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between foreign affiliates and the parent company. At the same time the transfer prices vary greatly from the market prices. By managing the transfer prices, multinational companies are willing to evade taxation, thereby to minimize customs duties, illegally withdraw profits abroad, etc. This, in turn, has a negative impact on the economies of countries hosting foreign investment in the form of transnational corporations [4].

Thus, the activities of multinational companies strongly affect the economy of the country locating the TNCs and the host country. The analysis of the impact of a foreign direct investment shows that the benefit will be received both by the country locating the TNCs due to a more efficient disposal of available capital and by the host country, due to the influx of new capital.

Despite all the positive aspects, multinational companies often face formidable opposition. The main claim to multinational companies in the location are in the export of potential jobs, and this in turn leads to a decrease in employment, as well as to the evasion of the compulsory payments in the form of taxes, thus it is detrimental to the location country's budget. In the host countries major concerns are caused by the scale of the activities of transnational companies, alongside with the discontent of the local producers who cannot compete with large multinational companies. Having enormous production and financial resources, TNCs can take the key position in the economy and the industry, thereby threatening the economic security of the host country, and providing political pressure. It is worth noting that in the countries locating the TNCs the need for tax outflows is being actively discussed, while in the host countries they pursue the policy of the creation of the additional stimuli to attract foreign direct investments [5].

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## UDC 164

**THE APPLICATION OF SEGMENT REPORTING IN ACCOUNTING PRACTICE  
OF BELARUSSIAN ENTERPRISES**

**RENATA TRUBOVICH, ELENA MALEY**  
*Polotsk State University, Belarus*

*The report substantiates the necessity to apply segment reporting in accounting practice of Belarussian enterprises. The prospects of segment reporting development in the Republic of Belarus are also considered. The article contains the development of accounting policies for segmentary accounting and reporting and the technique of drawing up a segment statement.*

The activity of modern medium and large organizations is diversified, carried out in different regions, and segmented according to markets. In this regard it becomes really important to obtain qualitative and quantitative information about what is given by each market segment, a separate type of production or services, a region, a division, a buyer. Such information is provided by the segment reporting. Therefore the formation of the segment statement, being the basis for preparing administrative decisions in the usual activity of the organization's structural divisions, gains special significance in international practice which in our opinion should concern Belarussian enterprises.

The purpose of our research is to justify the need to draw up segment reporting by Belarussian organizations, to develop practical recommendations for the formation of segment information about the results of segments activities.

Such target orientation of the research has caused the statement and solution of the following tasks:

– to analyze the standard regulation of segment reporting in the Republic of Belarus and in the international practice;

- to define the advantages of segment information existence for the analysis and adoption of administrative decision-making by the management of Belarussian organizations;
- to develop recommendations about accounting policies formation for the segment account and drawing up the segment report;
- to provide recommendations about the development of the reporting form and the methodology of drawing up a segment statement.

While developing and researching the set objectives general scientific methods were applied, such as: analysis and synthesis, comparison, conclusion on analogy, system approach.

During the research it was established that segment reporting is considered as system of data on the property and financial position of the organization and the results of its economic activity in the context of separate segments. This data system is made on the basis of accounting data according to the requirements of national standards for accounting or International Financial Reporting Standards, or the rules of preparation of the internal administrative reporting.

Existing normative documents on the regulation of drawing up and submission of the segment reporting in the international practice are submitted below in table 1.

Table1 – Normative documents on the regulation of drawing up and submission of the segment reporting in the international practice

Country	Name of the standard
1. International Financial Reporting Standards (IFRS)	(IFRS) 8 «Operating segments»
2. United States of America (USA)	SFAS №131 «Disclosures about an Enterprise and Related Information»
3. Russian Federation	ПБУ 12/2010 «Информация по сегментам» (Information about the segments)
4. Ukrainian Republic	(П(С)БО 103 «Фінансова звітність за сегментами» (Financial statements on segments)
5. Great Britain	SSAP 25 Segmental reporting
6. Moldova	НСБУ 14 «Финансовая информация по сегментам» (Financial information on segments)
7. Republic of Latvia	SFPS 8 «Darbibas segmenti» (Reporting segments)

It is also possible to add that today normative documents concerning the segmentary reporting exist in many other countries: Canada, Italy, Singapore, Egypt [1]. In the Republic of Belarus today there is no national standard and guidelines for drawing up the segment reporting. However the aspiration of the Republic of Belarus to bring accounting systems, together, to draw up and submit financial statements according to IFRS should not, in our opinion, neglect the segment reporting, thus, paving favorable way for Byelorussian enterprises to enter the international stock market. The need for drawing up the segment reporting by home enterprises is clear from the purpose of its creation, from its role and advantages.

The purpose of segment reporting is providing a wide range of users with information on financial position and financial results on segments for decision-making concerning the enterprise. The formed reporting can be used within the enterprise, but its main goal is providing external users, potential investors, creditors, workers, suppliers and buyers, as well as the government and the public, with detailed and transparent information on the enterprise [2, с.31].

The main advantages of segment reporting from the point of view of administrative approach are:

- the opportunity to qualitatively estimate financial results;
- allows to estimate business prospects authentically;
- expands the opportunities for the inflow of additional capital.

Using segment reporting, it is more effective to plan, control and make decisions at the level of each segment which makes the organization more flexible and adaptable to changing conditions as well as more attractive to potential investors.

Proceeding from the presented purpose, role and advantages of segment reporting, it is possible to assume that the approval and introduction of the national standard regulating the drawing up of segment reporting in the Republic of Belarus will be a good prerequisite to adapt to the rules of International Financial Reporting Standards and will also significantly raise: the level of conducting management accounting at the enterprises, the business organization, transparency of the economic activity of the enterprises, and, respectively their image and cost.

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Having investigated the requirements of the above-mentioned standards and other economic literature to information disclosure in segmentary and management accounting, we have come to the conclusion that Belarussian organizations should reflect the following organizational, technical and methodical aspects while forming accounting policies on segments:

1. organizational-technical section:

- 1.1 Criteria of segmentation of economic activity

- 1.2 Allocation of reporting segments

- 1.3 Forms of primary registration documents and the accounting registers, necessary to register the facts of economic activity on segments

- 1.4 Working book of accounts

- 1.5 Form of the report on segments

- 1.6 Indices (contents) of the report form on segments

- 1.7 Rules of document flow regarding the information on segments

- 1.8 List of the officials who are responsible for keeping the segmentary account and reporting.

2. Methodical section:

- 2.1 Definition of income on segments

- 2.2 Definition of expenses on segments

- 2.3 Distribution of long-term and short-term assets and liabilities among segments

- 2.4 Definition of transfer prices (payment among segments).

The contents of accounting policies for the preparation of segment reporting has to determine the rules on information disclosure in reporting, namely: the methods of estimating mutual payment among segments, the structure of segment expenses and income, the ways of distributing of long-term and short-term assets, liabilities, the income and expenses among segments [3].

As a result of the conducted research into the rules of drawing up reporting in the developed western countries, the Russian Federation, and also taking into account the requirements of IFRS we have offered a methodic of drawing up segment reporting that includes 5 stages:

1. Determination of the need to draw up the segment reporting.

The following business entities are recommended to make segment reporting:

- the organization prepares the segment reporting if it has branches and subsidiaries;

- the organization carries out different types of activity;

- the organization carries out one kind of activity, but it makes goods that are different in a production cycle, sales markets, buyers.

2. Allocation of operational and reporting segments.

It is possible to use the criteria of IFRS 8 «Operational segments» to allocate operational and reporting segments.

3. Establishment of the segment reporting form.

The information on indices disclosure can be stated by the continuous text in combination with graphics, or in a tabular form specially developed by the organization. Obviously, the tabular form is more clear and readable for users. However, the form should not be standard, and has to change as the organization strategy and activity change.

4. Definition of reporting indices.

It is possible to be guided by the requirements of IFRS 8 «Operational segments» to determine the indices subjected to disclosure in segment reporting.

For internal users separate indices can be represented in expanded form for better analyticity than for external users. For example, it is offered to divide all expenses into constant and variable. The importance of this classification of expenses is caused by the possibility of the correct planning of prices, output, the range of production release and realization (work, services), profit and profitability definition respectively on segments.

5. Reflection of indices in segment reporting.

For ensuring indices formation it is necessary to develop analytical signs of accounts and register forms which can be used to generalize information by segments in the computer environment.

Thus, having generalized the above information, historically not withstanding less favorable conditions for the development of segment reporting in the Republic of Belarus, in our opinion, home business entities should not sidestep the introduction of segment reporting in accounting and analytical practice.

It should be noted that while the forming and submitting the information on segments complete and reliable reporting data must be provided. The essential role in it belongs to accounting policies of the organization. In case of modification of accounting policies of this or that segment, changes, their reasons have to be revealed.

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## UDC 336.1

**THE ANALYSIS OF THE FINANCIAL PLAN OF THE COUNTRY  
FOR THE NEXT BUDGETARY (FISCAL) YEAR**

**YULIA KHODYAKOVA, IRINA POZDNYAKOVA**  
*Polotsk State University, Belarus*

*The article contains the main changes in fiscal legislation for the current year. The analysis of the structure of revenues and expenditures of the republican budget in 2014 has been conducted. The conclusion about the necessity of the improvement of the mechanisms of the budgetary policy in the future has been made.*

The law of the Republic of Belarus "About the republican budget for 2014 year" has been developed with some changes and additions in fiscal and tax legislation of the country.

In this regard, in 2014 it has been planned to use the following sufficiently effective mechanisms, which are capable of ensuring the realization of the main directions of the budgetary policy.

Firstly, in 2014 the government has made a number of changes, which concern some taxes and duties in the following way [1]:

1. Bonus depreciation has been replaced with investment deduction. Such change plays a great role, when the income tax is calculated;
2. The way of taxation of a person by individual income tax has also been changed. According to the existing order the monetary incomes, received from trust management operations and also the cash flow, got by participants of bank management funds, have been included into the list of tax benefits and deductions;
3. The rates of excise duties have been increased on such products as fuel, tobacco products, strong alcoholic products;
4. An additional state fee, which is originally called "imputed income tax", has been enacted. This tax is obliged to pay by the organizations, which are engaged in repairing and technical maintaining of vehicles. Funds, which will be collected from the owners of vehicles, will monthly generate revenues in the amount of more than 200 million rubles into the budgets of the basic level.

Thus, in 2014 the directions of tax policy are aimed at maintaining the stability of formation of budgetary incomes.

Secondly, according to the article 30-37 of the Budgetary code of the Republic of Belarus, tax revenues are redistributed between republican and local budgets in accordance with laid down standards. It is also advisable to note the following changes in establishing the norms of deductions from the republican taxes and dues (in brackets the data 2013 for comparison):

- profit tax, is paid by economic entities, the property of which is owned by the Republic of Belarus, as well as other equivalent organizations, is redistributed in the incomes of the republican budget at a rate of 100% (previous: in the incomes of the republican budget – 50%, in the incomes of the regional consolidated budget – 50%)
- value-added tax, which is collected on the territory of the Republic of Belarus, must be allocated into the republican budget at a rate of 69% (70 %), the other part – 31% (30 %) is distributed to regional consolidated budgets and the Minsk budget. In particular, into the Brest regional budget is redistributed 4,56% (4,41%) of total volume of value-added tax, into the Vitebsk regional budget – 3,94% (3,84%), into the Gomel regional budget – 4,68% (4,53%), into the Grodno regional budget – 3,47% (3.36 per cent), into the Minsk regional budget – 4,59% (4,47%), into the Mogilev regional budget – 3,53% (3,42%), into the Minsk budget – 6,23% (5,97%).