noted that the explanations given in the new titles of sub-accounts 746 «Other income» and 977 «Other operating expenses» were not changed. That is, the explanations do not say that these sub-accounts summarize extraordinary income and extraordinary

expenses, respectively. This fact often in practice leads to unclear situations that cannot be legally resolved [7, p. 230].

In this regard, scientists propose to account for costs and revenues related to emergencies, not only on accounts 97 «Other expenses» and 74 «Other income», but also on accounts 94 «Other operating expenses» and 71 «Other operating income» in the event that current assets («Inventories», «IBE», etc.) also became unusable during the emergency. The financial result of such events will be reflected in the relevant sub-account 791 «Result of operating activities», and not in sub-account 793 «Result of other ordinary activities» [7, p. 235].

Another feature of the formation of the financial result is its determination by agricultural enterprises, which is related to the norms of NP (S) BA 30 «Biological assets». Accordingly, the financial result includes: the financial result from the initial recognition of agricultural products and additional biological assets; financial result from the sale of inventories – agricultural products and biological assets, which are valued at fair value less costs to sell; the financial result from changes in the fair value of biological assets at the balance sheet date, which are measured at fair value less costs to sell.

In this regard, the opinion of scientists is correct [5, p. 69] that the general method of determining financial results does not quite correspond to the real model of market economy in the country. After all, the financial result for farmers is to be determined not after the sale of agricultural products, but immediately after its receipt from production. In all other sectors of the economy, the financial result is determined at the stage of sale, not production.

In the practice of accounting, the method provided by NP (S) BA 30 leads to the conditionality of determining the financial results of agricultural enterprises, as it is mostly calculated financial result from the main activity, ie from the sale of direct product.

Among the problematic issues is the lack of in the instructional materials on accounting the procedure for allocating income tax (sub-account 981) on financial results – on specific sub-accounts of account 79 [16, p. 1015].

In this regard, scientists see the definition of income tax for each activity separately: 981 «Income tax on operating activities»; 982 «Income tax on financial activities»; 983 «Income tax on investment activities» [7, p. 232].

The proposal of scientists is positive, because by deducting income tax from the financial results of each of these three activities, we get a net profit from these activities. This indicator will fully characterize the effectiveness of each of the activities of the enterprise.

According to the results of the study, it is once again confirmed that the information base for the management of financial results are accounting accounts.

5. Conclusions

The magnitude of the financial result determines the possibility of further development of the enterprise and creates a margin of financial stability, which allows the company to respond quickly to changes in market conditions. Therefore, the correct accounting of results by type of activity is of fundamental importance for assessing the financial and economic activities of the enterprise.

Characteristic essential features of income and expenses of the enterprise create the basis for their classification and grouping by individual articles of the Statement of financial performance. However, the study of accounting for financial results in practice raises many controversial issues, including the incompatibility between the characteristics of activities, income, expenses and the formation of financial results.

Having analyzed the theoretical foundations of the formation, accounting and taxation of financial results of enterprises, it can be noted that the procedure for accounting on account 79 «Financial results», which accumulates information about financial results, does not allow prompt, complete and objective coverage of business results. activities.

In order to improve the accounting support for the formation of financial results, we offer:

1. At the legislative level to consolidate the interpretation of the category «financial results»: financial results – is the final indicator of the enterprise, which is determined by comparing income and expenses by its types and manifests itself as net profit (positive result) or uncovered loss (negative result). This will provide an understanding of the nature of the studied category in its essence, content and form of manifestation.

2. To determine the only classification characteristics of the results of activities by its types with a clear definition of the composition of sub-

accounts: 791 «Financial result from operating activities», 792 «Financial result from other operating activities», 792 «Financial result from financial activities»; 793 «Financial result from investing activities». This will ensure the formation of objective information to analyze the results of the enterprise and make rational decisions.

3. To develop a mechanism for determining the income tax and assign it to financial results – to specific sub-accounts of account 79 «Financial results».

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