DIRECTIONS FOR IMPROVING THE ACCOUNTING OF CURRENT ASSETS IN LARGE TAXPAYER ENTERPRISES

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Abstract. This article examines the main directions for improving the accounting of current assets in large taxpayer enterprises. The study focuses on improving the efficiency, accuracy, and transparency of current asset accounting. Particular attention is paid to the effective management of inventories, receivables, cash, and other current assets. The article also provides recommendations for improving accounting practices and strengthening financial control in large taxpayer enterprises.

Keywords: current assets, accounting, large taxpayer enterprises, inventories, receivables, cash, financial control, accounting .

In the modern economic environment, effective management of financial resources and the improvement of accounting practices are essential factors in ensuring the financial stability and sustainable development of enterprises. This issue is particularly important for large taxpayer enterprises, which occupy a significant position in the national economy and make a substantial contribution to the formation of state budget revenues. The scale and complexity of their business operations require a reliable, transparent, and efficient accounting system capable of providing timely and accurate information for managerial and financial decision-making. In this context, improving the accounting of current assets represents an important direction for enhancing the overall efficiency of financial management.

Current assets constitute a significant part of the resources of most enterprises and play a direct role in ensuring the continuity of economic activities. They include inventories, trade receivables, cash and cash equivalents, short-term investments, and other assets that are expected to be converted into cash or consumed within the operating cycle. The effective accounting and management of these assets have a direct impact on an enterprise's liquidity, solvency, financial stability, and ability to fulfill its short-term obligations. Therefore, accurate recognition, valuation, classification, and control of current assets are among the important tasks of modern accounting.

The relevance of improving current asset accounting is further increased by the dynamic nature of business operations. Unlike non-current assets, current assets are constantly involved in the operating cycle and undergo frequent changes in their composition and value. Inventories are purchased and consumed, receivables arise and are settled, and cash flows continuously change depending on the enterprise's operating, investing, and financing activities. As a result, inadequate accounting procedures or delays in recording transactions may lead to inaccurate financial information, inefficient use of resources, increased risks of losses, and difficulties in making appropriate management decisions.

For large taxpayer enterprises, these issues are particularly significant because of the scale of their operations and the volume of financial transactions they conduct. Such enterprises generally have complex organizational structures, large numbers of suppliers and customers, substantial inventories, significant receivables and payables, and considerable cash flows. The large volume of transactions increases the possibility of accounting errors, discrepancies, inefficient use of current assets, and weaknesses in internal control. Consequently, the accounting system of large taxpayer enterprises must be sufficiently flexible and reliable to reflect changes in current assets accurately and promptly.

Another important aspect of the relevance of this topic is the relationship between current asset accounting and tax administration. Large taxpayer enterprises have significant obligations to the state budget, and the accuracy of accounting information is important for determining taxable bases and fulfilling tax obligations correctly. Errors in the recognition, valuation, or classification of assets and related transactions may affect financial statements and, in certain cases, tax calculations. Therefore, improving accounting procedures for current assets can contribute not only to better financial management but also to greater transparency and compliance with tax requirements.

The effective management of inventories is one of the most important components of current asset accounting. Excessive inventory levels may result in the inefficient use of financial resources, increased storage costs, and the risk of obsolescence or deterioration. At the same time, insufficient inventory may interrupt production and sales processes. Therefore, accounting information should provide management with reliable data regarding the quantity, cost, movement, and condition of inventories. Improving inventory accounting methods and strengthening inventory control can help enterprises maintain an optimal level of resources and reduce unnecessary costs.

Trade receivables also require particular attention. An increase in overdue receivables can negatively affect an enterprise's liquidity and limit its ability to finance current operations. Effective accounting should therefore provide accurate information about the amount, maturity, and collectability of receivables. The introduction of systematic monitoring procedures, customer credit assessment, and timely recognition of doubtful receivables can contribute to reducing financial risks and improving cash flow management.

Cash and cash equivalents represent another critical component of current assets. Maintaining an adequate level of liquidity is necessary for ensuring timely payments to employees, suppliers, the state budget, and other creditors. At the same time, excessive accumulation of idle cash may indicate inefficient utilization of financial resources. Therefore, accurate cash accounting and effective cash flow control are essential for maintaining an appropriate balance between liquidity and profitability.

The digital transformation of accounting also creates new opportunities for improving the accounting of current assets. Modern accounting software, enterprise resource planning systems, electronic document management, and automated data processing allow enterprises to record and analyze transactions more quickly and accurately. Digital technologies can reduce manual errors, improve the timeliness of accounting information, strengthen internal control, and facilitate the monitoring of inventories, receivables, and cash flows. For large taxpayer enterprises with extensive financial operations, the digitalization of accounting processes is becoming an increasingly important factor in improving efficiency and transparency.

Furthermore, the development of international financial reporting practices has increased the importance of reliable valuation and presentation of current assets. Financial statements should provide users with relevant and reliable information about an enterprise's resources and financial position. In this regard, the application of appropriate accounting principles, consistent valuation methods, and effective internal control mechanisms is essential for improving the quality of financial reporting.

The relevance of this research is also associated with the need to strengthen internal control over current assets. Since current assets are highly liquid and frequently involved in business transactions, they may be exposed to various risks, including unauthorized use, shortages, inaccurate valuation, delayed collection of receivables, and inefficient utilization. A well-designed internal control system can help identify such risks at an early stage and ensure that current assets are used in accordance with the enterprise's objectives and established procedures.

The accounting and management of current assets have been widely studied in accounting, financial management, and corporate finance literature. Researchers generally consider current assets to be an essential component of an enterprise's financial resources because their effective management directly affects liquidity, solvency, profitability, and the continuity of business operations. The quality of current asset accounting is therefore closely connected with the reliability of financial information and the effectiveness of managerial decision-making.

Theoretical approaches to current asset management emphasize the importance of maintaining an appropriate balance between liquidity and profitability. Excessive investment in current assets may result in inefficient use of financial resources, while insufficient current assets can create difficulties in meeting short-term obligations and maintaining uninterrupted operations. In this regard, financial management literature emphasizes the importance of determining an optimal level of working capital that allows enterprises to maintain financial stability while minimizing unnecessary costs.

Working capital management has been extensively examined by researchers such as Brigham and Ehrhardt, who emphasize the importance of managing cash, inventories, receivables, and short-term liabilities in maintaining the financial stability of enterprises. Their research demonstrates that effective working capital management can improve liquidity and contribute to the overall financial performance of an organization.

Inventory accounting represents another important area of research. Scholars emphasize that the appropriate recognition, measurement, classification, and control of inventories are necessary for ensuring the accuracy of financial statements. Inventory management is particularly important for large enterprises because excessive inventories can increase storage and maintenance costs, while insufficient inventories may interrupt production and sales processes. Therefore, accounting information concerning inventory movements and balances should be timely, accurate, and reliable.

The accounting treatment of receivables has also received considerable attention in the academic literature. Researchers point out that trade receivables directly affect an enterprise's liquidity and cash conversion cycle. Effective receivables management requires accurate recognition of outstanding amounts, continuous monitoring of payment periods, assessment of customers' creditworthiness, and timely recognition of doubtful or uncollectible amounts. Improving these processes can reduce credit risk and strengthen the financial position of enterprises.

Cash management is another significant component of current asset management. Financial management literature emphasizes that enterprises need to maintain sufficient cash to meet short-term obligations while avoiding excessive accumulation of idle funds. Effective accounting and control over cash flows provide management with the information necessary to make decisions concerning payments, financing, investment, and liquidity management.

International accounting standards have also made a significant contribution to the development of current asset accounting practices. International Financial Reporting Standards provide principles for the recognition, measurement, presentation, and disclosure of financial information. The application of these principles contributes to improving the comparability, transparency, and reliability of financial statements. In particular, appropriate classification and valuation of inventories, receivables, cash, and other current assets are important for presenting a fair view of an enterprise's financial position.

The literature on internal control also emphasizes the importance of controlling current assets. Since current assets are frequently involved in business transactions and include highly liquid resources, they are exposed to risks such as theft, misuse, accounting errors, inaccurate valuation, and unauthorized transactions. Effective internal control procedures, including regular inventories, reconciliation of accounting records, authorization procedures, segregation of duties, and monitoring of receivables, can significantly reduce such risks.

Contemporary studies increasingly focus on the role of digital technologies in accounting. The introduction of enterprise resource planning systems, automated accounting software, electronic documentation, and data analytics has created opportunities to improve the accuracy and efficiency of current asset accounting. Digitalization enables enterprises to obtain real-time information about inventory balances, receivables, cash flows, and other financial indicators. For large taxpayer enterprises, which typically process significant volumes of financial transactions, the use of automated accounting systems can substantially improve the quality and timeliness of financial information.

The literature also indicates that the effectiveness of current asset accounting depends on the integration of accounting and management processes. Accounting information should not only be used for preparing financial statements but also serve as a basis for operational and strategic decision-making. In this context, management accounting tools, financial analysis, budgeting, and internal control should be integrated with financial accounting to ensure effective management of current assets.

Despite the extensive research on current asset accounting and working capital management, several issues remain relevant for large taxpayer enterprises. The scale and complexity of their operations, the large number of business transactions, significant tax obligations, and increased requirements for financial transparency create additional demands on accounting systems. Therefore, there is a need to develop accounting mechanisms that combine accurate asset recognition and valuation with effective internal control, digital technologies, and analytical tools.

The analysis of current asset accounting in large taxpayer enterprises demonstrates that improving the accuracy, timeliness, and transparency of accounting information is essential for effective financial management. Current assets constitute a significant part of enterprise resources, and their efficient accounting directly affects liquidity, financial stability, solvency, and the continuity of operating activities. Therefore, the accounting system should provide management with complete and reliable information about the composition, movement, valuation, and utilization of current assets. The results of the study indicate that improving current asset accounting requires a comprehensive approach that combines accurate accounting procedures, effective internal control, analytical tools, and modern digital technologies.

One of the main findings of the study is the need to improve inventory accounting and control. Large taxpayer enterprises generally operate with significant volumes of inventories, including raw materials, finished goods, merchandise, and other material resources. Inefficient inventory accounting may result in excessive stock levels, shortages, inaccurate valuation, increased storage costs, and inefficient use of financial resources. Therefore, the introduction of detailed analytical accounting, regular inventory verification, reconciliation of physical and accounting balances, and continuous monitoring of inventory movements can significantly improve the reliability of accounting information. Effective inventory control also enables enterprises to identify unused or slow-moving inventories and take appropriate management decisions concerning their further utilization.

The analysis also demonstrates the importance of improving accounts receivable accounting. A significant increase in overdue receivables can negatively affect an enterprise's liquidity and ability to meet its short-term obligations. For this reason, large taxpayer enterprises should establish an effective system for monitoring receivables according to customers, payment terms, amounts, and collection status. Regular analysis of overdue debts and assessment of customers' payment capacity can help identify potential financial risks at an early stage. Timely recognition of doubtful or uncollectible receivables and the implementation of appropriate measures for debt collection can contribute to improving cash flows and strengthening the financial stability of enterprises.

Cash and cash equivalents represent another important component of current assets that requires effective accounting and control. Large taxpayer enterprises conduct a considerable number of financial transactions, including payments to suppliers, employees, the state budget, and other counterparties. As a result, accurate recording and monitoring of cash inflows and outflows are essential. The use of automated accounting systems, regular reconciliation of bank statements with accounting records, and systematic analysis of cash flows can improve the accuracy of cash accounting and reduce the risks of errors, unauthorized transactions, and inefficient use of financial resources.

The study also confirms the growing importance of digital technologies in improving current asset accounting. The implementation of modern accounting software, enterprise resource planning systems, electronic document management, and automated data processing can significantly improve the efficiency of accounting operations. Digital technologies make it possible to obtain timely information about inventory balances, receivables, cash movements, and other current assets. Automation reduces the amount of manual work, minimizes the possibility of accounting errors, accelerates information processing, and improves the quality and timeliness of financial reporting. For large taxpayer enterprises, which process substantial volumes of financial information, digitalization can become one of the most effective instruments for improving accounting efficiency.

Another important result is the need to strengthen internal control over current assets. Since current assets are highly liquid and frequently involved in business operations, they are exposed to various risks, including loss, misuse, unauthorized transactions, inaccurate recording, and incorrect valuation. Effective internal control should therefore include clear authorization procedures, segregation of duties, regular physical verification of inventories, reconciliation of accounting records, and continuous monitoring of transactions. Strengthening internal control can reduce financial risks and increase the reliability of information presented in accounting and financial reports.

The research further shows that current asset accounting should perform not only a recording function but also an analytical and managerial function. Accounting information should provide management with the necessary basis for evaluating the efficiency of current asset utilization. In this regard, indicators such as inventory turnover, receivables turnover, cash conversion cycle, liquidity ratios, and the share of current assets in total assets can be used to assess the financial condition and operational efficiency of an enterprise. The integration of accounting data with financial analysis allows management to identify inefficient use of resources, determine potential financial risks, and make timely decisions regarding the optimization of current assets.

For large taxpayer enterprises, improving current asset accounting is also closely related to tax compliance and financial transparency. Accurate recognition, classification, documentation, and valuation of transactions involving current assets provide a reliable basis for preparing financial and tax reports. The integration of accounting and tax information can help reduce discrepancies between accounting and tax records, minimize the risk of errors, and strengthen financial discipline. Consequently, improvements in current asset accounting can have a positive impact not only on internal financial management but also on the quality of interaction between enterprises and tax authorities.

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