

BALANCE. TYPES OF CHANGES IN THE BALANCE SHEET

Balance

- ▣ **Balance** - a technique of grouping and generalized reflection composition of the property complex, financial obligations of the organization and their sources formation in monetary value on a certain date.
- ▣ **Left side** - Asset (contains information on the placement of economic assets by composition) - what do I have?
- ▣ **The right side** - Passive (reflects the sources of the formation of economic resources) - Due to what, I have?

- ▣ **In graphical form**, the balance sheet is a two-sided table (the standard form of the balance sheet, its structure is established by the Ministry of Finance of the Russian Federation). **The left side** of the balance sheet is **an asset** (contains information on the placement of economic assets of the enterprise in terms of composition and placement).
- ▣ **The right side** of the balance sheet is **a liability** (reflects the sources of the formation of economic assets).
- ▣ **The equality of the totals (balance sheet) of both parties is the main feature of the balance.**

- ▣ Each side of the balance sheet contains a certain system of indicators called balance sheet items. Articles are grouped into sections with numerical designation and economic content. Articles flesh out the section.

- ▣ Based on the definition, the balance sheet is a snapshot of the state of economic assets at a certain moment (date), and economic activity is a dynamic process. The reflection of the dynamics of economic activity is carried out on the accounts of accounting.

Balance asset	Balance liability
<p data-bbox="102 182 749 225">I. Section "Non-current assets"</p> <p data-bbox="102 247 285 289">Articles:</p> <ul data-bbox="102 311 852 429" style="list-style-type: none"> <li data-bbox="102 311 749 358">- Fixed assets (accounts 01; 02) <li data-bbox="102 375 852 429">- Intangible assets (accounts 04; 05) 	<p data-bbox="994 182 1715 225">III. Section "Capital and reserves"</p> <p data-bbox="994 247 1178 289">Articles:</p> <ul data-bbox="994 311 1702 558" style="list-style-type: none"> <li data-bbox="994 311 1702 358">- Authorized capital (account 80) <li data-bbox="994 375 1619 429">- Reserve capital (account 82) <li data-bbox="994 446 1688 494">- Additional capital (account 83) <li data-bbox="994 511 1688 558">- Retained earnings (account 84)
<p data-bbox="102 578 668 621">II. Section "Current assets"</p> <p data-bbox="102 642 285 685">Articles:</p> <ul data-bbox="102 706 981 946" style="list-style-type: none"> <li data-bbox="102 706 707 753">- Stocks (accounts 10; 41; 44) <li data-bbox="102 771 981 882">- Cash and cash equivalent (accounts 50; 51) <li data-bbox="102 899 523 946">- Accounts receivable 	<p data-bbox="994 578 1715 621">IV. Section "Long-term liabilities"</p>
	<p data-bbox="994 972 1638 1015">V. Section "Current liabilities"</p> <p data-bbox="994 1036 1178 1079">Articles:</p> <ul data-bbox="994 1100 1881 1276" style="list-style-type: none"> <li data-bbox="994 1100 1379 1148">- Borrowed funds <li data-bbox="994 1165 1881 1276">- Accounts payable (accounts 60; 68; 69; 70; 71)
<p data-bbox="517 1300 1553 1343" style="text-align: center;">Asset currency (total) = Liability currency (total)</p>	

Types of business transactions and their impact on the balance sheet

- **1. The first type of business transaction** - changes take place within the Balance Asset: on one account there is an increase in economic assets, on the other account there is a decrease in economic assets by the same amount (delivery of the pharmacy's daily revenue to the bank Debit 51 - Credit 50).
- Correspond: active account with active; active with active-passive. These are the operations:
 - – receiving money from the bank from the current account to the cash desk for the issuance of wages (accounts 51; 50);
 - - transfer of economic assets to another accounting group (auxiliary material to the group goods account. 10; 41);
 - – repayment of receivables.
- Formula
- $A + X - X = P$.
- **Active+X-X=Passive**
- The result of the balance sheet currency does not change.

Types of business transactions and their impact on the balance sheet

- **The second type of business transaction** - the change goes according to the Liability of the balance sheet: on one account there is an increase in the sources of formation of economic assets, on the other account they decrease by the same amount (the premium is accrued due to retained earnings Debit 84 - Credit 70; Dr 84-Cr 70). Correspond: passive account with passive; passive with active-passive.
- These are the operations:
- - deductions from wages - personal income tax, shortage of inventory items (inventory and materials), loan amounts at the request of an employee, alimony, etc. (Debit 70 - Credit 68).
- Formula:
- $A = P + X - X$.
- Active = Passive + X-X
- The result of the balance sheet currency does not change.

Types of business transactions and their impact on the balance sheet

- ❑ **The third type of business transaction** - the increase is on the Asset and Liability of the balance.
- ❑ Correspond: active account with passive; active with active-passive; passive with active-passive.
- ❑ These are the operations:
 - ❑ – carrying out accrued wages and bonuses for the distribution costs of a pharmacy (Debit 44 - Credit 70);
 - ❑ – accrual of depreciation of fixed assets, intangible assets and posting on Distribution costs (Debit 44 - Credit 02)
 - ❑ - obtaining a bank loan;
 - ❑ - receipt and posting of goods (Debit D 41 - Credit 42 - Credit 60).
- ❑ Formula
- ❑ $A + X = P + X$.
- ❑ Active+X=Passive+X
- ❑ The balance sheet total increases.

Types of business transactions and their impact on the balance sheet

- ▣ **The fourth type of business transaction - reduction**
- ▣ goes according to the Asset and Liability of the balance.
- ▣ Correspond: active account with passive; active with active-passive; passive with active-passive.
- ▣ These are the operations:
 - ▣ – payment of accounts payable:
 - ▣ - for the received goods to the supplier (Debit 60 – Credit 51);
 - ▣ - before the budget - taxes (Debit 68 - Credit 51);
 - ▣ – employees on wages (Debit 70 - Credit 50).
- ▣
- ▣ **Formula $A - X = P - X$.**
- ▣ **Active-X=Passive-X**
- ▣ The balance sheet total decreases.

Accounting policy

This is a set of accounting methods for a given enterprise.

The head and accountant must, no later than 90 days from the date of state registration of the organization, develop and approve the "accounting policy of the enterprise".

The value of accounting policy is quite large, it affects the adoption of management decisions, the formation of other organizational and administrative documents.

When forming a scientific policy, an organization must choose one of several methods of accounting allowed by law.

The accounting policy order can be divided into three sections

- 1.1. Organization of accounting work.
- 1.2. Accounting in branches (separate subdivisions).
- 1.3. System and Chart of Accounts.
- 1.4. Form of accounting.
- 1.5. Applicable forms of primary accounting documents.
- 1.6. List of persons entitled to sign primary documents.
- 1.7. Schedule and rules of document circulation.
- 1.8. Nomenclature of inventory accounting.
- 1.9. The procedure and terms for conducting an inventory of property and liabilities.
- 2. Methods of accounting.
 - 2.1. Accounting for the cost of fixed assets.
 - 2.2. Revaluation of fixed assets.
 - 2.3. Calculation of depreciation of fixed assets.
 - 2.4. Amortization of intangible assets.
 - 2.5. Ways to write off inventories (materials, goods, finished products).
 - 2.6. Evaluation of goods (for organizations and retail units).
 - 2.7. The procedure for determining income and expenses.
 - 2.8. List of created reserves for future expenses and payments.
- 3. The procedure for maintaining tax records.
 - 3.1. Organization of tax accounting.
 - 3.2. Analytical registers of tax accounting.

The accounting policy of a pharmacy organization should provide

completeness of reflection in accounting of all facts of economic activity (completeness requirement);

- greater willingness to account for losses (expenses) and liabilities than possible income and assets (not allowing the creation of hidden reserves) (prudence requirement);
- reflection in accounting of the facts of economic activity, based not only on their legal form, but also on the economic content of the facts and conditions of management (requiring priority of content over form)

The accounting policy of a pharmacy organization should provide

- Identity of analytical accounting data to turnovers and balances of synthetic accounting accounts on the first day of each month, as well as accounting indicators to synthetic and analytical accounting data (consistency requirement);
- rational and economical accounting, based on the conditions of economic activity and the size of the enterprise (the requirement of rationality).

Accounting policy

Changes in the accounting policy of an enterprise may take place in the event of: reorganization of an enterprise (merger, division, accession); change of owners; changes in the legislation of the Russian Federation or in the system of regulatory accounting regulation in the Russian Federation; development of new ways of accounting.

The enterprise must disclose the accounting methods chosen in the formation of accounting policies that significantly affect the assessment and decision-making of users of financial statements. Accounting methods are recognized as essential, without knowledge of the application of which by users of financial statements it is impossible to reliably assess the property financial condition, cash flow or performance of the enterprise.

Accounting policy

In addition, the order on accounting policy should determine the time frame for divisions or employees of the enterprise to submit to the chief accountant reports on the movement of goods, materials, containers, estimates and other documentation; requirements for this documentation; responsibility of officials for untimely submission and poor-quality preparation of documents.

Rights and obligations of the chief accountant.

The chief accountant ensures the compliance of ongoing business operations with the legislation of the Russian Federation, control of the movement of property and fulfillment of obligations.

The requirements of the chief accountant for documenting business transactions and submitting the necessary documents and information to the accounting department are mandatory for all workers of the organization. Without the signature of the chief accountant, monetary and settlement, financial and credit obligations are considered invalid and should not be accepted for execution.

In case of disagreement between the head of the organization and the chief accountant on the implementation of certain business transactions, documents on them can be accepted for execution from a written order of the head of the organization, who bears full responsibility for the consequences of such operations.

Accounting policy

The order or instruction of the head on accounting policy, as a rule, reflects the following issues:

- cost limit for classifying items as fixed assets or materials;
- method of calculating depreciation of fixed assets;
- the procedure for attributing the costs of repairing fixed assets to the cost of products (works, services);
- method for estimating incoming inventories;
- choice of cost accounting for production and output of products (works, services);
- maturities for deferred expenses;
- moment of sale of products;
- a list of created funds and reserves, the procedure for their formation and use;