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CONCEPTUAL ASPECTS OF THE PROFIT GENERATION IN THE ACCOUNTING SYSTEM FOR MANAGEMENT PURPOSES

Abstract: Substantiation of profit as an object of accounting and taxation of business, methods of its formation for business and taxation and reflection in the accounts of accounting, financial reporting and tax return.

Key words: profit, financial result, business, taxes, revenue, incomes, income statement

The economic activity of any enterprise involves a constant comparison of income and expenses and determine the financial result. The important role of profit in business is due to its functions. The formation of profit is influenced by various factors, which can be classified as follows: logistical; organizational and managerial; economic; social; ecological; market and marketing; economic and legal; administrative.

Due to the constant changes in the legal legislation of Ukraine, debatable and unresolved issues remain and arise, especially the harmonization of accounting and tax processes in the field of profit generation. At the same time, today the issue of harmonization of accounting and tax profits is acute. Based on the results of the study and based on the needs of assessing the efficiency of economic activity of enterprises, we propose to calculate three types of profit indicators as objects of accounting according to the following methodology of their calculation:

- a) the profit generated by the enterprise (PQ), for the overall assessment of the effectiveness of entrepreneurial activity;
- b) the profit that remains at the disposal of enterprises (PR), to assess the effectiveness of their activities by the owners;
- c) net investment income, which provides a change in equity (NI), to assess the attractiveness of economic activity in the dynamics.

Information of financial, managerial and tax accounting and statistical observations allow to form for the management system of the enterprise as effective objects of financial results of business the following indicators:

1. Gross financial result (profit, loss) at the levels
2. Operating financial result of the enterprise.
3. Settlement and conditional operating financial result at full cost in relation to the centers of responsibility, sold objects of activity, buyers, market segments.
4. Created financial result (profit, loss) as a result of economic activity.
5. Created financial result (profit, loss) as an object of taxation.
6. Created a net financial result (profit, loss).
7. Net investment income is created.

Thus, in economic activity, financial results as objects of accounting for business results and its taxation have a large number of characteristics and features that can be considered in various aspects. In order to assess the level of efficiency of economic activity, it is necessary to create information resources in the system of accounting accounts, which would allow to analyze, improve, stimulate and streamline the functioning of the enterprise. At the same time, profit is an important object of management for taxpayers, whose annual income from any activity (excluding indirect

Abstracts II International scientific-practical conference «ECONOMIC AND BUSINESS ADMINISTRATION DEVELOPMENT: SCIENTIFIC CURRENCIES AND SOLUTIONS». Kiev, October 21, 2021, National Aviation University. taxes), determined by accounting rules for the last annual reporting (tax) period exceeds twenty million hryvnias.

In these enterprises, profit as an object of taxation is determined by adjusting the pre-tax financial result in the financial statements for tax differences. The formation of this information system today provides an assessment of business operations of the enterprise in terms of profit based on two characteristics: accounting and tax. The first - provides an assessment of economic activity in terms of profit generated by business, and the second - is used for the needs of society in the forced alienation of part of the company's revenues to budget revenues. As a result of using this method, the management efficiency indicator created by the information system of accounting accounts is not the basis for the process of alienation of enterprise revenues to state budgets through income tax. In profit management, attention is focused not on the formation of a single indicator, but separately on the creation of profit according to the rules of accounting and identifying differences in the assessment of the enterprise by the owners and the state based on the rules of the TCU. To streamline the problem of valuing the company on two indicators of profit, which are based on a set of business transactions, it is proposed to create a single integrated accounting and tax methodology for calculating profits and use it as an indicator to assess business efficiency and as a taxpayer. Based on certain approaches, accounting will ensure that those expenditures that are considered inappropriate by the state do not lead to a decrease in tax revenue, and revenues that are considered appropriate to increase it. In practical terms, this means that the state will not lose its (declared) share in the income of the enterprise due to subjective (unproductive) actions of the legal entity as a subject of taxation. The owners of the enterprise must be given the opportunity for all costs and revenues, which are formed by the mandatory rules of the TCU to adjust the profit after tax. The net profit of the enterprise to evaluate the business owners can be used to form relationships between owners and assess the investment attractiveness of the enterprise.

The practical feasibility of this formation of net profit is confirmed by the following:

- accounting and tax profits are formed on a single basis of business transactions, and the tax period coincides with the reporting period;
- the accrued tax on tax profit is a fiscal instrument not in relation to accounting profit, but for the distribution of income received in the course of economic activity of the enterprise in a certain reporting period;
- taxes that are formed by the income of the enterprise are determined by the reporting period in which the income is recognized. Therefore, it is necessary to reconsider the need to form deferred tax assets and liabilities in order to transfer them from one reporting period to another. Each reporting period is characterized by its business transactions, income, expenses, profits and, accordingly, taxes.

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