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SHOWING FUTURE FACTS OF ECONOMIC LIFE IN THE BUSINESS ACCOUNTING SYSTEM

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According to the traditional approach performed facts of economic life (actions and events) and their consequences reflected in business accounting.

However, today's approach, based on a certain set of conceptual principles and set of business accounting principles does not allow to create the necessary preconditions for effective formulation and implementation of business strategy, particularly in the part of strategic alternatives development. Thus, due to different reasons, accounting does not meet the requirements of the market economy, which is an evidence of the fact that it does not pay enough attention to track modern and strategic aspects of the enterprise activity in subsystems of operational and strategic level of management through its inherent property – tracking the facts for the last very long period (quarter, semester, year).

If today the need of forecast accounting information occurs only in a specific group of users – strategic management, in future the range of such users can be greatly increased. For example, in the practice of U.S. companies the forecast accounting information is widely used in the accounting of financial investments, insurance contracts, deferred taxes and benefits, based on the prices of shares.

Because of the problem of accounting information retrospective it is necessary to expand the accounting system in time, that in general will change the attitude to the accounting system from the side of the users concerned and will ensure its appropriateness to their growing requirements. The extended information system of accounting as the way of displaying the facts and events that took place, and simulation of such events for variant analysis and decision-making is closely linked with the strategy of the enterprise. Therefore, the «temporal» extension of the accounting system is one of the ways to ensure its adequacy to the needs of its users and is the way of increasing the effectiveness of the system of strategic management of enterprises in general.

K.Ward also mentions the need to change the accounting subject and according to him strategic decisions should be made only after comprehensive assessment of their impact on the financial results, which requires that the current accounting system would operate within a specific business strategy and suit it [1, p. 21].

All scientists considering the problem of the need to improve accounting in accordance with the needs of strategic management can be divided into two groups.

The first group representatives only emphasize the existence of unmet needs on the part of strategic management of enterprises in the accounting information of strategic nature and on the need to conform the accounting system to such requirements. At the same time the authors do not specify what kind of management needs should be satisfied and what should be improved in the accounting system. The main goal of the first group researchers is only a statement of the problem existing concerning non-compliance of the current accounting system with the requirements of strategic management, making calls concerning the need of transformation of

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the existing approaches to the accounting systems building for business accounting could become a valuable tool for strategic management.

The representatives of the second group, together with a statement of the need to reform the business accounting system towards the provision of strategic guidance, offer their own versions of the process practical realization. In particular, the authors found such "bottlenecks" of the accounting system, which must be "advanced" on the basis of different approaches use (improving of accounting methods, clarifying the accounting object, functions change, etc.) in order to provide business accounting information for formulation and implementation of corporate strategies.

References

1. Ward K. Strategic management accounting. Routledge, 2012. 307 p.