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PARTICULARITIES OF THE FINANCIAL ACCOUNTING ACTIVITY IN ECONOMIC ORGANIZATIONS

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Abstract: *Financial-accounting activity is the instrument within an organization that seeks economic, financial, and asset management. It is important because of the information it manages, information that is at the disposal of the management helps shape the management strategy, policies and decisions. In this respect, an organization's transactions and economic operations are subject to registration in the financial-accounting activity, in compliance with certain accounting principles, rules, and rules. The financial and accounting activity provides information to the management on the implementation of the revenue and expenditure budget, the patrimony under management, the patrimonial outcome, the cost of the programs approved by the budget, as well as information on the annual general execution budget of the organization's budget. The organization of financial and accounting activity is mandatory for all organizations and its implementation involves recording all the economic operations carried out by an organization using the accounts provided for in the General Accounting Plan, which is in line with international accounting standards and the European accounting system.*

Keywords: *financial-accounting activity, financial accounting, management accounting, financial-accounting methods, economic organization, economic operations, accounting principles, transactions, financial statements*

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The role of financial and accounting activity

The main objective of the financial-accounting activity is to track revenue generation and how to use it, ensure efficient management and security of the patrimony of the organization, highlight the results of the activity carried out and prepare financial statements or other financial reports. At the same time, the financial-accounting activity provides the resources to finance the programs, projects and activities necessary to achieve the established objectives.

In fulfilling its role, the financial-accounting activity must be neutral and organized distinctly within the organization at an appropriate decision-making level to respond objectively to all stakeholders concerned with the operation and performance of the organization.

Financial-accounting activity is a complex system of collecting, grouping, processing, recording, generating accounting and financial reporting elements, and liaising with decision-makers or different users. Thus, the main activities are:

a) collecting information on the economic operations carried out by the entity - is done by drawing up the primary documents at the time of the transaction or after it;

b) processing and recording of the information on the economic operations carried out - it is done by evaluating and knowing the accounting elements, recording the transactions and transactions in the accounting accounts and filling in the accounting registers;

c) summary of the information - it involves the inventory of the accounting elements, the drawing up of the verification balance and of the accounting registers;

d) financial reporting - requires the preparation of financial reports.

The responsibility for the organization and functioning of the financial and accounting activity rests with the head of the organization, and the organizational structure brings together two categories of staff, namely:

a) *manages*, ensures the management processes and is responsible for ensuring the organization and performance of the inventory of the patrimonial items, the observance of the rules regarding the drawing up of the financial statements, the keeping of the supporting documents, the registers and the financial statements, as well as the organization of the management accounting;

b) *execution*, which ensures the registration of operations and transactions, completing the accounting registers, elaborating the synthetic and analytical statements, as well as the final financial results.

According to the opinion of the specialists in the field of financial-accounting activity, they include:

- a) revenue accounting and expenditure accounting;
- b) Treasury accounting, which ensures the operations of receipts and payments, in accordance with the legal provisions in force;
- c) general accounting that reflects the financial and patrimonial situation as well as the surplus or patrimonial deficit;
- d) accounting for the cost of approved programs.

The organization and conduct of the financial-accounting activity implies the observance of predetermined principles and rules or methods, such as:

- a) use of models of common accounting records and forms;
- b) use of balance sheet models and general account plan;
- c) compliance with established rules and methods;
- d) the chronological and systematic recording of the collections and payments operations, simultaneously in the debit of some accounts and the credit of others;
- e) determining the total debtor amounts and crediting amounts, as well as the final balance of each account;
- f) presentation of the execution of receipts and payments made as well as of surplus / deficit.

The financial-accounting activity is divided into two components:

Financial Accounting - performs the functions attributed to general accounting, is based on norms and has the purpose of recording economic transactions and transactions, elaborates the periodical and annual financial statements, financial position and financial results. Economic and financial operations are recorded in accordance with the applicable accounting regulations, so that users can be confident and confident of their fairness. Provides information to both internal users and external users.

Management Accounting - aims at internal organization management, calculation of costs, establishment of results and profitability of services and works, activity budgeting, tracking and controlling them in order to know the results and providing the necessary information in the decision making process. It responds to the needs of internal users in terms of planning, controlling and evaluating the activities and services provided by the public entity, and provides the necessary information for the different levels of management hierarchy for the purpose of making decisions.

Depending on the objective to be achieved, management accounts can be organized into several sub-accounts, namely: cost accounting, forecasted accounting or accountability centers accounting.

Management accounting refers to production activity, knowledge of which is useful in decision-making, and is an important source of information for the management of the organization in the decision-making process. The information provided by managerial accounting allows the establishment

of a certain line in economic policy as well as the choice of appropriate development programs.

Therefore, financial accounting provides information on the work of the organization in the past, while management accounting calculates and analyzes the value of internal flows and provides information on which management decisions can be based.

Instrument for financial and accounting activity

The persons responsible for the financial and accounting activity ensure the systematic and chronological organization and accounting of the accounting, according to the law, and carry out annually the inventory of assets and liabilities.

Taking into account the internal and external environmental factors of an organization, the financial-accounting activity is influenced by:

a) the strategic objectives of the organization and how it has identified and provided the resources needed to achieve it;

b) the organizational structure, respectively the structure and dimensioning of the financial-accounting department, as well as the procedures and instruments used to ensure the accomplishment of the financial-accounting activity;

c) the management style through which the financial-accounting activity and representation relations with the other functional structures or third parties are ensured;

d) the quality of the staff within the financial-accounting department, respectively knowledge and skills;

e) stability of the applicable legislative and methodological framework, culture and organizational mentality;

f) the economic situation of the organization and the availability of resources.

Taking into account the fact that, according to the regulations in force, the economic organization has the responsibility to organize and manage its own accounting, it must ensure the chronological and systematic registration of the information, the processing and keeping the information regarding the patrimonial situation and the results obtained, the control patrimonial operations and processing processes used, the accuracy of the accounting data provided, and the provision of information necessary to implement the budget.

The organization records in its supporting documents, manually or using the computer systems, the economic and financial operations at the time they are made, and makes entries in logs, files or the balance of verification, according to established rules. Verification balance is the accounting document used to verify the accuracy of accounting records and to check the consistency between synthetic and analytical accounting.

The instrument of the organization for the performance of its functions and attributions, related to the allocation of resources, redistribution of income and ensuring economic and social stability, is the income and expenditure budget. Through it, the organization provides annually the size and structure of earnings receivable and the expenses to be incurred, the financial flows that form the income and the financial flows that flow from the management of these resources.

The financial statement, which includes: the balance sheet, the balance sheet, the cash flow statement, the statement of changes in the assets / capital structure and the appendices to the financial statements. The financial statements give a clear picture of the assets, liabilities, financial position, and financial performance and profit or loss.

The economic operations performed by the organization to be recorded in the accounts must be recorded in supporting documents, prepared and approved under the law. These documents are important for the financial-accounting activity because:

- a) provide information on the activity (quantitative and qualitative);
- b) use management to substantiate current decisions;
- c) they are the basis of the records in the operative records of the organization and are drawn up by authorized, accountable persons;
- d) have legal value, justifies the right of ownership, the economic activity carried out, as well as the relations between the organization and other entities or third parties;
- e) constitute evidence in litigation cases;
- f) are recorded and processed both in the primary and accounting records and in the synthetic records;
- g) are used in the financial control and controlling activity to verify the legality of the economic activity performed and its efficiency;
- h) records the carrying out of the economic and financial operations, is the basis of the accounting records, undertakes the responsibility of the persons who have drawn up, endorsed and approved them, as well as those who have recorded them in the accounting.

Used individually are of a limited nature, but centralized and processed increase their informative value;

The financial and accounting activity provides information to the authorizing officers on the implementation of the revenue and expenditure budget, the patrimony under management and the annual general execution account. In this respect, the management of the organization must develop accounting policies for accounting recognition of transactions conducted in strict accordance with accounting regulations and accounting policies for the operations carried out, in accordance with the specifics of the organization.

Principles observed in financial-accounting

The financial and accounting activity is responsible for the presentation of the patrimony and patrimony operations, namely: bookkeeping, calculation, analysis and control of movable and immovable assets denominated in the monetary standard; ensuring the control of the patrimonial operations and the processing procedures used, as well as the accuracy of the accounting data provided.

The financial and accounting activity provides a true and fair view of the entity's statement of income and expense and of the information it provides, in compliance with the accounting principles, namely:

- *prudence*, which is reflected in the correct assessment and registration of rights and obligations, and does not allow for the understatement of revenue and the overstatement of expenditure, both in the budgeting process and in the execution process;

- *the permanence of methods* to ensure the continuity of rules and rules on the assessment of patrimonial items, ensuring the comparability over time of information on the structure of budgets;

- *the independence of the exercise*, which ensures that, during the year, all revenue and expenditure relating to the current financial year is taken into account for the purpose of determining the result and no revenue is recorded and expenditure incurred in other years;

- *non-payment*, which ensures that no direct payments can be made from the receipts, all revenues are recorded in the budget and there is an approval for any expenditure;

- *intangibility*, according to which the revenues for the current year, but received in the next year, shall be registered as income in the year in which they were collected;

- *the separate valuation of asset and liability items*, which requires a separate determination of the value of each individual asset or liability item, irrespective of its economic content, the foreseeable evolution of the market and the consequences of that assessment;

- *economic prevalence over the legal*, which states that the information presented must reflect the economic reality of the operations performed;

In view of the above, we believe that the role of financial and accounting activity is to correctly reflect the process of executing the revenue and expenditure budget, to provide operative and realistic information about the entity's economic condition, correct and complete budgeting and to prevent the phenomena of error and fraud. Financial-accounting activity has the role of knowing, measuring, evaluating, managing and controlling assets, rights, obligations, capital and results.

Organizational decision-makers are concerned about finding solutions to supplement the financial resources of the budget in order to guarantee the achievement of objectives and, implicitly, their associated activities. The management of the financial-accounting department monitors and evaluates the performance of operations and activities specific to financial and accounting activities.

The scope of financial-accounting activity includes the existence of material and monetary means, the movement and transformation of these means into economic operations and processes, and the establishment of the final result in value expression of movements and transformations.

From an economic point of view, the financial and accounting activity reflects the existence, condition and transformation of capital, following the use of specific processes and instruments. This is reflected in the acquisition, acquisition, allocation, use, consumption or replacement of goods.

Consequently, it is noted that financial-accounting activity is important because it reflects patrimonial operations and provides information on the entity's economic condition, information that is used by a number of users, depending on their interests.

Conclusions

Financial-accounting activity as part of accounting is mandatory to be organized by all organizations and must ensure that all operations relating to public funds, patrimonial entries and outflows, as well as other operations related to the activity carried out, are recorded.

The object of the financial and accounting activity is, on the one hand, the patrimony of the organization, with the rights and obligations arising from the activity carried out, and on the other hand, the revenue received and the expenses incurred, the results of the activity carried out and the final financial statements.

The particularities of the financial-accounting activity can be delimited as follows:

- a) accounting is organized and conducted in the double game;
- b) the recording of operations and transactions is done chronologically and systematically in accounting;
- c) the amounts resulting from the economic operations carried out are totalized and recorded in the debit and credit of certain accounts, according to certain pre-established rules and procedures;
- d) usually, on a monthly basis, drawing up the verification balance, which reflects the equality between the total debtor amounts and the creditor or the total debtor and creditor balances of the accounts;

e) presentation of the final monthly, quarterly, annual, as the case may be, of the receipts and payments made as well as of the surplus or deficit.

f) the use of models of accounting registers and common forms of financial and accounting activity.

In our opinion, the financial and accounting activity carried out in the economic organizations aims to ensure the integrity of the patrimony, as well as to prevent loss, degradation or fraud.

On the basis of the above it can be concluded that the financial-accounting activity of the economic organizations resembles in many respects the financial-accounting activity carried out within the public entities, resemblance determined mainly by the rules and principles of the general accounting, but there are also determined differences between them the specific nature of the organization and the function of the public entities in terms of establishing and highlighting revenue and expenditure, but especially how the financial year is closed.

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