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EVOLUTION OF BALANCE THEORIES

Balance theories are theories that interpret the form and content of balance sheets as part of financial statements, regardless of legislation, respectively, which determines the purpose and concepts of balance sheets based on their economic nature and economic content. Classical balance theories are: the theory of static balance, which is also called static balance theory; dynamic balance theory (dynamic balance theory); theory of organic balance (organic balance theory).

The idea of distinguishing between static and dynamic approach to balance belongs to the eminent German scientist E. Schmalenbach, who systematized the two main trends in the interpretation of reporting and justified their incompatibility.

Assets and liabilities in such a system are recorded if they are actually available at the time of the inventory. The financial result is determined after the inventory as the difference between net assets at the beginning and end of the period. In different sources, such a system of accounting has different names: unigraphic (simple) accounting, a system of simple double entry.

The emergence of static balance theory was facilitated by the activities of Venetian sailors. The liquidation balance was compiled each time after returning from the voyage, and only in this case the profit was defined as the difference between the capital remaining after the sale of all goods, and the initial capital.

The most important task of reporting, according to static theory, is to determine the value of the net assets of the entity using the balance sheet. Proponents of static theory divide all accounts into two groups - property and capital, while debtors increase property and creditors decrease. Thus, net assets are the equity of the enterprise.

The need to determine the net property was due to the need to verify the adequacy or insufficiency of funds from the conditional sale of assets of the enterprise to pay its liabilities. To create static accounting, the principle of fictitious liquidation was applied: in a given time interval, an inventory of the company's assets and an assessment of each asset at a conditional sale on the market. The value obtained is compared with the liabilities of the entity: a positive value indicates the

adequacy of assets to cover accounts payable or positive net assets, a negative value - the opposite.

In parallel with the one-sided interpretation of the balance sheet in the scientific literature, the dual approach is becoming increasingly important, according to which the task of the balance sheet is not only to assess property but also to determine the financial results of the reporting period etc.). It was determined that the calculation of profit is a necessary requirement that must be met under the condition of the balance sheet. Profit is determined by comparing the inventory data of the current period with the inventory data of the previous period.

According to modern researchers, the main difference between the static interpretation of the balance sheet from other balance theories is to emphasize the priority of calculating the property status of the enterprise as an indicator that is crucial for the entrepreneur.

Representatives of economic theory considered the balance from a production and economic point of view. The balance sheet is not suitable for measuring assets and liabilities, and accounting profit only partially corresponds to the economic profit of the reporting period. The task of the balance sheet is to calculate the profit directed to consumption, "which can be withdrawn without causing any damage to the enterprise".

Summing up, we can say that:

1. The emergence of a static balance theory is a consequence of trade, and dynamic - a consequence of industry. At different stages of development in the balance sheet law was dominated by static or dynamic interpretation. Complications of economic relations in the XX-XXI centuries. led to the need to include in the balance sheet law both static and dynamic elements. Until now, some reporting items (depreciation, provisioning costs, etc.) should be investigated based on their affiliation to a particular approach.

2. The financial statements of the enterprise have dual objectives (determination of the value of property and determination of financial results). The fulfillment of such goals contradicts itself. The more accurate the valuation of assets, the less accurate the valuation of the financial result becomes, and conversely, the more accurate the valuation of the financial result, the less accurate the valuation of assets becomes due to the application of different approaches to reporting.

3. The revealed differences between static and dynamic balance theories indicate that in the accounting system we can talk about the existence of different models of reflection of the facts of economic life. Depending on the needs of the main users of information, different approaches to the nature and evaluation of reporting indicators, including profit, are used. Profit in static balance theory is the net increase in capital of the enterprise for any period of time; in dynamic balance theory, profit is the

difference between income and payments for the entire life of the enterprise.

Considering the main trends of the gradual movement of the balance on the basis of such a historical review, we can conclude that the main trends were:

1) expansion and deepening of the principle of assessment of balance sheet indicators;

2) improving the technique of drawing up the balance;

3) the formation of a system of independent regulatory bodies that share the preparation, verification and approval of the balance sheet;

4) increasing the requirements for the publication of balance sheets and reports of joint-stock companies by different counterparties.

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PROBLEM ASPECTS OF ACCOUNTING REPORTING FORMATION

The modern development of market relations and economic cooperation between economic entities is characterized by increasing user requirements for the quality of information support. However, today the results of reforming the accounting system in Ukraine are still not high quality, and accounting indicators are not fully suitable for decision-making, do not meet the information needs of users and the quality characteristics of reporting information. To solve these problems,