UDK 657(075)

Luchko Mykhailo,
Doctor of Economic Sciences, Professor
West Ukrainian National University, Ukraine,
Szmitka Stanislaw,
Olsztyn University, Olsztyn, Poland

FINANCIAL ANALYSIS: TRADITIONAL PRINCIPLES AND APPLICATIONS OF ARTIFICIAL INTELLIGENCE

There are reasons to believe that the use of artificial intelligence in financial analysis has the potential to transform this field, making it more adaptive and efficient and to change the principles of its conduct. However, it is important not to forget about ethical aspects and to ensure proper management of data and algorithms. Let's check the assumptions made.

It is well known that the information field for financial analysis can be obtained from various sources, such as accounting statements, statistical data, primary accounting documents and tax calculations. The study of this problem at different times proved that the main source of information remains financial reporting. For this reason, it should be noted that the analysis of data contained in financial statements is the most important research method used in financial analysis. According to many scholars, this analytical process is called financial statement analysis and focuses on the processing and interpretation of data contained in financial statements. There is reason to believe that its purpose is to assess the property and financial condition and economic results of the business entity. According to this, such an analysis is also the basis for making balanced management decisions. It also makes it possible to comprehensively assess the financial condition and identify potential risks or violations in the business entity's work. Mainly, the analysis of financial statements and financial and property status allows managers to compare the performance of this entity with other entities.

One of the most important features of the company's reporting is that it can be classified according to various characteristics and divided into tangible (material) and

financial. Enterprise financial statements are used mainly for financial and strategic analysis, while material statements are the main source of technical and economic analysis. It is logical that business entities, striving for a comprehensive assessment of selected issues, use both types of reporting. Accordingly, the main source of financial and economic information about the business entity's activities is the mandatory annual financial reporting, which is the basis for making balanced economic decisions. However, the analysis of data contained in financial statements should not be equated with financial analysis, since financial statements are the main, but not the only, source of data required for financial analysis.

Financial reporting must meet the established requirements, be reliable, correct and clear. Therefore, it should be drawn up according to certain general principles. Among the most important of them, legislation and many scientists include:

- the accrual principle, which requires the recognition of all economic transactions in a certain financial year, regardless of whether the corresponding calculations have been made;

- the principle of continuity of activity, which provides that economic entities will continue their activities without changes;

- the principle of true representation, which obliges persons to reflect the real financial and property situation, taking into account external conditions, such as currency fluctuations or market value;

- the principle of prudence regarding the reasonable assessment of property and capital, so that this assessment does not distort the financial result;

- the principle of periodization, covering the activities of entities in specific periods of time, which are called accounting periods;

- the principle of subjectivity, which provides for accounting in economic units that are independent in property, legal and organizational terms.

Financial analysis in the context of the use of artificial intelligence is undergoing significant changes, and this opens up new opportunities to improve accuracy, speed and efficiency. This is primarily due to the analysis of a large amount of data. It is able to process and analyze huge amounts of financial data much faster than a human. This

allows you to get a more analytical picture of financial indicators and trends, as well as to identify patterns that could remain unnoticed in traditional analysis. The use of machine learning and artificial intelligence forecasting algorithms significantly increases the accuracy of financial forecasts. At the same time, it becomes possible to take into account many variables and historical data to create forecasts, which allows you to quickly make more informed financial decisions. Artificial intelligence can automate many routine tasks, such as transaction processing, reporting and compliance checks. This will help financial analysts to focus on more strategic tasks. The application of natural language processing (NLP) allows the analysis of textual data such as financial reports, news or analytical articles. This, in turn, will help identify important information that can influence financial decisions, improve risk assessment models, using comprehensive data analysis to identify potential threats and opportunities. As a result, it will contribute to the reduction of both financial and non-financial risks of business entities, help in the development of personalized financial strategies for individual clients, taking into account their personal financial goals, risk profile and other individual factors.

However, there are also certain threats. Let's dwell only on some of them. In the process of using artificial intelligence, it is worth ensuring a strategy of transparency and ethics. Therefore, the user needs to understand how the algorithms work to avoid bias or unintended consequences. It is worth paying attention to continuous training and improvement. Artificial intelligence needs constant updating and training on new data. It is important to regularly test and improve models to ensure they are relevant and accurate.

And finally, the most important thing. The use of artificial intelligence requires its constant interaction and cooperation with natural human intelligence. Artificial intelligence can greatly improve financial analysis, but human experience and intuition remain important. The best results are achieved when combining artificial intelligence technologies. with expert knowledge of financial analysts.