
**ORGANIZATIONAL PROBLEMS RELATED TO THE GENERATION OF
ANALYTICAL ACCOUNTING INFORMATION FOR IMPORT AND EXPORT
TRANSACTIONS**

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Abstract: The paper focuses on the major problems related to the development of the system for analytical accounting of import and export transactions and its effective functioning in contemporary conditions. A special attention has been paid to the directions for introducing improvements in the organization of processes of generation and use of analytical accounting information for the import and export operations of the enterprise.

The import and export of goods belong to the group of the so-called traditional foreign trade transactions, which comprise a basic unit within the system of contemporary international economic relations. As an object of accounting, import and export transactions are characterized by considerable complexity. It derives from their essential characteristics, which substantially distinguish them from commercial transactions within the domestic market in the country. Taking into account the specificities of import and export transactions, we can characterize them as complex business processes involving numerous and diverse business operations that have to be reflected in accounting.

The main accounting objects in the context of import and export transactions can also be identified as primary objects of management in the enterprise carrying out such transactions. This puts an important requirement in accounting for providing, interpreting, using and delivering complete, comprehensive, reliable and timely information about them. The complexity and specificity of import and export transactions entails a need for greater analyticity in their accounting for better information support needed for their management.

An issue of utmost importance in the generation of accounting information for the import and export transactions is the rational development of the structure of the system for analytical accounting in accordance with the specific information needs of the enterprise related to the analysis and overall management of these operations. A major problem in this regard is to ensure organizational and methodological unity between the generation of analytical accounting information for the import and export of goods and the subsequent detailed analyzes in different perspectives. For this purpose, it is necessary to organize the accounting based on analytical indicators, which correspond to the specific directions for detailing the analyzes of import and export transactions. It is also mandatory for the organization of the system for analytical accounting to be complied with the important requirement that the benefits of the information should exceed the expenses made for its generation. This presupposes the achievement of an effective organization aided by modern accounting software, and as early as upon initial entry of the data in the accounting information system based on the primary accounting documents for the completed transactions the information needs of analysis should also be taken into consideration. Thus, a one-off entry and multiple use of the detailed accounting information on import and export will be ensured, the doubling of expenses for labor and time will be avoided in relation to the generation of accounting information and its subsequent use for the purposes of analysis.

Keywords: accounting information, import, export, transactions.

1. INTRODUCTION

The import and export of goods belong to the group of the so-called traditional or conventional foreign trade transactions, which comprise a basic unit within the system of contemporary international economic relations. As an object of accounting, import and export transactions are characterized by considerable complexity. It derives from their essential characteristics and peculiarities, which substantially distinguish them from commercial transactions within the domestic market in the country. This entails the emergence of a number of specific features and problems in creating and using accounting information about them. Taking into account the specificities of import and export transactions, from the position of accounting we can characterize them as complex business processes involving numerous and diverse business operations that have to be reflected in accounting. In the course of these processes, a number of specific accounting objects arise, such as assets, liabilities, costs and revenues, for which it is also necessary to create accounting information. Such accounting objects are, for instance:

- cash, receivables and liabilities in foreign currency related to the individual transactions;
- goods, costs, revenues and financial results of transactions;
- emerging exchange rate differences, etc.

The main accounting objects in the context of import and export transactions can also be identified as primary objects of management in the enterprise carrying out such transactions. This puts an important requirement in accounting for providing, interpreting, using and delivering complete, comprehensive, reliable and timely information about them. The complexity and specificity of import and export transactions entails a need for greater analyticity in their accounting for better information support needed for their management.

An issue of exceptional significance in the generation of accounting information for the import and export transactions is the effective development of the structure of the system for analytical accounting in accordance with the specific information needs of the enterprise related to the analysis and overall management of these operations.

2. MAJOR ORGANIZATIONAL PROBLEMS RELATED TO THE GENERATION OF ANALYTICAL ACCOUNTING INFORMATION FOR IMPORT TRANSACTIONS

The major problems related to the organization of accounting for the import in the next fair will be viewed from the position of an enterprise which, on its behalf and at its expense, carries out import of goods and then sells them on the domestic market of the country. In this case, the importer shall fully take the risks related to the transaction and yet at the same time the financial result thereof is wholly at its expense. The successful implementation of such transactions presupposes the knowledge of the conjuncture of the individual markets, of the customs policy of various countries, performance of the necessary marketing research studies as well as availability of cash funds to finance the transactions.

The selection of a concrete approach of accounting for import of goods on the part of a particular enterprise depends to a large extent on its information needs and its requirements as regards accounting information about import transactions. When import of goods comprises a basic part of the overall operations of an enterprise, it faces the necessity to obtain sufficient, detailed information about it, necessary for the purposes of internal management processes.

The supplies of imported goods are a typical instance of supplies, which by rule form continuous processes and the supply cost of goods is formed by way of inclusion therein of a number of various constituent elements. Therefore, it is expedient to perform the accounting of the process of supply of imported goods with the aid of the synthetic operating account “Supplies” in which to form the supply cost thereof. It is necessary to introduce thereto a sub-account – for instance, “Supplies of imported goods” along with the relevant analytical accounting by types of goods with data about quantity, unit price, total value, etc.

A problem of utmost importance in the generation of accounting information for import of goods is the organization of the analytical accounting system as an element of the accounting policy of the enterprise. The development of the specific structure of this system by introducing appropriate sub-accounts and analytical accounts to differentiate accounting information by levels is directly related to the specific information needs of the enterprise management related to the goods import transactions. Accordingly, from an organizational point of view, a variety of options are available to ensure information analyticity by detailing it at different levels and cross-sections. In practical and applied terms, these variants can be successfully implemented with the aid of modern computer equipment and accounting software. The most important thing in that regard in our opinion is to address the major problems related to the development of the system for analytical accounting for import of goods and its effective functioning.

Of essential importance is to solve the problem of achieving organizational and methodological unity between the generation of analytical accounting information for import of goods and the subsequent detailed analyses of import in various cross-sections. To that end, it is necessary to organize accounting activity following such analytical signs, which correspond to the strands for detailing the analyses of import and of the criteria according to which disaggregation is performed of the summarized indicators of the import operations completed by the enterprise. The detailed, particularized accounting information generated in such a manner will correspond most fully to the informational needs of the analysis. More specifically, this means that in order to perform flawlessly detailed analyses of the goods and territorial structure of the imports of the enterprise, it is necessary for the analytical accounts, used in the accounting of import transactions, to reflect sufficiently detailed information characterizing the import in territorial terms and by individual types of goods, comprising data about quantity, unit price and total value. It is also mandatory for the organization of the analytical accounting system to be complied with the important requirement that the benefits of the information should exceed the expenses made for its generation. This presupposes the achievement of a rational organization aided by modern accounting software, and as early as upon initial entry of the information in the accounting information system based on the primary accounting documents for the completed transactions the informational needs of analysis should also be taken into consideration. Thus, a one-off entry and multiple use of the detailed accounting information on import will be ensured, the doubling of

expenses for labor and time will be avoided in relation to the generation of accounting information and its subsequent use for the purposes of analysis.

In organizing analytical accounting, import goods may for instance be defined within a unified hierarchical nomenclature of the enterprise containing groups of goods, types of goods and units of goods. For foreign suppliers it is necessary to generate separate analytical lots and to organize accounting based on different characteristics subject to their subsequent grouping and analyzing by types. Of special importance for analytical accounting of import transactions is that it should allow for the generation of multi-variant references and internal reports based on preset criteria by the information users, as well as selecting of parts of the information in view of justifying the adoption of specific management decisions. In addition, it is of substantial significance to provide information through analytical accounting on the location of the goods supplied via imports, i.e., on the warehouses in which they are received and stored and on the financial liability for them, without which the control over the actions of the persons responsible for the goods would be impossible.

After the supply of import goods the process of their sale on the domestic market of the country is to be accomplished. The financial result thereof is an important criterion in the assessment and analysis of the import operations of the enterprise. This creates the need for the accountancy to provide the necessary information enabling in-depth analyzing of the financial result and the factors determining same. In view of the proper determination of financial result it is especially important to achieve concordance in the accounting of the goods import process and the process of their sale on domestic market. In order to reflect the sales of import goods on the domestic market in the country, for instance, a sub-account may be used - "Income from sales of imported goods", which to be kept to the synthetic account "Income from sales of goods". The analytical accounting thereto shall be organized in a manner allowing to obtain information about the sales by types of goods and by individual transactions, as well as about the financial result thereof.

3. MAJOR ORGANIZATIONAL PROBLEMS RELATED TO THE GENERATION OF ANALYTICAL ACCOUNTING INFORMATION FOR EXPORT TRANSACTIONS

The key problems in organizing the accounting for the export of goods presented below will be examined from the position of an enterprise which, on its own behalf and at its own expense, sells goods to clients abroad.

When export of goods is an essential part of the overall business of the enterprise, it is faced with the need to provide detailed accounting information about it. The efficient use of this information is an essential premise for the successful management of export transactions.

In accounting for the export of goods, it is advisable to introduce to the synthetic account "Revenue from sales of goods" a sub-account - "Revenue from sales of goods for export", and to organize an analytical accounting system to provide detailed information about the export operations carried out by the enterprise. It is also appropriate to introduce sub-accounts into the "Goods" and "Clients" synthetic accounts, which may be, for example, "Goods for export" and "Clients of sales of goods for export".

Costs incurred on the export of goods at the expense of the exporting enterprise, including transport, loading and unloading, insurance, etc., shall be accounted for first by economic items, recorded on the debit side of the accounts in the group "Costs by economic items". Typically, they are related to hires services and have an accounting impact in the account "Costs for hired services" to which, in order to specify the type of costs, suitable sub-accounts can be opened – for example, sub-account "Transport costs", sub-account "Insurance costs", etc.

In accounting for the export costs of goods, it is important to note that they are related to a particular export transaction. This, in turn, makes it possible to refer to them as per their functional purpose immediately after the transaction ends in order to establish the financial result of the transaction.

A major problem with the organization of accounting is to provide the necessary information to determine the credible final financial result of the export transactions. In connection with this need, it is in our opinion that it is expedient to create detailed information on foreign currency exchange rate differences that have arisen during export, adding sub-accounts to the accounts "Costs on foreign exchange operations" and "Revenue from foreign exchange operations" – for example, sub-accounts "Costs on foreign exchange operations upon export" and "Revenue from foreign exchange operations upon export".

An issue of utmost importance in the foreign trade activity is to provide information on the financial result of the export of goods as a whole and in particular on realized export transactions. In view of this, in order to satisfy the information needs of the enterprise, a sub-account may be opened to the account "Profit and loss for the current year", which is intended to reflect the financial result of the export of goods – for example, "Profit and loss from sales of goods for export", accompanied by relevant analytical accounts. In addition to the financial result established under the sub-account "Revenue from sales of goods for export", the foreign exchange rate differences

that arise during the process of selling the goods abroad will also be reflected. These foreign exchange rate differences are accounted for under the sub-accounts “Costs on foreign exchange operations upon export” and “Revenue from foreign exchange operations upon export”. They shall be completed in correspondence with the sub-account “Profit and loss from sales of goods for export”. This makes it possible to determine the final financial result of the export of the goods, also taking into account the influence of foreign exchange rate differences, which is undoubtedly essential to the enterprise.

With regard to the establishment of the financial result from export, it is essential that the enterprise ensures consistency in accounting for the process of supplying goods for export and the process of selling them abroad. In order to account for the supplies of the goods, it is appropriate to introduce a sub-account to the account “Supplies” – for example, “Supplies of goods for export”, accompanied by analytical accounting by type of goods with data on the quantity, unit price, total value, etc.

A key issue in the organization of export accounting is that the establishment of the analytical accounting system shall be the fullest possible extent in compliance with the information needs of the analyses of the sales of goods abroad performed by the enterprise. Detailed analyses of the sales of goods abroad are a crucial prerequisite for the successful management of the export activity of the enterprise and therefore it is imperative that it be provided with information through an effectively functioning system of analytical accounting. It is necessary to define such analytical indicators in the organization of analytical accounting which correspond to the specific directions for the detailed analyses of the exports of goods. For example, for the provision of information on analytical surveys of the territorial direction and the structure of the goods for export, the analytical accounts for the accounting of export transactions shall reflect the required detailed information that characterizes the sales by territory and by individual types of goods.

In the conditions of contemporary global economy, it is of substantial significance for the management of the enterprise engaged in foreign trade transactions to provide sufficiently detailed information on the clients. This determines the need to define analytical accounting across different client characteristics so that subsequently, upon analyses, to differentiate the clients of the enterprise by type.

It is particularly important that the analytical information on export provided by the accounting has allowed the generation of a variety of internal reports and references on the sales of goods abroad by specific criteria. For the purposes of the detailed sales analyses, it is necessary for information users to have the ability to group the data across all features used in the analytical accounting system. It is essential for the processes of management of sales of goods for export to compile, for example, the following internal reports:

- A sales report grouped by clients and then by groups of goods - allows to determine which groups of goods the individual clients buy;
- A sales report grouped by groups of goods and then by country, through which it is possible to determine in which countries the individual groups of goods are sold;
- A sales report grouped by sales territories and then by groups of goods - allows to draw conclusions as to which groups of goods are sold in different geographic areas.

Obtaining more detailed information about certain elements of these reports, as well as preparing sales reports containing more detailed information about realized sales of goods abroad, requires grouping of information from the relevant levels of analytical accounting - for example, sales abroad by individual goods, by individual clients, etc.

4. CONCLUSION

In the accounting of international trading operations it is of exceptional significance to provide information on expenses, revenues and financial results by individual types of the foreign trade operations being performed by the enterprise – import, export, re-export, etc., as well as about each one of the completed transactions. In order to achieve that purpose it is necessary to the account “Profit and loss for the current year” to introduce sub-accounts and to organize appropriate analytical accounting related to the individual foreign trade transactions.

An important advantage of the aforementioned approaches to organizing the accounting of import and export transactions is that they enable the improvements in the organization of the accounting process for the financial results of these transactions. They allow following up the formation and precise identification of the financial result of each individual transaction (through the introduction of specific sub-accounts and analytical accounts), while taking into account the impact of exchange rate fluctuations occurring in the course of its implementation. This information plays a significant role in the subsequent detailed analyzes of the import and export operations of the enterprise and in the decision-making processes of its management. The application of these approaches provides for

organizational unity between the generation of analytical accounting information for the import and export of goods and the subsequent detailed analyzes in different perspectives.

The accounting information for import and export transactions carried out by the enterprises is a key premise both for their successful management and for fulfilling the requirements as regards fair presentation of the financial position and results of operations in the financial statements. “Enterprises’ financial statements should fairly and correctly present the financial performance, the property and financial position, the cash flows and the efficiency of their business” [1, p.227].

REFERENCES

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