

## THE IMPROVING OF FORMS OF INVESTMENT ACTIVITY FINANCIAL STATEMENTS FOR THE ANALYSIS OF ITS EFFICIENCY

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*The article is devoted to the improvement of accounting of investment activities. The study into the subject allowed to work out special statements to report the information on investment activity: a statement on the sources of financing of investment project, a statement on investment objects, the income statement of the investment project.*

Accounting reporting of an organization is particularly important in the context of developing socially oriented Belarusian economy. Being a uniform system of data on financial situation of a company and results of its business operations, financial reporting allows its internal and external users to make appropriate conclusions and to take the necessary economic decisions both on the micro and macro levels. Reporting on the investment is a part of the general accounting reporting and is necessary for overall evaluation and analysis of investment activity during the reporting period, as well as for determining the administration and management of investment policy in the future. Thus, improving the content and structure of the financial statements in general and reporting of investment activity in particular is one of the major problems in raising the quality level of the management decisions [1, p. 19].

The current financial statements do not provide the full and detailed information on the sources of financing of investments, their composition and usage, also can not provide the formation of data on investment on accounts, which is the basis of future financial statements and can not improve the control over target use sources of investment financing. Therefore, improving the forms of financial statements for investment is an important issue.

To form complete information on investment activity in the context of investment projects and the stages of the investment cycle, we decided to organize the methods of investment activity accounting in the form of a system of analytical accounts, which is presented in Figure.

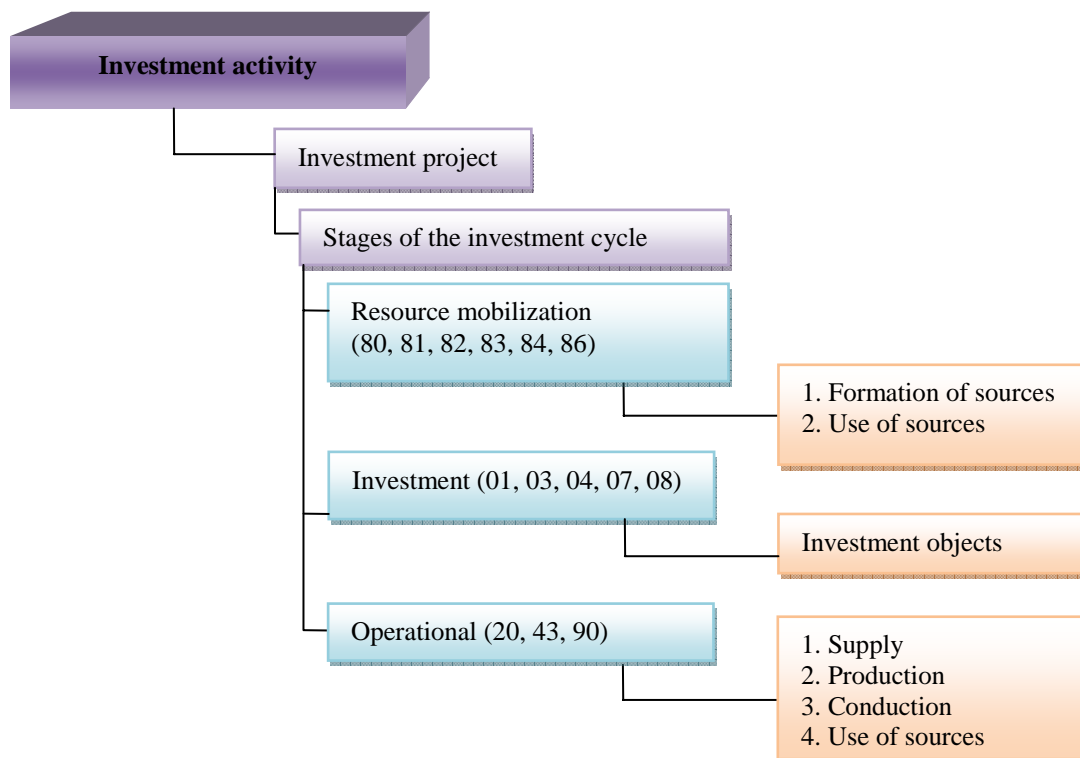


Fig. The system of analytical accounts for the accounting methods

The result was a new method of accounting of investment activities, reflecting their formation and use on separate sub-accounts, opened to the accounts above. In this case the analytical accounts will accumulate integral information on the investment project, which will make it possible to analyze the efficiency of investment activities basing on indicators of the accounting system. In general, this information will characterize the efficiency of the investment project [2, p. 244–245].

To consolidate the indicators generated in the proposed system of analytical accounts, it is recommended to reflect information about investment activity in separate accounts developed in the process of research:

- A statement on the sources of financing of investment projects;
- A statement on the investment objects;
- The income statement of the investment project.

Let us consider each of them. Thus, Table 1 presents a statement on the sources of financing of investment projects (the table is filled with conventional values).

Table 1 – A statement on the sources of financing of investment projects

Investment projects	Own sources of investments			Borrowed sources of investment		Total
	Profit	Sinking fund	Authorized capital	Bank loans	Special-purpose financing	
Investment project №1	21,8	1,3	13,4	0	5,5	<b>42</b>
Investment project №2	14,8	1,1	21,3	41,3	4,7	<b>83,2</b>
Investment project №3	16,3	0,7	7,9	17,9	0,9	<b>43,7</b>
<b>Total</b>	<b>52,9</b>	<b>3,1</b>	<b>42,6</b>	<b>59,2</b>	<b>11,1</b>	<b>337,8</b>

Source: own development based on the study of economic literature.

The indicators of the proposed accounts will be filled in basing on the data generated by the proposed method of accounting of sources of investment financing; thanks to the proposed form, the users of financial statements will be able to get the most complete and detailed information on the sources of investment financing, their composition and usage.

The statement of investment objects presented in Table 2 (the table is filled with conventional values), provides the users of financial statements with information about the objects involved in the investment project.

Table 2 – Statement of investment objects

Investment projects	Investment objects				Total
	Equipment	Materials	Fixed assets	Other	
Investment project №1	12,3	5,9	3,3	0,3	<b>21,8</b>
Investment project №2	7,1	3,4	12,5	21,0	<b>44</b>
Investment project №3	4,7	7,4	12,1	1,6	<b>25,8</b>
<b>Total</b>	<b>24,1</b>	<b>16,7</b>	<b>27,9</b>	<b>22,9</b>	<b>183,2</b>

Source: own development based on the study of economic literature.

The income statement of investment project, presented in Table 3 (the table is filled with conventional values), provides the users of financial statements with information on the profitability of investment projects.

Table 3 – Income statement of the investment project

Investment projects	Income			Total
	Amortization expenses	Proceeds of the sale of non-operating property	Other	
Investment project №1	12,3	0,4	57,2	<b>69,9</b>
Investment project №2	11,2	1,7	67,3	<b>80,2</b>
Investment project №3	9,8	4,1	71,9	<b>85,8</b>
<b>Total</b>	<b>33,3</b>	<b>6,2</b>	<b>196,4</b>	<b>471,8</b>

Source: own development based on the study of economic literature.

The determination of economic efficiency of investments is necessary for dealing with long-term objectives of economic development, the implementation of important scientific discoveries and inventions, new types of modern technology in public production, for the involvement of new natural resources. The assessment

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of investment efficiency is the most important stage in making decisions about the economic feasibility of an investment project. Payback period, profitability of the project and the rate of development of company depend on the objectivity, consistency and comprehensiveness of this assessment [3 p.119-120].

The analysis of real investments is a time-consuming process that requires specialized knowledge in the field of the economy and is usually performed by highly qualified specialists on corporate finance. The analysis of real investment enables us to compare expired costs to the result. In other words, investment analysis involves the assessment of its efficiency [4].

At the present time there is no uniform method of assessing investment efficiency. Every company develops its own approach or method on the basis of its experience, financial resources, the objectives at the moment and so on. Table 4 shows the comparative analysis of the sources of information for the analysis from the existing investment recording and from the proposed one.

Table 4 – Comparative analysis of the sources of information for the analysis from the existing investment recording and from the proposed

The value for calculation	The existing recording	The proposed recording
The amount of initial expenses	Balance list on the account 08 "Investments in non-current assets", account book-ticket №16	Statement of investment objects (Table 2). Total on the last column and row
Cash flow of earnings	Balance list on the account "Other income and expenditure", account book-ticket №15	The income statement of the investment project (Table 3). Total on the last column and row

Source: own development based on the study of financial statements of investment activity.

The main disadvantage of the existing financial statements of investment activity is that it is impossible to determine the exact amount of costs and the exact amount of earnings received from the investment project. You need to make calculations, and for this you need the accurate indicators of initial expenses and cash flow of earnings. In the existing financial statements income is fixed according to the kind of activity; in the proposed ones – according to investment projects. Thus, in the financial statements we can find the total amount of expenses related to investment activities for company as a whole or for the period. The proposed method gives us accurate data on each investment project separately.

With the proposed method of investment activity accounting in the form of a system of analytical statements, we can determine the efficiency of real investment in the pre-investment and investment stages of the investment cycle. The indicators presented in Table 4 assess the efficiency of investments in the operational phase.

In conclusion, it should be noted that proposals for improving of the financial statements will help:

- Firstly, to get more complete and detailed information on the sources of financing of investments, their composition and usage;
- Secondly, to provide the formation of accounting data on investment directly on statements, basing on which accounting recording will be filled;
- Third, to improve the control over the intended use of sources of investment financing.
- Fourth, to assess the efficiency of investments in the operational phase of the investment cycle.

All this is information necessary for proper administration of business entity and taking adequate management decisions aimed at optimizing the investment process.

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