

Each month these two statements are presented to the county's chamber of auditors for audit. Politicians do not read these statements, as one officer said in an interview. These reports are given to the representative council only when it is found necessary by members of the representative council. There are two exceptions to this rule, however. The first one is in situations when the budget is adjusted during the year.

The second one concerns reporting at the end of the year. Last year's accounting report is approved in the form of a county law. This annual report consists of five documents: 1) a proposal for the law concerning the accounting report, 2) the background for the approval of the law, 3) the statement of the budget implementation (only the statement showing income and expenditures are included; not the balance of budget implementation), 4) the enactment of the administration concerning the results of the budget implementation, and finally 5) conclusions of the legislative committee.

In the statement of the budget implementation (statement of income and expenditures), the Ukrainian concepts «income» and «expenditures» are used. However, these income items represent cash-inflows and these expenditures represent cash-outflows. The major elements are total income, total expenditure, excess of income over expenditures (or deficit) and specification of how the deficit is financed or excess of income over expenditures is used. In the statement, expenditures are classified according to specification given in the detailed accounting norms. The enactment of the administration gives different kinds of information, subtracted from the statement of budget implementation. The document describes how the budget has been implemented both in a static way (when actuals are compared with the budget) and in a dynamic way (when increase (decrease) in income and expenditures is considered in comparison with the subsequent year).

The conclusion of the legislative committee is prepared to secure that the law does not violate current national and local legislation. The accounting report including all these documents is presented personally by the governor who also writes introductory comments regarding the budget implementation.

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## **HARMONIZATION OF ACCOUNTING FOR GOODWILL: NATIONAL AND INTERNATIONAL LEVEL**

There are different types of goodwill. Acquired goodwill is the goodwill generated due to acquisition. It can be positive (acquired price > net value of the

assets) or negative (acquired price < net value of the assets). Internally generated goodwill is the goodwill generated by the business on its own. It is the excess of the market value of the business over the book value of the business. Accounting treatment of each type of goodwill is different from each other and from standard to standard. The accounting treatment of each type of goodwill is discussed below on the basis of five standards under discussion.

At the international level goodwill is regulated by IFRS 3 «Business Combinations». Goodwill arising from a business combination is determined as: «consideration transferred to obtain control plus amount of non-controlling interest (using either option) plus fair value of previously-held equity interest less fair value of the identifiable net assets of the acquire (100%)», see paragraph 32, under IFRS 3 Revised 2008 (IFRS 3R). IFRS 3 compares for the result of goodwill two facts, «being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. In a business combination achieved in stages, goodwill was determined as the sum of goodwill arising at each stage of the acquisition» [1].

As for the recognition of goodwill in reporting the information on intangible assets is a significant basis for decision-making. Consider recommendations standards. «Goodwill arising on the acquisition of a subsidiary is recognized as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquired company and the fair value of the acquirer's previously-held equity interest (if any) in the entity over the net fair value of the identifiable net assets recognized. If, after reassessment, the Group's interest in the net fair value of the acquired company's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquired company and the fair value of the acquirer's previously-held equity interest (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain», under IFRS 3R [2].

Consider the features of accounting for goodwill of the United States General Accepted Accounting Principles (US GAAP). As a result of the US's powerful economic position on the market and the permanent progress of business combinations on the global markets we monitor how the US GAAP influences the IFRS, in particular as the American regulatory body has a consulting position in the IASB meetings. Under the US GAAP there is a two-step approach to goodwill [3]: «1. Compare fair value of the reporting unit with its carrying amount including goodwill. If fair value is greater than carrying amount, no impairment (skip step 2). 2. Compare 'implied fair value' of goodwill (which is determined based on a hypothetical purchase price allocation) with its carrying amount, recording an impairment loss for the difference». As for the other accounting treatments concerning goodwill, the US GAAP does not differ considerably from the IFRS.

Regulation of accounting for goodwill in Ukraine as the Tax Code Ukraine and National Accounting Standard 19 «Business Combinations». Both the above regulations acts fix recognition of goodwill as the difference between the value - market (fair value identifiable assets and liabilities) and the net (the acquirer), indicating that it can occur only when calculating these values, in the acquisition (association) enterprises [4]. Accordingly, under national law specifies only the goodwill on acquisition and understanding of internal goodwill generally absent. Goodwill is as a rule recognized at the time of the consolidation, and it represents the variation between the acquisition cost and the fair value of the assets acquired, at the date of the transaction. Internally generated goodwill is not recognized under the Ukrainian law, because it is well thought-out to be an unidentifiable source, meaning it can not be evaluated at a credible cost. Also, goodwill isn't usually amortized during a period of using.

IFRS and NAS in the allocation of goodwill include similar recommendations. However, the Ukrainian legislation doesn't set clear guidelines on the conditions and stages of checking the impairment of goodwill. It should be noted that Ukraine, nowadays is characterized by the practice of checking impairment full range of assets. In other words, domestic law allows restoration utility of the usefulness of goodwill, which is prohibited in IFRS and US GAAP.

The other difference which has to be taken into deliberation is the recognition of cash-generating units (or reporting units under US GAAP). In the case of identification of cash-generating unit under IFRS more cash-generating units can be identified as reporting units in the case of SFAS 142. SFAS 142 claims that a reporting unit cannot be identified at a lower stage than an operating segment. IAS 36-Impairment of Assets doesn't have a limit. Therefore a cash-generating unit can be recognized at a lower level and the impairment test would be done at a lower level in association with US GAAP.

As for the complexity and long duration of the inspection, the American standards are paying more attention to determine the fair value of goodwill and reporting units than international and domestic accounting rules. So it would be wise for the Ukrainian enterprises to carry out the following checks property and to put particular emphasis on accurate assessment of goodwill and the development of appropriate guidelines, which conduct is enshrined in law.

At the international level there are exact regulations, such as IFRS 3 «Business Combinations», so we consider that our comparison may be damaging to Ukrainian law, at least incompletely. Our explanation to this matter would recommend adopting the whole version of the IFRS at a national height, or the version of them according to the national requirements, by creating National Accounting Regulations. Also we must find the right way for organizing the debates between the educational and professional bodies. That's how we'll reach the best solution of all. It's necessary to focus on Ukrainian Accounting Standards which control the order of business

combinations and groups the consolidated financial statements consecutively to agree them with International Financial Reporting Standards.

### References

1. Business combinations and changes in ownership interests. A guide to the revised IFRS 3 and IAS 27 [WWW resource]. – Available at: [www.iasplus.com](http://www.iasplus.com)
2. International Financial Reporting Standards [WWW resource]. – Available at: <http://www.ifrs.org>
3. General Accepted Accounting Principles, GAAP [WWW resource]. – Available at: <http://www.gAAP.in.ua/archives/3447>
4. Regulation (Standard) 19 «Business Combinations», approved by the Ministry of Finance of Ukraine on July 7, 1999 № 163, with amendments [WWW resource]. – Available at: <http://zakon1.rada.gov.ua/>

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## **ОРГАНІЗАЦІЯ ФОРМУВАННЯ СОБІВАРТОСТІ БІОЛОГІЧНИХ АКТИВІВ ТВАРИННИЦТВА**

Організація бухгалтерського обліку — це сукупність дій зі створення цілісної системи бухгалтерського обліку та підвищення рівня її організованості, а її функціональне спрямування сприяє забезпеченню інформаційних потреб користувачів облікової інформації, формуванню матеріально-інформаційного забезпечення облікового процесу та наданню правильної інформації про собівартість продукції біологічних активів тваринництва. Організацію бухгалтерського обліку можна визначити також як науково-обґрунтовану сукупність умов, за яких найбільш економно і раціонально здійснюється процес обліку, контролю й аналізу виконання планів підприємства в певній галузі.

Вона базується на практичному застосуванні методів обліку в умовах конкретного підприємства, документуванні господарських операцій, подвійному їх записі, веденні рахунків поточного обліку, оцінці та калькуляції собівартості продукції, складанні звітності та забезпеченні оперативності аналізу.

Методи організації бухгалтерського обліку і економічного аналізу проявляються через застосування таких технічних прийомів, як моделювання, проектування, анкетування, оцінка, спостереження, інвентаризація та інші [6, с. 16].