

FINANCIAL STATEMENTS AS A SOURCE OF INFORMATION FOR MAKING MANAGEMENT DECISIONS

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У статті розглянуто важливість фінансової звітності, як сукупності форм звітності, складених на підставі даних фінансового обліку з метою надання користувачам узагальненої інформації про фінансовий стан і діяльність підприємства. Розкрито роль фінансової звітності в управлінні підприємством.

Ключові слова: підприємство, бухгалтерський облік, фінансова звітність.

The article examines the importance of financial reporting, as a set of reporting forms compiled on the basis of financial accounting data with the aim of providing users with generalized information about the financial status and activities of the enterprise. The role of financial reporting in enterprise management is disclosed.

Key words: enterprise, accounting, financial reporting.

Today, the process of making management decisions is based on a thorough assessment and qualified analysis of indicators of the economic activity of agricultural enterprises, which directly depends on the quality of financial reporting.

According to the legislation of Ukraine, financial reporting must provide users with complete, reliable and impartial information about the financial condition and results of the enterprise. On the basis of these data, appropriate management decisions are made regarding the operation of the enterprise and the resolution of organizational issues.

The Law of Ukraine "On Accounting and Financial Reporting in Ukraine" provides the following explanation about financial reporting: "Financial reporting - accounting reporting that contains information on the financial status, results of operations and cash flow of the enterprise for the reporting period"[1].

Enterprises, regardless of the form of ownership, are required to prepare accounting reports based on synthetic and analytical accounting data, which is the final stage of the accounting process[2].

Analysis of the company's financial statements makes it possible to: find out its real financial and economic condition on the capital, goods and financial markets; will help to improve the formation and use of the company's financial resources; to outline the directions of prospective financial development of the enterprise; determine directions for adjusting the company's financial policy.

We note that management is operational decision-making, and it is impossible to make them without knowledge about the participants in economic processes. This knowledge is called information, and the main information about business processes is contained in accounting data. All necessary accounting information is reflected in documents called financial statements [3].

Accounting reports are the main source of information for making management decisions in the field of planning. According to the reporting data, the manager reports to the labor team, the founder (owner), relevant management structures (financial authorities, banks) and other interested organizations. Accounting is a tool for collecting, processing and transmitting information about the activities of a business entity.

Accounting has been used in the business world to describe transactions between different businesses. In addition, not only accountants use accounting terms and concepts, but also managers, financiers, analysts and other persons who make up the management apparatus of any enterprise,

owners, investors, bankers, lawyers, accountants - everyone who in one way or another enters in business life [4].

So, in the process of making high-quality management decisions by enterprise managers, the role and meaning of financial reporting of these enterprises is qualitatively transformed at the same time. Financial reporting becomes a key factor in the infrastructure of the market economy, a transparent lever of communication. Thanks to this, managers at any level are able to implement the strategy and tactics of the development of the enterprise they lead.

It is only possible to assess the property status, the results of production and economic activity and the financial and economic capabilities of the business entity based on the data of the financial statements. Financial reporting allows you to calculate cash flows for the future and to indicate the vectors of its development, to make effective management decisions. Thus, financial reporting is considered a complex model of reproduction of the optimized union of interests of market subjects, which functions in dynamics and changes due to the current influence of the economic environment. Financial reporting also becomes the object of misunderstandings between its compilers and consumers, and at the same time a mechanism for their reconciliation.

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