

*POLITICS IN THE MANAGEMENT ACCOUNTING FARMS AND
ESSENTIAL FOR ITS IMPROVEMENT*

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The article discusses the improvement of the use of accounting policies in the management accounting system of agricultural enterprises. The transition to market relations led to the emergence of several parties interested in information about the activities of economic entities. In the management accounting system, it is necessary to understand the totality of management accounting methods that ensure the realization of the possibility of its elements in the interests of intra-company management of economic entities.

In the article the problems of improvement of the accounting policies agricultural managerial accounting are discussed . The transition to the market economy has led to the emergence of several parties interested in information about the activities of economic entities. In the system of management accounting, it is necessary to understand the set of management accounting methods that secure the implementation of the possibilities of its elements for in-house management of business entities.

Keywords: management accounting, accounting policy, responsibility center

The formation of a market economic system requires economic entities to increase the efficiency of production, the competitiveness of products and services based on the achievements of scientific and technological progress, effective forms of economic management and management. The decisive role in the implementation of these tasks belongs to the management accounting of costs for the production of finished products. With its help, plans and management decisions are substantiated, control over their implementation is carried out, performance results are evaluated, diagnostics are carried out, and reserves for increasing production efficiency and economic potential growth are identified. Studying the issues of improving management cost accounting in accordance with

the requirements of international financial reporting standards requires a more detailed study.

The transition of the domestic economy from the administrative system of management to the market system has significantly changed the conditions for the operation of an agricultural enterprise. Their competitiveness at the present stage is largely determined by a well-functioning system of information support for managing the activities of an economic entity, within which, as a rule, three types of accounting function: financial, tax and managerial. The goals, principles and rules for their maintenance are different, therefore, primary accounting information should be processed according to three specific algorithms. [1,2,3,4] The fundamental basis for building an accounting system is the accounting policy of agricultural enterprises, which determines the economic efficiency of their activities. The choice of accounting policy depends on many factors. Financial and tax types of accounting are maintained in accordance with the accepted accounting policy, the formation of which is regulated by law, and their theoretical and methodological foundations have been studied to a sufficient extent. The issues of creating an accounting policy for the purposes of management accounting are practically not considered in modern studies. The very concept of "accounting policy in the management accounting system" (hereinafter referred to as the USUU) is debatable.

The creation and application of the PMU will allow the formation and transformation of primary information into the form that best meets the goals of intra-company management (pricing, analysis of the profitability of certain types of products, assortment structure, etc.) and contributes to the adoption of optimal management decisions [3,4,7].

Information support for the management of economic entities, the basis of which is the accounting system, has gone through certain stages of evolution. In the conditions of a planned economy, in the presence of an exclusively state form of ownership, accounting focused on reporting to the state represented by ministries and departments as its main consumer. Thus, the state performed the functions of a regulator, owner of property and a body for managing the economic activities of enterprises, determining their policies in all areas, including the methodological principles for building an accounting and reporting system. As a result, the role of accounting in shaping the internal economic policy of enterprises turned out to be significantly limited.

The transition to market relations led to the emergence of several parties interested in information about the activities of an economic entity. Among the consumers of accounting information, a group of internal users stood out, for whom management accounting has become the main information base [5]. So, if the interests of external users are based on a specific type of accounting data

provided by financial and tax types of accounting, then the management of an organization also uses specific information prepared mainly in the management accounting system for effective management. The peculiarities of this information are due to the fact that, on the one hand, the requirements for it are more liberal: greater freedom is allowed in its formation, the –use of non-quantitative, undocumented, extra-accounting information, approximate forecast estimates, etc. On the other hand, the requirements are higher in terms of efficiency, quality, detail and depth of management information provided [3,4].

In modern economic literature, there is no unambiguous interpretation of the concept of information used in management accounting, which, as a rule, is considered in a generalized way, in relation to accounting as a whole. In this study, in our opinion, "management accounting information" should be defined as a set of information, data, observational results about the business entity under study, about the external environment affecting it for making timely and optimal management decisions.

In the process of managing an organization, a large amount of information is used, formed in financial, tax types of accounting, in reporting prepared according to IFRS, as well as in management accounting. To ensure the process of managing the necessary information, it must have a systematic form. In this regard, we consider the content of the term "information support system for managing the activities of an economic entity", which is understood as a set of processes for collecting, storing, processing, transferring all types of information (both financial and non-financial) within the accounting complex of an enterprise [4,5,6,7]. Management accounting should provide not only more detailed, but also qualitatively different information about the activities of an economic entity in comparison with other management data providers. The result of determining the place of management accounting in the information system of an economic entity was its positioning as the information base of the system of internal tactical and strategic management with the possibility of integrating information flows of accounting, financial and tax types of accounting, as well as using the principles of IFRS. Thus, management accounting acts as an information system that can use data from all other types of accounting, but at the same time has its own characteristics and specific purpose.

Each of the accounting subsystems operating in the information field of enterprises is designed to fully and timely satisfy the relevant information needs of a certain segment of users pursuing specific goals: financial accounting, i.e. timely provide users with external financial statements that allow assessing the financial condition of the enterprise; tax accounting - correctly and in accordance with the established deadlines to pay off the budget and extra-budgetary funds, while

reducing the tax burden of the enterprise; management accounting - to provide information support to enterprise managers [6,7].

The principles and rules for maintaining these types of accounting are different. Unlike financial and tax accounting, management accounting is not regulated by law and can be carried out on the basis of the principles of domestic, international financial accounting and reporting standards, as well as the internal rules of a particular enterprise in accordance with the information requests of its managers. Management accounting provides the management of the company with qualitatively different information that is necessary for the processes of planning, accounting, monitoring and evaluating activities both for the organization as a whole and for its structural divisions. Currently, in most cases, decisions made by management are intuitive and are not supported by appropriate calculations based on management accounting information. The effective activity of an economic entity is guaranteed by such management, which affects the object by choosing the optimal one from a variety of possible solutions based on the information available for this.

Primary information about the activities of an economic entity used in the systems of financial, tax and management types of accounting is the same. Management accounting, in addition, needs additional specific information. To solve the tasks at hand, the initial data must be processed according to three different algorithms, providing for the principles, rules and methods of maintaining each of these types of accounting. To regulate and, thus, to systematize this process, such a tool as the accounting policy of the organization is called upon.

Under the accounting policy in the management accounting system, it is necessary to understand the totality of management accounting methods that ensure its continuity and contribute to the realization of the capabilities of its elements (budgeting, accounting and reporting proper, internal control and management analysis) in the interests of intra-company management of an economic entity. According to experts, The SLA should become the most important link in the management and accounting of the organization [5]. Its use will allow to form and transform primary information into a form that best meets the information needs of managers and owners of the organization, thereby facilitating their adoption of adequate management decisions.

Distinguishing the issues raised in various accounting policies and determining the scope of their coverage by management accounting policies led to the following conclusions. A number of provisions considered in accounting policies drawn up for the purposes of financial and tax types of accounting are at the same time the prerogative of management accounting (choice of accounting currency, methods for assessing current and non-current assets, the procedure for

their write-off, methods of accrual and write-off of reserves). However, a number of issues are peculiar only to management accounting, in connection with which they should be reflected only in the UPUU. These include, in particular:

- list and classification of responsibility centers;
- forms of internal reporting that contribute to cost management - sales, receivables and others;
- allocation of controlled and uncontrolled reporting items of responsibility centers, personalization of internal reporting documents;
- establishment of financial and non-financial criteria for evaluating the activities of responsibility centers;
- definition of costing items, choice of cost accounting and costing methods for individual financial responsibility centers;
- the procedure for distributing indirect costs between individual types of products (works, services);
- choice of method for grouping and writing off production costs;
- choice of calculation method;
- formation of transfer pricing, etc.

We also note that the PLA should provide not only more detailed information (by cost and revenue centers, responsibility centers, etc.) but also non-financial data (for example, information on the proportion of repeat customers, equipment downtime and repair, level of personnel qualifications, etc.).

In the formation of the UPUU, which has individual characteristics for each enterprise, it is necessary to proceed from the specifics of the management decisions made in it, therefore, here special attention is paid to the issues of their content and classification [6,7]. The definitions of the concept of "management decision" proposed in modern literature do not always fully reveal its content. Therefore, by "management decision" we propose to understand the choice of an economically justified option, carried out by the head within the framework of his official powers, which serves as the basis for the implementation of specific actions of the organization for the optimal achievement of the set goal.

The study of existing points of view made it possible to derive a generalized classification of managerial decisions grouped according to such classification criteria as the scale of impact, the nature of the goal, the duration of the action, the number of goals, decision-making participants, etc.

Management decisions are distinguished by a variety of options, most of which (about 80%) taken using management accounting data. For example, management accounting can become the main supplier of information for such types of decisions as verbal, non-formalized, etc. Local, tactical, traditional, formalized and a number of other types of decisions can be based on data from both managerial and financial and tax types of accounting [3,4,5].

One of the most important stages in the formation of the SPM is the allocation of elements of management accounting, the implementation of which should be facilitated by management accounting policy. In modern literature, there are different views on the set of elements of management accounting. In our opinion, the composition of the elements of the management accounting system that predetermine the construction of the PLA should include: planning (strategic, tactical, operational); proper accounting; management reporting; managerial control and analysis. The practical implementation of the listed elements is possible with appropriate organizational and technical support.

As a result of the study, the most common position was recognized as optimal, assuming the allocation of the following aspects of accounting policy: methodological, technical, organizational. The methodological aspect of management accounting policy, first of all, should be devoted to:

- areas in which management accounting uses approaches that differ from financial and tax types of accounting (for example, when assessing inventories written off to production, in financial and tax types of accounting, unlike management accounting, methods such as HIFO are not provided, LIFO);

- methods of calculating the cost of sold products (works, services), cost planning and control over the use of funds;

- development and accounting of non-financial performance indicators of structural divisions.

Within the framework of the technical aspect of the SLR, it is proposed to consider the totality of tools and techniques used by the organization in the management accounting [6,7].

In our opinion, the organizational aspect of the UPUU should include issues related to the construction of a management accounting service, its interaction with other departments and other organizational issues of creating an environment for preparing information in order to make internal management decisions and monitor their implementation.

Thus, the study made it possible to conclude that the introduction of an accounting policy for the purposes of management accounting, even in the scope of its individual elements, is intended to become an effective tool for creating conditions for business entities to take leading positions in the market as a result of increasing their competitiveness.

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