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*Vasyl Len, Valentyna Glivenko***ACCOUNTING POLICY AND ITS IMPACT
ON THE COST OF FINISHED PRODUCTS***Василь Лень, Валентина Гливенко***ПОЛІТИКА БУХГАЛТЕРСЬКОГО ОБЛІКУ ТА ЇЇ ВПЛИВ
НА СОБІВАРТІСТЬ ГОТОВОЇ ПРОДУКЦІЇ***Василий Лень, Валентина Гливенко***ПОЛИТИКА БУХГАЛТЕРСКОГО УЧЕТА И ЕЕ ВЛИЯНИЕ
НА СЕБЕСТОИМОСТЬ ГОТОВОЙ ПРОДУКЦИИ**

We studied the situation of the enterprise's accounting policies, which affect the cost of the finished product. It was determined that the main influence on the cost of the finished products have a position in accounting policy with respect to valuation of assets and liabilities, methods and bases of distribution of indirect costs. It affects cost of finished goods and tax policy, which may be provided for the election of the general or the simplified taxation system. It is emphasized that in the financial statements accounting policies should be disclosed, if their use significantly affect the company's balance sheet indicators (assets, liabilities, financial result). In this connection, in the accounting policy, in terms of impact on the cost of the finished product, you must at least be defined with: methods of stock assessment at departure; methods and bases cost sharing service industries; list of variable and fixed general production costs and their distribution base; assessment procedures and the transfer of the cost of work in progress to finished products.

Key words: accounting policies; the cost of finished products; base allocation of indirect costs.

Fig.: 1. Bibl.: 12.

Досліджені положення облікової політики підприємства, які впливають на собівартість готової продукції. Визначено, що основний вплив на собівартість готової продукції здійснюють положення облікової політики щодо оцінки активів і зобов'язань, методів та баз розподілу непрямих витрат. Впливає на собівартість готової продукції також податкова політика, якою може бути передбачено обрання загальної або спрощеної системи оподаткування. Наголошується, що у фінансовій звітності положення облікової політики повинні розкриватись, якщо їх застосування суттєво впливає на показники балансу підприємства (активи, зобов'язання, фінансовий результат). У зв'язку з цим у обліковій політиці, в частині впливу на собівартість готової продукції, необхідно, як мінімум, визначитись з такими положеннями: методами оцінювання запасів при вибутті; методами та базами розподілу витрат обслуговуючих виробництв; переліком змінних та постійних загальнопромислових витрат та базою їх розподілу; порядком оцінювання та перенесення вартості незавершеного виробництва на готову продукцію.

Ключові слова: облікова політика; собівартість готової продукції; бази розподілу непрямих витрат.

Рис.: 1. Бібл.: 12.

Исследованы положения учетной политики предприятия, которые влияют на себестоимость готовой продукции. Определено, что основное влияние на себестоимость готовой продукции оказывают положения учетной политики относительно оценки активов и обязательств, методов и баз распределения косвенных затрат. Влияет на себестоимость готовой продукции также налоговая политика, которой может быть предусмотрено избрание общей или упрощенной системы налогообложения. Подчеркивается, что в финансовой отчетности положения учетной политики должны раскрываться, если их применение существенно влияет на показатели баланса предприятия (активы, обязательства, финансовый результат). В связи с этим в учетной политике, в части влияния на себестоимость готовой продукции, необходимо, как минимум, определиться с такими положениями: методами оценки запасов при убытии; методами и базами распределения затрат обслуживающих производств; перечнем переменных и постоянных общепроизводственных затрат и базой их распределения; порядком оценки и перенесения стоимости незавершенного производства на готовую продукцию.

Ключевые слова: учетная политика; себестоимость готовой продукции; базы распределения косвенных затрат.

Рис.: 1. Библи.: 12.

JEL Classification: M40

Target setting. One of the most important parts of accounting at the enterprise is prime cost accounting and yield. Construction of the production records is due to organizational and economic peculiarities of economic management, requirements of accounting standards and informational enquiries of management. The determined reasons stipulate the research urgency of the accounting policy influence of the enterprise on the prime cost unit of finished products.

Analysis of the recent researches and publications. Problems of the accounting policy of the enterprise influence on creating the prime cost of finished products was studied in works of such outstanding domestic and foreign scientists, as F.F. Butynets, G.M. Davidov,

S.F. Golov, V.V. Kovaliov, V.M. Olinychuk, M.S.Pushkar, Ya.V. Sokolov, V.V. Sopko, A.D. Sheremet, M.T. Schyrba and others.

Identifying not investigated parts of the general problem. Despite significant contribution of the domestic and foreign scientists to solving the problems of prime costs definition of finished products, not enough attention is paid to complex investigations relating the influence of the accounting policy on the finished products prime cost.

Aim of the article – to define influence of the accounting policy provisions on production cost of finished product.

Statement of the main material. One of the main part of the accounting at the enterprise is cost accounting and yield. Accounting construction at the enterprise is stipulated by organizational and economic peculiarities of economic management, requirements of the accounting standards and informational enquiries of the management. Given above reasons define investigation urgency of the accounting policy influence of the enterprise on the production cost unit of the finished products.

According to the Law of Ukraine “On accounting and financial reporting in Ukraine” the term “accounting policy” means body of principles, methods and procedures that are used by the enterprise for preparation and submitting accounting statements [1]. Under the accounting policy we understand complex of organizational, technical, methodological and managerial aspects that provide the enterprise and outer users with authoritative and time-sensitive information for making grounded management decisions [2].

Methodological bases of information creation in the accounting policy about assets and obligations and their estimation in Ukraine are determined by national (P(S)BO) and international (MSBU) standards of accounting. In number of cases there were listed some alternative variants of accounting methods and estimation, that defines necessity to select one of them which should be fixed in administrative document about the accounting policy.

In the process of the accounting policy elaboration in part of costs one of the most important issues is their distribution for costs that create productive prime cost of inventories and period cost. Necessity for such distribution is due to the principle of coordination and impossibility to identify marketing cost, administrative and other operational cost with the products that was produced, or works and services that were performed.

Demands to creation productive cost in general at the enterprise by single methodological principles, notwithstanding branch peculiarities, are regulated by Regulation on accounting 9 “Inventories” and 16 “Cost” [3; 4].

Enterprises by determining the accounting policy according to MSBU or P(S)BO can select one of these methods for estimation inventories by outflow (prime cost formula) of:

- 1) identified prime cost of correspondent inventories unit;
- 2) weighted-average cost;
- 3) first-in-first-out inventories (FIFO);
- 4) target cost;
- 5) selling price [3].

Besides, weighted-average cost can be calculated on the periodical base or receiving additional batch depending on the conditions of the economic entity [3].

Using different methods of inventories estimation by withdrawal leads to different cost values of production and, accordingly, to different levels of productive prime cost of the finished product. In particular, in conditions of inflation using the FIFO method shall lead to decreasing production cost of the finished products. By using estimation under weighted-average cost, that is calculated on the periodical base, it will be higher comparing with that one under the FIFO method, and by using estimation by weighted-average cost as of the date

of use at production, it will be lower than by weighted-average that was determined on the periodical base.

As well methods of distribution indirect production cost by types of produced goods, in particular servicing productions, influence on the production cost of the finished products. It is possible to use such methods of indirect cost distribution in such way: proportionally to direct cost, by direct distribution, incremental distribution, by linear equation system. Use of various methods of indirect cost distribution gives considerably weighty difference in production cost of definite types of products [5]. Among the distribution bases direct cost, payroll cost, material costs, time costs of machines and mechanisms operation, direct cost excluding material costs, working hours, activity capacity, etc. are used. It is not forbidden to perform cost distribution of auxiliary production and proportionally to any element of costs. By this, for each element of costs its own base of distribution can be selected. Enterprises define distribution bases of indirect cost on their own, that is fixed in the main administrative document of the enterprise, regulating accounting.

An important element of the accounting policy of the enterprise is distribution of general expenses of production into variable and constant ones, as well selection of their distribution base. In accordance to P(S)BO 16 variable general expenses of production per each object of cost using the selected distribution base, considering actual capacity of the reporting period, and direct ones – using the selected distribution base by normal capacity. Distribution base of general expenses of production can be also various: working hours, wages, activity capacity, direct cost, etc. All listed alternatives influence on the production cost of the produced goods. Thus, non relevant distribution base can quite often lead to erroneous managerial decisions made on the base of obtained information about production cost of the finished products.

One of the complicated issues of the accounting policy is order of estimation of beginning of work in progress inventory. To stock in progress are related the products (articles, work pieces, parts) that haven't passed all stages (phases, processing) of treatment envisaged by the technological process, as well incomplete articles, that haven't passes testing and technical acceptance. Beginning of work in progress inventory can be estimated by:

- standard productive cost;
- planned direct cost;
- raw material, material and semi-product cost that are being treated [6].

As well accepted order of including the inventories in the cost of produced goods within the year can influence on the productive cost.

One of the methods of inventories estimation is diverting it in equivalent units of the finished products. By this 2 methods of estimation can be used: FIFO method and method of weighted-average [7]. Using of each of the listed methods of inventories estimation leads to different value of production cost of the finished product.

Estimation of capital assets, definition the term of their useful use, selection the depreciation method influences the production cost of the finished product as well. Thus, in accordance with P(S)BO 7 “Fixed assets” [8] and P(S)BO 8 “Non-material assets” [9], the enterprise can make their reassessment and devaluation, determine the term of their useful use and depreciation method. Part of the fixed assets, in accordance with P(S)BO 32 [10] is relates to the investment properties, that can be accounted by initial cost or fair value, that influence on the production cost of services by operative leasing.

On the influence determination on the production cost of the finished product has got as well assessment and reassessment of the inventories according to P(S)BO 9 “Inventories”, biological assets and agriculture products in accordance with P(S)BO 30 “Biological assets” [11].

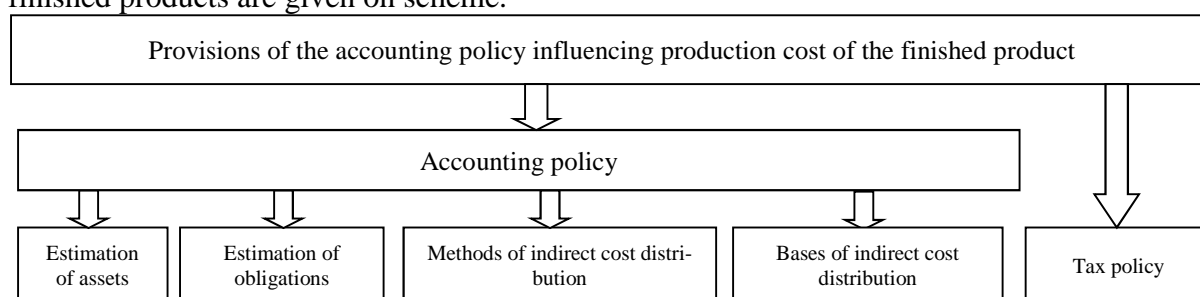
In some cases estimation of obligations connected with its production can influence on the production cost of the finished product.

Tax policy. In accordance with Tax Code of Ukraine [12] small enterprises can select general taxation system or single tax taxation (3 %, 5 %, agriculture enterprises – rate is established from 1 hectare of farm land depending on the lands category and their location).

Thus, for example, if the enterprise selects the taxation method by single tax by rate 3 %, then the production cost of its products comparing with the general taxation system for sum of tax for property in part of land tax. By selecting taxation rate 5 %, in comparison with the general taxation system the production cost of its finished product will be decreased for tax sum for property in part of land tax and will be increased for sum of paid tax for value added tax for inventories production, services of outside organizations, as well on account of big sums of calculated depreciation cost because of including in initial cost of VAT capital assets.

By selecting by the agriculture enterprise single tax taxation, in comparison with the general taxation system, the production cost of the agriculture products and current biological assets will be lower for sum of the property tax in part of land tax and rent payment for special use of water (para 297.1 PKUY).

In general view provisions of the accounting policy influencing the production cost of the finished products are given on scheme.



Scheme. Provisions of the accounting policy influencing production cost of the finished product

The accounting policy influences both on the total cost amount and total production cost of the produced goods, and on the cost distribution between the types of the products. Total cost and total production cost of the sold products are meant in first turn for outer users, and production cost of the types of products if of interest for, in first turn, inter users, that manage it and make decisions relating output of the definite products types.

Conclusions and suggestions. In the national standards of accounting all possible alternatives concerning the accounting policy that influences on the evaluation of the finished products, are not revealed. Nevertheless, it should be revealed if it influences on the enterprise balance (assets, obligations, financial result). In connection with it in the accounting policy, in part of influence on the production cost of the finished products, it is necessary at least to determine: methods of inventories estimation by withdrawal; methods and bases of the general cost of production distribution of the servicing enterprises; list of variable and direct general production cost and base of its distribution; order of evaluation and transfer of values of inventories for the finished product.

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