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**ACCOUNTING AND ANALYTICAL SUPPORT OF MANAGEMENT DECISIONS
IN THE SHORT TERM**

Market economy with its inherent characteristics makes high requirements for analytical support of possible management decisions, which are focused primarily on the ability to continue the business in the long term on the basis of the efficiency of activity. In the system of information support of business, the most important role is played by a system of accounting with its components: financial, managerial, operational accounting, which logically follows from its informational function, and the functional purpose – the possibility of making management decisions. To achieve efficiency, the enterprise needs to have information about both financial and non-financial indicators, which can serve as key performance indicators. The role of information provision in society is increasing in the context of digitalization, which is based on digital technology that is developing exponentially. The digital economy involves the maximum automation of business processes and their analysis to the level of digitalization, which allows determining the real need of the enterprise to configure specific processes to use an electronic format. The study notes that the basic concept of accounting – going concern – lies at the origins of the study of accounting and the analytical potential of possible management decisions. Among the criteria for assessing the possibility of functioning in compliance with the principle of going concern, the indicators of solvency should be highlighted. The study reveals that in recent years, Ukrainian enterprises have been characterized by a negative value of working capital, which is a consequence of unprofitable activities. The negative value of working capital in addition to the potential insolvency indicates that part of non-current assets is covered by short-term liabilities, which is extremely unacceptable. This situation imposes a real threat to the continuation of the business due to the inability to meet its obligations in full and on time. The organization of managerial analysis, planning, and internal audit based on the cross-cutting integration of managerial accounting data can be one of the ways to improve the efficiency of current operations. With a fairly limited amount of information, the degree of influence of factors on the financial result, the cost per 1 UAH of production, and profitability, etc. are determined by conducting a multi-factor analysis.

Keywords: *information, digitalization, short-term, decision-making, accounting and managerial data, analysis, working capital, going concern.*

Іонін Є. Є., Тарасенко Л. О. ОБЛІКОВО-АНАЛІТИЧНЕ ЗАБЕЗПЕЧЕННЯ УПРАВЛІНСЬКИХ РІШЕНЬ У КОРОТКОСТРОКОВОМУ ПЕРІОДІ

Ринкова економіка висуває високі вимоги до аналітичного обґрунтування можливих управлінських рішень, які передусім орієнтовані на можливість продовження бізнесу в тривалій перспективі на основі ефективної діяльності. У системі інформаційного забезпечення бізнесу надзвичайно важливу роль відіграє система бухгалтерського обліку, складовими якої є фінансовий, управлінський та оперативний облік, що логічно випливає з її інформаційної функції та функціонального призначення – можливості прийняття управлінських рішень. Для досягнення певного рівня ефективності підприємству потрібно володіти інформацією як про фінансові, так і нефінансові показники, які можуть виконувати функцію основних індикаторів ефективності. Значення інформаційного забезпечення суспільства посилюється в умовах цифровізації, основою якої є цифрові технології, що розвиваються в геометричній прогресії. Цифрова економіка передбачає максимальну автоматизацію бізнес-процесів, проведення аналізу їх на такому рівні, що надає можливість визначити реальну потребу підприємства в налаштуванні конкретних процесів на використання електронного формату. У дослідженні зазначено, що базова концепція обліку стосовно безперервності діяльності лежить у витоках дослідження обліково-аналітичного потенціалу можливих управлінських рішень. А серед критеріїв оцінювання можливості функціонування з дотриманням принципу безперервності варто виокремити показники платоспроможності. Встановлено, що протягом останніх років українським підприємствам притаманне від'ємне значення показника робочого капіталу, що є наслідком збиткової діяльності. Від'ємне значення робочого капіталу свідчить про потенційну неплатоспроможність і про те, що частина необоротних активів покривається завдяки короткостроковим зобов'язанням. Така ситуація вказує на реальну загрозу для

продовження діяльності через неможливість своєчасного та повного виконання бізнесом своїх зобов'язань. Одним з напрямів підвищення ефективності поточних операцій може бути організація управлінського аналізу, планування і внутрішнього аудиту на основі наскрізної інтеграції даних управлінського обліку. На достатньо обмеженому обсязі інформації за результатами багатофакторного аналізу досягається визначення ступеня впливу факторів на фінансовий результат, витрат на одну гривню продукції, здійснюється факторний аналіз рентабельності та інше. Крім аналітичної складової, це забезпечує можливість оперативного планування, бюджетування грошових потоків, посилення внутрішнього аудиту шляхом контролю за відхиленнями.

Ключові слова: інформація, цифровізація, короткостроковий період, прийняття рішень, бухгалтерський облік, управлінський облік, аналіз, робочий капітал, безперервність діяльності.

Problem statement. Market economy with its inherent characteristics makes high requirements for analytical justification of possible management decisions, which are focused primarily on the ability to continue the business in the long term on the basis of the efficiency of activity. These two components can be seen as a twofold task in the short term, which is a necessary basis for the successful implementation of the strategic objectives of enterprises. Proceeding from this, the issues of sufficiency of an array of information, timely and high-quality accounting, and analytical support of possible management decisions at the micro and macro levels aimed at achieving current and strategic objectives of all participants of market relations is extremely important.

Analysis of recent research. The issues of accounting and analytical support of management are reflected in the work of domestic and foreign scientists: Holov S. F., K. Drury, R. Anthony, L. M. Kondratska, D. Middleton, E. V. Mnich, M. S. Pushkar, Rees J., Y. V. Sokolov, M. G. Chumachenko and others. Despite this, the issues of formation and use of financial and non-financial information in the digital economy in the short term have not been sufficiently addressed.

The paper purpose – investigation of the possibility of using accounting and analytical support of the justification of management decisions in the short term on the basis of the importance of this period to ensure the viability of the business.

Major research findings. No one doubts the thesis that information is one of the most important resources in the modern world, the driving force behind the development of human society. The understanding of the role and importance of information in society began as early as the ancient philosophers in ancient Greece. Nowadays, it is a subject of research in various sciences. Immateriality is the most important distinguishing feature of information, the basic concept of formalized representation of objective reality.

In the system of information support of business, the most important role is played by a system of accounting with its components: financial, managerial, operational accounting, which logically follows from its informational function, the functional purpose – the possibility of making management decisions.

Accounting and analytical support of management decisions are of particular importance for enterprises of natural monopolies operating in socially important areas. Gas distribution companies are an example of natural monopolies that perform an important social function by ensuring uninterrupted gas supply to consumers. Although monopolism means the absence of competition and, consequently, freedom of action, there are a number of restrictions by regulatory authorities. These

restrictions, in particular, are related to the establishment of the level of income through the determination of tariffs from outside (by the regulatory authorities). In the absence of the ability to influence income, the only tool to achieve efficiency (profitability) is cost management. Cost management primarily involves the calculation of a number of analytical indicators based on accounting data as part of the diagnosis of the financial condition of the enterprise as a whole.

Diagnosis of the financial position of gas distribution enterprises is based on the information-analytical grounds structured in an appropriate way. Thus, within the framework of using the approach to efficiency assessment and management based on key performance indicators, it is reasonable to group indicators of gas distribution enterprises depending on the possibilities of their further use: informing the management of the results and control of primary and secondary indicators.

Graphical representation of the role of a variety of indicators involved in the assessment of enterprises and serving as the basis for the development and making the tactical decisions to improve the functioning efficiency are presented in Fig. 1.

So, to achieve efficiency, the company needs information on both performance indicators (gross profit, net financial result, asset value, productivity, etc.), which are financial indicators, and the value of key performance indicators, which require constant operational management and are not financial (volume of activity, the presence of dissatisfaction with service, etc.).

If the financial indicators, which show the results of the company, are widely applicable regardless of the type of activity, the key performance indicators are exclusively individual in nature and are developed taking into account the industry specifics of the enterprise.

The role of information provision in society is increasing in the context of digitalization based on digital technology, which is developing exponentially. The digital economy involves the maximum automation of business processes and their analysis to the level of digitalization, which allows determining the real need of the enterprise to configure specific processes to use an electronic format. A number of factors play an important role in making these decisions:

1. The importance of specific business processes in the formation of final results, added value, and market capitalization.
2. Costs associated with the transition to electronic format.
3. The effectiveness of such a transition, namely, the ability to make management decisions based on the digitalization of business processes.

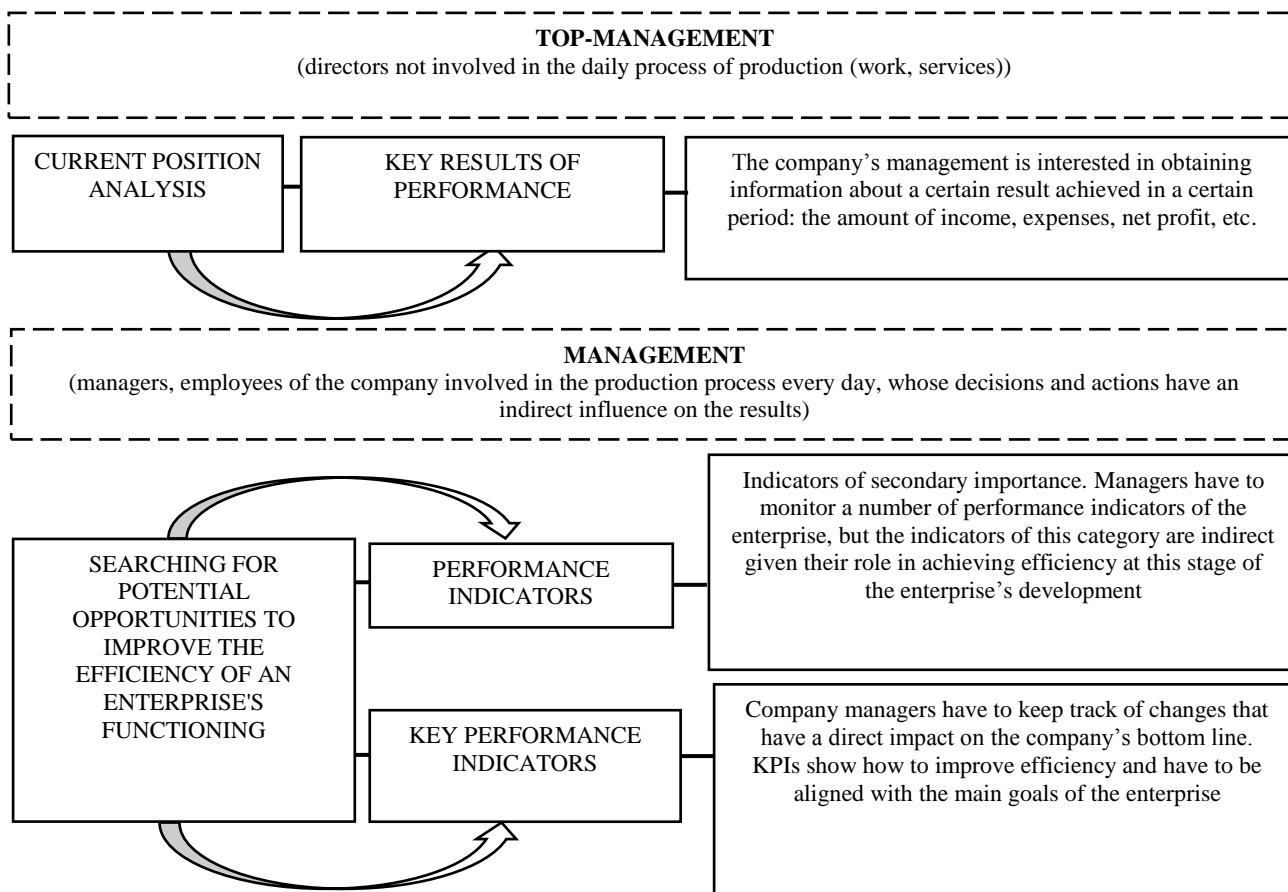


Fig. 1. Structured information platform defining the role of indicator systems in performance evaluation and managerial decision making

Source: developed by the authors.

Automation of business processes and modern information technologies of financial and managerial accounting present new opportunities for accounting and its analytical function: first of all, real-time analysis of the impact of specific business operations on the most important indicators of financial position. Thus, the traditional «limitedness» of accounting expressed in the lag of time, the reflection of actual transactions and management decisions for the future is practically leveled. Moreover, this influence is tracked, both in the short term and in the long term.

In the short term, analytical tools include break-even point, financial safety margin, marginal analysis, analysis of key financial indicators: liquidity and solvency, financial stability, business activity, financial results, etc.

The research of accounting and analytical potential of possible managerial decisions should be based on the basic concept of the accounting system – the concept of going concern, that is, the prevention of termination of the enterprise operation. This, in turn, brings the target of ensuring solvency while maintaining operational efficiency to the fore among the analytical indicators.

Going concern depends on many factors, including the duration of non-current and current assets and the excess of current assets over current liabilities due to the potential solvency, which is based on the potential inflows and outflows of cash in one year.

The conditions for ensuring the continued operation of the enterprise as one of the qualitative characteristics of its viability include the need for the timely and full performance of its obligations, which requires support at an appropriate level of its solvency.

The ability to pay its obligations is the most important indicator of the efficiency of management in the short term: «An enterprise's ability to pay its obligations as they fall due is a key determinant of the strength of its financial condition» [1, p. 192]

The combination of these two components (inflows and outflows) to highlight the ability to continue operations is achieved by using the working capital indicator as the difference between current assets and short-term liabilities. The terminological apparatus and the methodology of its calculation were clearly defined in the previous International Accounting Standard 13 «Presentation of Current Assets and Current Liabilities»: «the excess of current assets over current liabilities is often referred to as «net current assets» or «working capital» [2, p. 218].

Thus, in methodological terms, «working capital» or net current assets are always equal. Unfortunately, in current domestic practice, there was a period when the working capital indicator was incorrectly calculated: until 2005, in the statistical data of the State Statistics Committee of Ukraine current assets had been equated

with working capital. Let us make a number of references to this discrepancy: «current assets by type of economic activity» had been translated as «working capital by type of economic activity», or «structure of current assets» had been translated as «structure of working capital» [3, p. 63-64]. The above reference to the statistical publication allows us to draw certain conclusions about the inconsistency in the terms officially used at that time.

This problem remains in a certain way in the current official methods of financial analysis approved by the executive authorities when no clear algorithm for calculating this indicator is defined or another

terminology is used. Therefore, the issue of unification of all major analytical indicators, including working capital, on the calculation formula and terminological apparatus, primarily used by external users, is extremely important at the present time.

In modern conditions, the task of providing the entrepreneurial activity entities with working capital for further work is brought to the forefront in the short term. This, in turn, will be the basis for long-term strategies. Analysis of official data from the State Statistics Service of Ukraine indicates a negative state of affairs on this issue (Table 1).

Table 1

State of working capital by enterprises of Ukraine (at the beginning of the year)

Enterprises	Years	Coverage Ratio	Working capital, million UAH	Working capital as % of all assets
In Ukraine, overall, including:	2017	0.988	-69942.5	-0.7
	2018	0.979	-119541.3	-1.2
	2019	0.981	-119658.5	1
	2020	0.983	-114445.3	-1.0
Industry	2017	0.892	-184166.3	-6.6
	2018	0.889	-223127.4	-7.1
	2019	0.876	-271123.0	-7.9
	2020	0.855	-290554.9	-8.0

Source: based on data [3].

In general, the coverage ratio in Ukraine is less than 1, with the recommended value of 1.5-2. According to this, working capital has a negative value, which ranges as a percentage of total assets from 0.7% to 1.2% with a minus sign. The situation is even more critical for industrial enterprises: current assets cover short-term liabilities only by 85.5% (2020), the negative value of working capital to balance sheet total ranged from 6.6% to 8.0%.

The negative value of working capital besides potential insolvency indicates that part of non-current assets is covered by short-term liabilities, which is extremely unacceptable. This situation indicates a real threat to the continuation of the business due to the inability to meet its obligations in full and on time.

In this respect, there have been certain changes in the current practice in connection with the adoption of the Code of Ukraine on Bankruptcy Procedures, namely the updated requirements for the opening of bankruptcy proceedings. It is necessary to apply to the Commercial Court with the evidence of the insolvency of the debtor, signs of which the court is obliged to investigate. At the same time, there are no issues of establishing appropriate signs of insolvency of the debtor unlike earlier legislation of Ukraine, when the mandatory requirement was:

- 1) undisputed claims of the creditor (creditors) against the debtor of 300 or more minimum wages;
- 2) the term of this debt is 90 days or more.

These changes are directly aimed at improving the procedure itself and ensuring a balance between the interests of creditors and the interests of the debtor [4].

The criterion acts as an attribute on the basis of which the definitions and classifications are formed. It is a kind of measure of assessment, on the basis of which an opinion is formed about the state or value of a particular system. Based on this, in the diagnosis of solvency, the ability to meet its obligations in time and in full will be a

criterion. The authors of the British banking institute's (Chartered Institute of Bankers) basic textbook point out that it is a key indicator of financial strength [1, p. 192].

One of the main ways to remedy this situation is to ensure the profitable operation of the business. The fact that the share of unprofitable enterprises in recent years has been fluctuating between 35-40% is evidence of inefficient business management and a threat to the economic security of the state. The negative value of working capital is a consequence of the unprofitable operation of enterprises due to the reduction of equity and, accordingly, an increase in liabilities, primarily short-term liabilities. Thus, the ability to implement a continuous activity is in direct dependence on equity and inverse dependence on liabilities [5, p. 77].

The amount of working capital is determined by its operating cycle, which in international practice is usually considered as the time of circulation of cash to the product of the enterprise and back, which implies the presence of funds, production inventories, production process, finished products, receivables, and payables. The standard analysis of the causes of changes in working capital involves item-by-item deviations (+, -) in the context of current assets and current liabilities over the analyzed period according to the balance sheet.

Accounting as a powerful information system has to take into account the requirements of our time and in the first place the processes of globalization and the rapid development of IT technology, not only greatly increasing the efficiency of accounting work but fundamentally expanding the functionality of accounting and analytical support to all participants of market relations. Speaking of the rapid development of IT technology, we should bear in mind not only the widespread use of specialized

computer programs, but also IT platforms, cloud technologies, financial reporting formats, and so on.

Managerial accounting data is a powerful information base for the analysis of business processes. This direction is not sufficiently investigated in the current conditions of transition to digital technology. The insufficient attention paid to the management accounting system, especially at medium and small enterprises, is the major reason for this.

One of the ways to improve the efficiency of current operations can be the organization of managerial analysis, planning, and internal audit based on the cross-cutting integration of managerial accounting data. With a fairly limited amount of information, the degree of influence of factors on the financial result, the cost per 1 UAH of production, and profitability, etc. are determined by conducting a multi-factor analysis.

Conclusions. Objectively, the information that meets a number of requirements, such as reliability, timeliness, comparability is the high-demand resource necessary for quality management of the enterprise.

To achieve the effectiveness of the management of the enterprise, it is necessary to analyze and evaluate both financial and non-financial indicators in absolute and relative measures. Accounting data and various indicators calculated on their basis constitute the foundations of accounting and analytical support of management decisions.

One of the criteria for assessing the ability of an enterprise to function based on the going concern concept is the solvency indicator. The excess of current assets over current liabilities as an indicator of potential solvency is one of the indicators of accounting and analytical support of decisions.

Managerial accounting data is a powerful information base for the analysis of business processes. This direction is not sufficiently investigated in the current conditions of transition to digital technology.

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