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Research Article

**ANALYTICAL SUPPORT OF FOREIGN TRADE ACTIVITIES  
OF MANAGEMENT PURPOSES**Olga Elchaninova<sup>1</sup>, Tatyana Alexandrova<sup>2</sup>, Olga Gudenitsa<sup>2</sup>, Alexandra Voronina<sup>3</sup>, Oksana Sorokina<sup>3</sup><sup>1</sup>Stavropol State Agrarian University, Stavropol, Russia., <sup>2</sup>Branch "Moscow University named after S.Y. Witte" in Rostov-on-Don, Rostov-on-Don, Russia., <sup>3</sup>Rostov State Transport University, Rostov-on-Don, Russia.**Article Received:** December 2018**Accepted:** February 2019**Published:** March 2019**Abstract:**

*The article deals with the issues of organizing management accounting for foreign trade activities, in particular, the role of management accounting in preparing information for managers engaged in foreign economic activity, the main tasks of management accounting and approaches to organizing management accounting for foreign business subprocesses.*

*The modern economic reality in the Russian Federation is characterized by the development of a market mechanism, which requires management of business entities to make effective and sound management decisions. Preceding these decisions is the assessment of marketing, accounting, legal, economic and financial conditions. Formation and bringing to the management of information about the factors affecting a particular transaction is a rather laborious process. Therefore, the use in practice of the methods proposed in this article will greatly simplify this process and serve to more harmoniously manage the foreign economic activity of agricultural enterprises.*

**Keywords:** *management, foreign trade activity; Accounting; Management Accounting; accounting organization; processes; control.*

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**INTRODUCTION:**

Formulation of the problem. The agricultural sector of the Russian Federation has entered a new phase of its development, involving the use of market relations as a priority mechanism for coordinating the activities of business entities. This process is accompanied by radical transformations of all socio-industrial relations, the restructuring of production, the formation of qualitatively new processes, built on the basis of the innovation activities of all economic entities. Under the new conditions, the efficiency of the development of agricultural production and its competitiveness on the world market is achieved only under the condition of permanent introduction of innovations ensuring the preservation of the gained positions in the market [6]. These conditions for the functioning of agricultural organizations require a theoretical and methodological understanding of all components of foreign economic activity as a sufficiently significant factor in the revival of the Russian agroindustrial complex. In modern conditions, foreign economic activity is characterized by a number of features and factors, due to the specificity of relations with foreign partners and the method of reflection in accounting [1, 8].

The development and expansion of foreign economic relations of agricultural enterprises has led to the creation of a single business space, which requires the provision of clear, accessible, objective information that makes the business open. Taking into account that financial statements are the main source of information for all business segments, special attention should be paid to the process of generating indicators for these statements. National accounting rules in force in each state, which are the result of many years of development, have distinctive features that can lead to incompatibility of financial reporting indicators [7]. Issues of harmonization of accounting rules and reporting standards have been considered for many years, but despite this, their own rules continue to be applied in each country and none of the major countries have adopted international financial reporting standards as national ones. Thus, the problem of differences in national accounting systems persists. Therefore, it is necessary to study these systems, to characterize the conceptual foundations of international financial accounting models for use as the basis for harmonizing the national financial accounting system [2].

Accounting today is not only a qualitative reflection in business accounting, but also a serious analytical work, which includes all stages from planning and forecasting to monitoring the performance of individual operations and, in general, the entire

activity of organizations with recommendations for eliminating negative moments and calculating the consequences making management decisions. In this regard, the need to revise approaches to accounting and control [3].

The legal system in Russia is actively developing against the background of the emergence of new forms of interaction with the outside world. In this regard, the influence of tax and commercial rights on the organization of financial accounting increases, and there are problems of interaction between several types of accounting, which is especially relevant during the period of unification of accounting and reporting standards [4].

The convergence of accounting accounting plans as the main parts of national accounting systems, the development of general principles and methodological foundations of international financial accounting models, the study of domestic and foreign practice of financial, tax and management accounting, consideration of the technical capabilities of information systems - all this allows us to develop a modern approach to the formation of a national (Russian) model of financial accounting reflecting the financial history of the enterprise and the information provided by nature, contributing to the more active development of agricultural enterprises in the domestic and international markets [5, 9].

**MATERIAL AND METHODS:**

The situation prevailing in the theory and methodology of accounting and reporting at the present time is characterized by a variety of theoretical and methodological approaches, concepts, conclusions and practical recommendations, often contradicting in some aspects to each other, as well as current accounting and reporting practices, moreover, sometimes they contradict the requirements of regulatory documents in this area.

One of the most significant types of foreign economic activity, which is essential for the development of the Russian economy, is foreign trade. Features of foreign trade operations are due to legal regulation, the composition of foreign economic transactions, the order of performance of obligations under contracts and the system of applicable calculations, which imposes additional requirements for the formulation of accounting, analysis and auditing.

When organizing accounting for foreign trade operations, it is necessary to take into account the peculiarities of the structure of transactions characteristic of Russian agricultural enterprises, in

particular, the high proportion of commodity exports and imports of machinery and equipment. The structure of exportimport turnover has a significant impact on control methods and the form of payments. Various options, complexity and responsibility for carrying out foreign trade operations require strengthening of control over transactions of economic entities engaged in foreign economic activity, both from the state and from economic entities themselves over their preparation and execution, including currency, customs, legal and financial control, which is carried out by government agencies. However, a transaction can be reliable only in the context of active improvement of the internal control system, which ensures prompt receipt of the necessary information to make sound management decisions, contributes to the creation of an accounting system that meets the requirements of a market economy.

The specifics of the reflection of foreign trade in agricultural products has a significant impact on the organization of the accounting system and the formation of accounting (financial) statements of business entities, as well as increases the risk of distortion of these statements.

When organizing and maintaining accounting records of foreign economic operations, it is necessary to take into account the requirements of regulatory and legal acts of the Russian Federation and the provisions of the accounting and tax accounting policies of the organization.

### RESULTS AND DISCUSSION:

The main objectives of the organization of accounting export-import operations are:

- control over the movement of products and goods;
- constant monitoring of compliance with the conditions of foreign trade contracts;
- control over the state of settlements with foreign buyers and suppliers;
- determination of the effectiveness of export-import operations.

Information on the foreign economic activity of an economic entity, systematized on the accounts of financial accounting, only partially meets the requirements and necessitates the use of management accounting data.

The orientation of management accounting to the needs of internal users of accounting information involves the choice of accounting options depending on the goal set for them. Through the management accounting system, you can expand the information needs of managers at various levels of subject management.

Preparation of information in the management accounting system should be based on the accounting methodology and, most importantly, it should cover all business transactions of the business entity. This approach will avoid additional costs for training accounting and management personnel of the organization, will help reduce the number of errors in management accounting and management system. In general, management accounting will integrate elements of the accounting system, analysis and control.

The organization of a management accounting system in a business entity engaged in foreign economic activity allows to solve the following tasks:

- management of costs associated with foreign economic activity;
- optimization of profits and taxes;
- determination of the strategic line of development;
- monitoring the activities of the business entity;
- providing timely information to managers at various levels about the results of the activities of the responsibility centers they manage, costs incurred, losses identified, results of fulfillment of targets.

For the correct and effective statement of management accounting, it is necessary to determine the list of processes (steps) carried out by an agricultural enterprise (Table 1).

Table 1: Stages of the export transaction

Stage	Responsibility Center and its Head
1. Planning (the need for working capital of agricultural production for export; forecasting financial results from export operations)	Finance Department, Head of Finance Department
2. Production of agricultural products for sale for export and its storage	or economic department; head economist
3. Search for foreign buyers (product promotion, advertising, increasing the number of importers)	Production departments, heads of production departments
4. Legal registration of transactions (contracts, terms of delivery)	Sales Department, Head of Sales Department
4. Managing the supply of finished products and ensuring the accuracy of supply	Law Department, Lawyer

5. Transportation of goods before and after the customs border (ensuring the safety of goods, cargo insurance, transshipment)	Sales Department, Head of Sales Department
6. Sale of goods for export (accounting support, maintaining business relations with importers)	Sales department; Head of Sales

- It is expedient to divide the business process “Implementation of a Foreign Trade Transaction” into the following subprocesses (the number of which should not exceed ten, since the manager will not be able to effectively guide and perceive information from a larger number of main activities):
- determining the needs of foreign markets;
- assessment of satisfaction of foreign consumers;
- monitoring changes in the market or in the expectations of consumers;
- development of the product concept, its positioning in foreign markets;
- implementation of procurement marketing (including import operations);
- explore the supplier market;
- select suppliers; arrange negotiations and deals;
- control the delivery process; control calculations;
- execution of a foreign trade contract: preparation and conduct of negotiations;
- processing customer orders;
- managing the process of export production and supply;
- settlement control; - planning foreign trade activities;
- formation of demand, sales promotion;
- development and training of personnel within the service;
- performance management, the implementation of material and moral incentives.
- The distribution of responsibility between the participants of the business process in the responsibility matrix is presented in Table 2.

Table 2: Distribution of responsibility between the “Foreign Trade Transaction” participants by the business process responsibility centers

Subprocess	Head	Deputy head of foreign economic activity	Ch. Accountant	Head of Sales	Sales Department (marketers)	Economic department	Specialist 2	Specialist3	Specialist4
Determining the needs of foreign markets			O		Y		Y		
Measuring the satisfaction of foreign consumers				O	Y	Y			
Monitoring of changes in the market or in the expectations of consumers					Y		O	Y	Y
Development of the product concept, its positioning in foreign markets			O	Y		Y			
Execution of foreign trade contract	O	Y				Y	Y	Y	Y
FEA Planning	O	Y	Y				Y		
Formation of demand, sales promotion			O	Y	Y				
Staff development and training		O	Y						
Performance management, material and moral incentives	O	Y	Y						

The process management of foreign economic transactions of an agricultural enterprise to the greatest extent will allow implementing such signs of foreign economic activity as an accelerator of economic growth and a catalyst for the effective development of an enterprise through the direct interaction of the subsystem of foreign economic activity with the mega-economic system. On the other hand, the use of process management is the

most effective tool for implementing a systems approach in the activities of an agricultural enterprise. The legend for this liability matrix means:  
O - responsible for the conduct and the result of this business process;  
Y - participates in the conduct of this business process;  
And - receives information about the results or progress of this business process.

The system of indicators for assessing the effectiveness of foreign trade. The final element of the organization and statement of management accounting by economic entities

engaged in foreign economic activity is the development of a set of indicators to assess the effectiveness of foreign trade activities (Fig. 1).

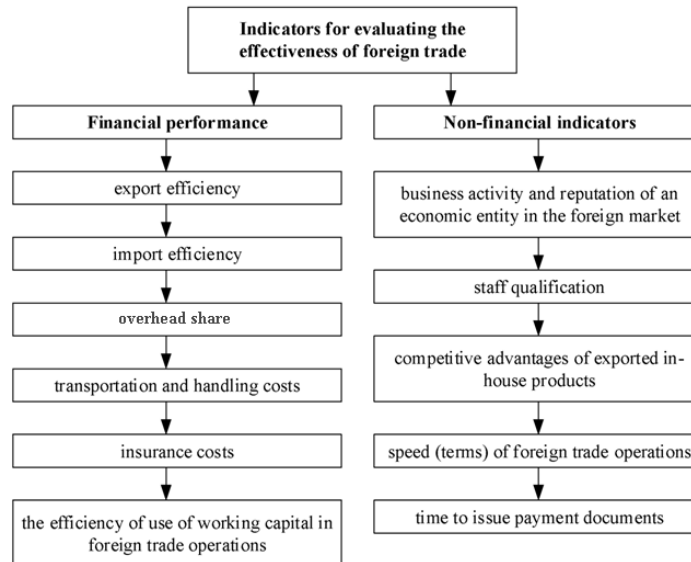


Figure 1: Indicators of foreign economic activity evaluation the economic entities

All indicators of the complex for assessing the effectiveness of foreign trade are divided into two groups: financial and non-financial. The sequence of analysis of each of them is determined by the importance of the conclusions that can be formulated after conducting a comprehensive analysis of their impact on performance.

In order to reduce labor intensity, it is necessary to reflect only those operations, documents, reports that are important for evaluating activities, for example, for internal control. The method of drawing up such documents is developed by an economic entity or an auditor independently and has practically no restrictions. The main requirements for them - visibility and simplicity.

To increase the information content of accounting and analytical support, a methodology is used to document information in the form of checklists or charts. The creation of such control schemes makes it possible to obtain more complete information, although this increases the complexity of its receipt.

With regard to export-import operations, such schemes should reflect the passage of information on the main stages of the foreign trade transaction (Table 3).

Table 3: Stages of control over the execution of a foreign trade transaction

The content of the business transaction	Title of the document	Use / Counter.	Purpose of performance control
Supplier Acceptance	Invoice, contract, specification, shipping documents	Purchasing department to accounting	Matching the invoice with the terms of the contract
Determination of the moment of transfer of ownership, incl. by material values on the way	Receipt order, invoice (invoice), contract, specification, shipping documents, CCD, DTS, documents for the payment of customs duties	Accounting	Determination of the timeliness, accuracy and completeness of the reflection of operations, respect for the moment of transfer of ownership, as well as write-off of costs
Formation of the actual value of capitalized material values	Bank statements with attachments of documents	Accounting	Timeliness, accuracy, completeness and accuracy of formation of the value of imported goods

Capitalization of import values received at the warehouse, by quantity, quality and range	Receipt documents	Warehouse Manager	Timeliness, completeness and accuracy of posting, as well as identifying deviations from the terms of the contract
The reflection of capitalized material values in accounting	Accounting registers of analytical and synthetic accounting	Accounting	The correctness of reflection in the accounting for the relevant accounts (01,10,41) and the procedure for the allocation of costs to these supplies
Formation of the file "Import" under the contract	Copies (originals) of the above documents	Purchasing department, analytical service or ICS	Subsequent analysis of the contract, identification of reserves for improving the efficiency of these operations

### CONCLUSION:

The modern economic reality in the Russian Federation is characterized by the development of a market mechanism, which requires management of business entities to make effective and sound management decisions. Preceding these decisions is the assessment of marketing, accounting, legal, economic and financial conditions. Formation and bringing to the management of information about the factors affecting a particular transaction is a rather laborious process. Therefore, the use in practice of the methods proposed in this article will greatly simplify this process and serve to more harmoniously manage the foreign economic activity of agricultural enterprises.

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