

22nd International Economic Conference – IECS 2015 “Economic Prospects in the Context of Growing Global and Regional Interdependencies”, IECS 2015

The Specificity of the Problems of Assessing the Financial Condition of Russian Companies

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Abstract

The article reflects the actual and specific Russian problems of assessing the financial condition of companies. The methodology for assessing the financial condition in the Russian textbooks is strongly fragmented, requires updating and has a little connection with the practice and the real economic situation. The financial statements are disclosed only by a third of Russian companies, and also have negative aspects in the presentation and complexity of the analysis. In the business community there is a significant reduction in the role of financial statements, as a source of information for assessing the financial and economic activities.

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Peer-review under responsibility of Faculty of Economic Sciences, “Lucian Blaga” University of Sibiu”

Keywords: Russian joint stock companies, disclosure, financial statements, financial condition.

1. Introduction

To assess the financial condition of the commercial organization requires knowledge of the theoretical foundations of the process and the availability of the information base in the form of financial statements for a number of periods.

It would seem that everything is very simple, you need to take a methodology from the book, take a particular company's financial statements and analysis of its financial condition. But in fact, and with the theoretical foundations of the financial condition and information base, there are significant problems at the moment.

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First, we highlight issues relating to the theoretical foundations of the financial analysis of companies. These include not only textbooks and manuals directly called "Analysis of financial condition" and "Financial Analysis", but also the educational literature which concerns these issues – "Economic Analysis", "Analysis of Financial Statements", "Analysis of financial and economic activity of the enterprise", "Analysis of economic activity of the organization" and even "Financial institutions", "Financial Management" and others.

We had analyzed more than 20 fundamental Russian textbooks, covering the issues of financial analysis of companies (published in the last 5 years). The results of our analysis allowed to distinguish the following problems and shortcomings (Grechenyuk A.V. and Grechenyuk O.N. (2015)).

2. Body

The methodology of the analysis of the financial condition of the company was not changed much over the past 20 years, although the economic conditions in the Russian economy was changed significantly during this period.

Some Russian textbooks on the analysis of the financial condition of the organization do not have any examples of the analysis of a particular company. Other textbooks (Kir'yanova Z.V. and Sedova E.I (2014); Kazakova N.A. (2014); Selezneva N.N. and Ionova A.F. (2013)) have the examples, but they are given usually on the materials "invented" or absolutely unknown enterprises (JSC "Dream", JSC "Company", JSC "ABC", etc.). This approach of Russian authors is not quite clear, since a lot more interesting if the calculation is made on materials really functioning well-known enterprises. Quite often, the different directions of the analysis presented in the materials of different companies. It does not provide a complete picture of the financial condition of the company.

Most Russian textbooks present the financial statements of the company (for example) for an indefinite period, that is, specific years are not recorded.

Russian educational literature practically does not reflect the values of the indicators assessing the financial condition of public companies of the Russian economy as a whole or in sectoral or cross-sectoral sections. It does not allow to see differences in the values of indicators by industry and type of activity.

Discussed disadvantages of the Russian educational literature on the analysis of the financial condition of the company are determined by the duration of the period of publication of textbooks. Since writing the textbook till the moment its publication could be several years. Therefore, many authors choose a standard financial statements on an unknown company for an indefinite period, which allows to maintain the relevance of the textbook for several years. However, the current situation makes educational publications detached from practice that is not conducive to understanding the basics of financial analysis.

Duration of the process of publication of textbooks also leads to the fact that some books published in 2013 and 2014 (Kir'yanova Z.V. and Sedova E.I (2014); Selezneva N.N. and Ionova A.F. (2013); Efimova O.V. (2013)), still represent a methodology for analyzing the financial condition on the old form of the balance sheet (a new form of financial statements began to operate in 2011).

Another disadvantage of the Russian educational literature on the analysis of the financial condition of the company is the difficulty of presenting the material. The volume of textbook is formed due to abstruse theoretical discussions (sometimes not very relevant), and sometimes due to providing materials not related to the topic. Consequently, the Russian theory of assessing the financial condition differs sufficiently great diversity, both in areas of analysis, and in terms of performance. This also does not contribute to the formation of correct and deep knowledge in the field of financial analysis.

This situation led to the fact that the education to analysis of the financial condition of enterprises in different universities with different teachers is very various, which then passed into practice methodology for assessing the enterprises' financial condition, which are practically not comparable.

Now consider the second set of problems related to the information base for assessing the enterprises' financial condition.

The basis of the assessment of the Russian companies' financial condition is the financial statements prepared in accordance with Russian accounting standards. Consequently, for this evaluation should be available financial statements of the specific company for some periods. Here, there are certain problems.

For government agencies, financial institutions, suppliers, this is not a problem because the company, regardless of the legal form must provide financial statements to these organizations (mandatory, in accordance with the

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