
**OPERATING CONDITIONS OF MANAGEMENT
ACCOUNTING INFORMATION SYSTEM**

Summary

The presented study includes theoretical reflections on the conditions for the functioning of management accounting in the light of understanding the concept of accounting as an information system. Described the features, functions and tasks of management accounting with the regulations adopted as good practice to create such a system. In the end, as the conditions of effective functioning of an information system, indicated the need to use different tools and methods, including the area of strategic management accounting.

Translated by Wioletta Baran

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ACCOUNTING AND BANKRUPTCY PROCESS – THEORETICAL AND PRACTICAL ASPECTS

Summary

The article concerns the problem of accounting data used in bankruptcy process. It brings up theoretical and practical aspects of this problem.

Reliable information is one of the most important things in realization of bankruptcy process. Information which is made in accounting increases the creditors chances of getting larger proportion of the debt back. The accounting data is the basis to the law court to make an adjudication of bankruptcy.

The research method applied in the paper included:

- literature research within the area of management, accountancy, and economic law,
- empirical research conducted in the District Court for Kraków-Śródmieście in Kraków, 8th Commercial Division for bankruptcy and reorganization proceedings from 2006 to 2009. The research included the analysis of documentation concerning randomly chosen examples of bankruptcy proceedings.

Translated by Kinga Bauer

BEHAVIORAL PROBLEMS IN ACCOUNTING SYSTEM OF AN ENTERPRISE

Summary

Human behaviour is important from the point of view of taken up decisions (including financial ones). Therefore, human behaviour should be taken into account in the process of accounting system functioning in an enterprise. Behavioural trend of economics and finance may also be observed in accounting created by people. Human (investor's, manager's) behaviour may be influenced not only by economic determinants, but also by these of behavioural nature. Behavioural problems may be indicated while analyzing the functioning of both financial accounting and managerial accounting.

Translated by Melania Bąk

FACTORS INFLUENCING ASSETS AND LIABILITIES

Summary

The purpose of the study is to try to answer the following question: what factors affect the book values of an enterprise? The author opines that to the main factors influencing assets and liabilities the following ones should be included:

- the adopted accounting policy,
- documents,
- inventory,
- knowledge, skills as well as responsibility of the management and the persons keeping the accounts.

Translated by Magdalena Janowicz

SPECIFICITY OF ISLAMIC ACCOUNTING CHOSEN ISSUES

Summary

This article aims to present selected issues concerning the specificity of Islamic accounting, including accounting differences between conventional and Islamic accounting, including accounting for Islamic financial institutions. In addition, the article depicts the characteristics of the pillars of Islamic economics, which affect the shape of Islamic accounting.

Translated by Elżbieta Jaworska

CATEGORIES OF FINANCIAL INSTRUMENTS

CURRENT STATE, PROPOSED CHANGES

Summary

The article presents the essence of each category of financial instruments based on international and polish accounting regulations. Principles of measurement of each category (fair value or amortised cost) were stated. Changes, proposed by IASB, in measurement and classification of financial instruments were presented. New rules of classification of financial instrument must be adapted from 2013.

Translated by Małgorzata Rówińska

SIMPLIFIED VALUATION OF PRODUCTS

Summary

Implementing of simplified rules and principles in accounting can provide easier and cheaper book keeping in small enterprises. In particular, the process of simplification is profitable with reference to valuation of products while cost calculation is considering as one of the complex accounting issue. The paper describes how to valuate products based on sale price corrected with average gross profit ratio.

Translated by Grzegorz Bucior

**FAIR VALUE OF ASSETS AND LIABILITIES AND THE EXPECTED VALUE
CONCEPTION IN PRICING FINANCIAL INSTRUMENTS**

Summary

The balance pricing is not always possible in the market value. If there are no market prices and future cash flows are not certain, we can then put the various scripts of the course of the case with the set probability and to establish the assets value in the expected value method. The article represents that method of financial assets pricing.

Translated by Beata Dratwińska-Kania

CHOICE OF METHODS OF DETERMINING PRICES IN TRADE COMPANIES

Summary

This article presents basic methods of determining prices in market transactions taking into account specificity of the trade companies. The article also explains price decision considerations, chosen basic strategies and factors influencing price policy. Fundamental limitations of price decisions are: demand, competition and costs. These factors are the basis of the following conceptions of determining prices:

- orientation on costs,
- orientation on demand,
- orientation on competitive prices.

Translated by Anna Dyhdalewicz

THE SIGNIFICANCE OF FAIR VALUE IN THE PROCESS OF VALUE ESTIMATE

Summary

The article presents the essence of accounting as a process of economic value estimate in the course of business activity. Moreover, it mentions and briefly specifies the basic factors affecting the value, including the estimate methods of unit assets and liabilities. The author pays particular attention to fair value, its essence, advantages, disadvantages, as well as its potential practical application.

Translated by Ewa Engelgardt

**FAIR VALUE MEASUREMENT ACCODING THE EXPOSURE DRAFT
OF A NEW INTERNATIONAL ACCOUNTING STANDARD**

Summary

The International Accounting Standard Board is currently working on *The Exposure Draft: Fair Value Measurement*. The planned standard is to clarify the definition of fair value and to provide more detailed rules of the measurement.

The paper presents the main ideas related to fair value, enclosed in the exposure draft.

Translated by Magdalena Janowicz

**IMPACT OF VALUES CONCEPT TO MEASURE
THE ECONOMICS VALUE IN ACCOUNTING**

Summary

In the process of creating and exchange of goods arises the value that economists try to estimate. Difficulties in measuring of value are the results of the nature of economic phenomena. This article presents the impact of the value concept occurring in the economic theory to measuring the economic value in accounting.

Translated by Bożena Nadolna

**THE PROBLEM OF MEASUREMENT
IN THE FINANCIAL ACCOOUNTING
AND THE MANAGEMENT ACCOUNTING**

Summary

The questions of the theory of the measurement of economic phenomena and the problems of measurement within the of accountancy are the object of the study. The performance of chosen questions relating to the measurement of economic phenomena in financial accounting and management accounting is the aim of the study, in this first of all establishes the result of the activity of enterprise and measures for making the decision in the process of the management.

Translated by Przemysław Pietrzak

LTV RATIO VERSUS THE CARRYING AMOUNT OF CREDIT EXPOSURES SECURED BY MORTGAGES

Summary

This article is devoted to the proper interpretation of the “value of credit exposure secured by mortgages”, included in the S (II) Recommendation of Financial Supervision Commission and to the demonstration of the differences in the ways of calculating the LtV ratio for individual credit exposure and the bank’s loan portfolio.

Conducted analysis and research carried out in the form of examples have shown that the value of credit exposures secured by mortgages is not useful in the study LtV ratio. What is useful, however, is the value of the borrower’s debt as of the balance sheet date. LtV ratio for the bank’s loan portfolio should not be calculated as the total ratio of borrowers’ debt and the total market value of real estate hedge of credit exposures, but as the borrowers’ total LtV, weighed as their debts in the loan portfolio.

Translated by Edward Wiszniowski

PROBLEMS RELATED TO THE ESTIMATION OF THE PROFITS OR LOSSES IN THE INCOME STATEMENT

Summary

The subject of this paper is an income statement. It includes the information about the elements which could change the value of the final profit or loss. Additionally this paper describes the survey results, showing, how often the investors rely on the financial statements.

Translated by Małgorzata Białas

**BUDGETARY REPORTING IN THE LIGHT
OF THE NEW ACT ABOUT PUBLIC FINANCE**

Summary

The consequence of the amendment in the Public Finance Act is a new set up of the finance public sector in Poland. The article presents the impact of introduced solutions on budgetary reporting of public sector units. It depicts new regulations in force in this respect.

Translated by Monika Kaczurak-Kozak

**PUBLIC ACCOUNTABILITY OF GOVERNMENT
AND FINANCIAL AND BUDGET STATEMENTS
OF PUBLIC FINANCIAL SECTOR IN POLAND**

Summary

The article discusses issues concerning public accountability of government. The author found that responsible government, who is going to govern effectively should take steps to be accounted for. Subject of public accountability is government which should be accounted for effectiveness of social and economic objectives realized by this government with the use of public sector economic units. It means that government should be accounted for financial position, financial performance created by him and for effectiveness of tasks carried out by public sector economic units. Sine qua non condition to enable the government to be accounted for effectively is efficient accounting system. It appears that efficient accounting system is basis of public accountability. Next was discussed and assessed currently functioning in Poland information system of public sector. That is budget statements and financial statements drawing up by public sector economic entities in Poland, realization of the budget report, actual state of public property report. And it turned out that government in Poland realizes conception of public accountability not completely. That is the government is accounted for execution of the budget but not for financial position, financial performance of public sector according to the full accrual basis of accounting. Moreover it turned out that full realization of the conception of public accountability is possible only through drawing up consolidated financial statement of public sector.

Translated by Tomasz Kostrzewa

REPORTING SOCIAL CORPORATE RESPONSIBILITY FOR NATURAL ENVIRONMENT

Summary

Social corporate responsibility for natural environment stems from the fact that modern corporate management requires one to take environmental aspects into account. Enterprises' declarations are not enough any more. Law and society make one perform proper action to protect the environment. Social reporting is one of instruments relating to management accounting and aimed at putting social corporate responsibility into practice in a proper and transparent way, also as far as environmental matters are concerned.

The paper addresses issues relating to social reporting with special reference to environmental issues as well as standards applied in this scope. Therefore, the article is a synthetic presentation of:

- essence of social corporate responsibility for the environment,
- essence of social reporting and benefits accruing from it,
- most conventional reporting standards,
- essential elements of social reporting.

Translated by Barbara Kryk

**SHOWING THE EFFECTS OF INSOLVENCY OF AN ENTITY
IN A FINANCIAL STATEMENT**

Summary

Provision of business unit in bankruptcy position requires to start of suitable procedures to result from the bankruptcy law to satisfy requirement of the accounting law. The most important problem of bankruptcy proceedings is valuation of assets in the bankruptcy unit, the valuation of the bankruptcy property and issue of the financial statement. There are a lot of divergences between the principles of the bankruptcy and accounting law.

The aim of this article is indication and interpretation above divergences.

Translated by authors

HEALTH CARE ORGANIZATIONS' REPORTING FOR THE POLISH NATIONAL HEALTH FUND

Summary

The paper describes the content of the information sets of the polish National Health Fund at the background of the general characteristics of the polish model of health system. The vast amount of data gathered by the Fund lacks only cost information. The Fund is obliged by law to assess the prices it offers health service providers, but the assessment is made on the basis of selected providers. The whole system lacks precise cost controlling instrument, and cost control is executed only at the micro level.

Translated by Przemysław Mućko

ENVIRONMENTAL REPORTING IN CHEMICAL AND ENERGY INDUSTRIES

Summary

The aim of the paper is to show:

- the evolution of environmental reporting,
- goals and benefits resulting from disclosing pro-ecological activities,
- the most popular guidelines for environmental reporting,
- ways of presenting pro-ecological activities in the biggest chemical companies and energy industry in Poland.

Translated by authors

THE ROLE OF THE NOTES ON THE ACCOUNTS IN FIRMS REALIZING LONG TERM CONTRACTS

Summary

Adopted in the year 2002, Polish accounting law allowed the “Percentage of Completion” method (PCM) and the Completed Contract Method (CCM) for accounting in long term contracts. In order to implement PCM either the “cost to cost” method or an alternative using measurement of progress to completion, in relation to work carried out is recommended. Choosing this valuation method influences the financial position presented in the financial statement.

This choice effects the lack of comparability of the financial statement. Subjectivity allowed in the rules could mislead the users of financial statement. Even relatively expert users of financial statement may not understand the disparate results generated from different construction accounting methods such as PCM and CCM. The accounting

law allows many free choices that enable companies in the same line of business to use different methods to calculate PCM. In this situation reporting the basic disclosures in the additional information is essential.

The main purpose of this article is emphasizing the role of the additional information in firms realizing long term contract and examining the level of reporting the basic required disclosures concerning the valuation method for long-term contracts in the additional information.

Translated by Sylwia Silska-Gembka

THE FINANCIAL STATEMENT OF THE AS THE SUBJECT OF AUDITING IN INVESTMENTS FUNDS

Summary

The purpose of the paper to determine the essence and rules of assessing the correctness of applying the accounting in investments funds. The essence of external audit its financial statement. The perception of these principles influence on the credibility of information about financial statut and financial result. This article outlines problems in contemporary auditing practice, with particular focus on the process auditing of financial statements. Allowed to identify the most typical but still unsolved problems. These problems are presented in the paper.

Translated by Elżbieta Izabela Szczepankiewicz

**THE USE OF FINANCIAL STATEMENTS
BY SMALL AND MEDIUM COMPANIES IN CONTESTING
FOR OUTER FINANCE SOURCES IN ACCORDANCE
WITH POLISH REGULATIONS AND THE IFRS**

Summary

Financial statements and rules of booking are simplified in Poland for small and medium enterprises. This situation can cause many different problems, such as: difficulties with getting additional financing or higher cost of capital in comparison with other entities.

The aim of the article is to present accounting regulations in Poland and influence of the regulations on the access of these enterprises to the external financing, particularly European funds. Moreover, the implementation of the International Financial Standard of SME's will be taken under consideration.

Translated by Halina Waniak-Michalak

THE USE OF BUDGETING IN MANAGEMENT ACCOUNTING MODEL

Summary

The article presents the use of budgeting to build a model of management accounting. It touches the following problems: the relationship between the model and accounting, budgetary control system and responsibility accounting. It is concerned with attentions to advantages and menaces of the operating budgeting system.

Translated by Renata Gmińska

ACCOUNTING ASPECTS OF IMPLEMENTATION OF PERFORMANCE BASED BUDGETING IN LOCAL GOVERNMENT UNIT

Summary

Modern local government subsector management requires that the managers are supplied with relevant and needed information. Performance budgeting is a system which delivers such information, however at the moment it has only facultative character. That is why application of this tool will depend on the recognized need to introduce changes as well as the need to look at local government activities from different perspective. This article presents the principles of introduction of performance budgeting in local government units from the accounting and financial services point of view. The article also describes the phases of conversion of information coming from “traditional” classification system into performance based classification.

Translated by Marcin Kaczmarek

INTERNAL AUDIT SELECTED ISSUES

Summary

This article presents the basic issues related to the history of internal audit, its essence and classification of internal audit in the functioning of Polish and foreign literature. Additionally, this article presents the synthesis of the tasks to carry out the audit and the audit steps in the unit audited.

Translated by Przemysław Łagodzki

COSTING SYSTEMS AND BALANCED SCORECARD

Summary

The paper deals with the integration of costing systems with balanced scorecard in the context of supporting corporate performance management. In the first part of the article the linkages of activity-based costing and balanced scorecard were briefly explained. In the second part the relationships of target costing and performance measures in various perspectives of balanced scorecard were described.

Translated by Bartłomiej Nita

**ENTERPRISE MANAGEMENT WITH SPECIAL ATTENTION
PAID TO BUDGETING AND SALES CONTROL**

The paper presents the rules of enterprise management and the process of preparing, implementing and controlling the sale budget. The study pays attention to problems related to effectiveness of budgeting in small and large enterprises operating under different circumstances.

Translated by Kazimierz Sawicki

ACCOUNTANCY AND MANAGEMENT STORES IN THE TRADE COMPANY

Summary

The problems of using informations from the system of accountancy in the store management in the trade company were raised in this article. It shows the meaning of the system of accounting record and financial reporting. It also discusses the creature and support ways the management stores.

Translated by Krystyna Skoczylas

MODERN FORMS OF PLANNING ACTIVITIES OF THE COMPANIES

Summary

The aim of the article is to present the latest trends in budgeting process in modern companies as well as to discuss the alternative forms for traditional operating budgeting with examples of application. The author discusses the advantages and disadvantages of rolling forecasts, benchmarking, as well as Sales, Operations Financial Planning applied by lean companies.

Translated by Ewelina Zarzycka

CERTIFICATION OF THE PROFESSION OF THE ACCOUNTANT

Summary

The article is showing the principle of granting the certificate of the accountant according to the Polish balance law and the principle proposed the certification of the profession of the accountant by the Polish Accountants' Association. The article is portraying the educational track which includes four degrees of the education. In the article abilities a person applying for issuing a certificate to the title should have which were also described: of assistant of accounting, of independent accountant, of specialist, of the bookkeeping and a chartered accountant.

Translated by Anna Zbaraszewska

THE LONGLIFE LEARNING IDEA FOR PROFESSIONAL ACCOUNTANTS

Summary

The idea of longlife learning though known for ages has been once more discovered for “knowledge economy”. Globalisation has made knowledge and skills to be continuously updated and extended. The idea of longlife learning is being brought up by polish low as well as by experts reports from UNESCO and UE. Longlife learning should be presented to pupils and students at every stage of education process, motivating them to learn continuously and equipping young generation with methods and techniques necessary to learn for the whole life long. It’s particularly important for some group of professionals. Author has paid attention to professional accountants in connects of permanent education.

Translated by Urszula Drumlak

**THE INFLUENCE OF ACCOUNTING POLITICS
IN THE MATERIALS ROTATION AREA
ON THE PROPERTY-FINANCIAL SITUATION
OF THE ENTERPRISE**

Summary

The article is devoted to the analysis of the influence of accounting politics in the materials rotation area on the property-financial situation of the enterprise. The are shown the financial (among others taxable) results of employed policy of accountancy in ranges of: 1) accounting of the costs of supply and the deviations from information prices, 2) methods of pricing of outgoings of materials, 3) simplified variants of records of book materials. The theory is illustrated by some numerical examples. The main conclusion is that the accountancy policy (in to range of materials) can be used as an important instrument of creation of the financial standing of the enterprise.

Translated by authors

SOLVENCY OF AN INSURANCE COMPANY IN THE LIGHT OF INSURANCE LAW

Summary

The paper is devoted to the financial and capital requirements imposed on insurance companies in order to maintain their current and future solvency. The author presents the essence and methods of determining the guarantee fund, required and available solvency margins as well as assets covering technical provisions.

Translated by Maria Kiedrowska

THE ASPECTS OF LEGAL RESPONSIBILITY OF ACCOUNTING FIRMS

Summary

Bookkeeping service is an economic activity according to the Freedom of Economic Activity Act. The scope of this activity, its ways and conditions are regulated in the Accounting Act. The Accounting Act also regulates the responsibility of accounting firms for proper bookkeeping services. Apart from the responsibility stipulated in the Accounting Act, accounting firms and their members are subject to legal responsibility regulated in the following acts: the Fiscal Penal Code, the Penal Code, the Civil Code, the new Anti-Money Laundering and Financing of Terrorism Act. This paper presents the aforementioned issues.

Translated by Piotr Kiziukiewicz

PROJECT FINANCE SMES FROM EU FUNDS BARRIERS AND BENEFITS

Summary

The article shows how SME can develop on the EU market using the EU funds. Difficulties for Polish entrepreneurs who want to apply for union funds were shown and also benefits which they can achieve after implementation of union funds.

Translated by authors

COST ACCOUNT IN AGRICULTURE ENTERPRISE

Summary

In the paper, the problem of measurement and valuation of cost in agriculture is discussed. The most significant elements of the International Accounting Standard (IAS) no. 41 “Agriculture” are also described. During application of this standard a special attention was laid on the agricultural stock valuation according to their fair value. The stock is not valued then according to its cost but basing on the most probable market value. Nevertheless, costs remain the basic economic category allowing for measurement of the utilized production assets. It was concluded that the cost calculation at the level of agricultural enterprise should be an inherent element of integrated information system of planning, decision making and control (controlling).

Translated by Tomasz Kondraszuk

THE ORGANIZATION OF E-ACCOUNTING IN THE ENTERPRISE

Summary

The use of e-accounting to perform aims connected to obligation of documentation business transactions requires the use of technology solutions operating in accordance with the law. Companies' employees can use applications to access data in real time regardless to abode. Specialized accounting software can be installed and operated within an organization or there can be granted to it access through the Internet. Bothe methods of using applications have its own advantages and the choose of one model is connected with users' preferences and organization's needs.

Translated by authors

BASIC GUIDELINES OF IFRS FOR SMALL AND MEDIUM – SIZED ENTITIES

Summary

Article presents range and objectives of International Financial Reporting Standard (IFRS) for Small and Medium-sized Entities (SMEs) which was released by the International Accounting Standards Board (IASB) in July 2009. Article presents objectives,

principles, qualitative characteristics and components of financial statement. Methods of assets and liabilities measurement were described. Differences between solutions accepted by IFRS for SMEs and full IFRS were underlined. Benefits from implementation of IFRS for SMEs were described.

Translated by Anna Kuzior

ASSESSMENT OF BUSINESS ETHICS

TEST RESULTS

Summary

Ethical behavior should be an attribute of any entrepreneur. Conducting business, however, is inextricably linked with the risk of fraud or abuse. The article presents the results of surveys conducted among the entrepreneurs on ethical attitudes in business and the propensity to commit fraud and abuse of economic.

Translated by authors

**PROVISIONS AND ACCRUED EXPENSES ACCORDING
TO INTERNATIONAL AND POLISH ACCOUNTING STANDARDS**

Summary

The article deals with the issue of provisions and accrued expenses according to International Accounting Standards and Polish accounting regulations. The aim of the article was to present and compare regulations of IFRSs and the Polish Accounting Standards for the provisions and accrued and show the main differences between them. Content of this article was based on IAS 37 and Polish Accounting Act and Polish Accounting Standard 6.

Translated by Lucyna Poniatońska

RISK OPTIMISATION INCOME TAX FORMS

Summary

The occurrence of the tax risk is inherent in running a business. Making decisions on taxation may increase risk, Undoubtedly, the degree of freedom affects the scale of the taxpayer's risks and the possibility of its formation.

Translated by Michał Poszwa

THE FUNCTIONING OF AN ACCOUNTANCY OFFICE

Summary

Changing conditions of firm functioning and numerous actualizations of law regulations have raised the costs and risk of pursuing accountancy according to the balance and tax law. These circumstances caused systematic transfer of book keeping and other services regulated by the law to specialized accounting offices. The article contains the main problems of accounting office's functioning.

Translated by Zofia Sawicka-Kluźniak

LONG-LIVED ASSETS AND INTANGIBLE ASSETS IN IFRS AND US GAAP

Summary

The convergence of financial reporting and accounting standards is a valuable process that improves the ability to compare financial statements on a global basis. There are still many differences between IFRS and US GAAP accounting and reporting practices. The paper presents main differences and similarities of both accounting models concerning long-lived assets and intangible assets.

Translated by authors

RECORDING AND ACCOUNTING OF THE EU FUNDS IN AN ENTERPRISE

A SELECTION OF ISSUES

Summary

The opportunity to utilize European funds by final beneficiaries has been embedded within the framework of binding legal provisions both on the national level as well as on the level of European structures. Having regard to the principles of the utilization of European funds, which are collected by common contributions to the European budget made by all member states, we need to bear in mind the purposefulness and correctness of their utilization. Appropriate account books keeping constitutes the crucial part of the proper recording of the European funds which has been granted and utilized. Economic entities which utilize financial means derived from European funds shall, while performing their economic activities, keep separate registry and reporting of utilization of the means received. Such registry and reporting shall allow for running inspections as well as immediate and comprehensive monitoring of the funds which were received and utilized. Such

measures gain on importance due to the fact that within the financial perspective of the years 2007–2013 auditing and inspection systems of funds' management have been implemented. As a result, virtually all projects co-financed by means of structural funds will be audited and inspected. Thus, the responsibility of beneficiaries increases significantly.

Translated by Maciej Tokarski

ORGANIZATIONAL-LEGAL FORMS OF THE PUBLIC SECTOR ENTITIES

Summary

The new Act on the Public Finance, in force since 1 January 2010, regulated the functioning of previously used organizational forms (budget entities, council budget institutes, State purposeful funds) as well as introduced new bodies (executive agencies, budget management institutions). The paper presents rules of financial planning in all the organizational forms, the schedule of introducing the new forms and liquidating of the previously used ones.

Translated by Kazimiera Winiarska