

## THE ECONOMIC ESSENCE OF REVENUES AND EXPENSES FROM CURRENT ACTIVITIES

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*The article deals with the different approaches to the subject of the study, the essence of the problem of formation of income and expenses from current activities. According to the results of the study, a comparative characteristic is presented, which has been the theoretical basis of the proposed author's definitions.*

In the Republic of Belarus, the main regulatory document regulating the accounting of income and expenses is the instruction on accounting of income and expenses approved by the Resolution of the Ministry of Finance of the Republic of Belarus of 30.09.2011 No. 102. This instruction is an element of state regulation of accounting and reporting in the Republic of Belarus and is used in the recognition, evaluation and disclosure of information in accounting and reporting for income and expenses, in accordance with international financial reporting standards.

Since the economic element "income" has no unambiguous definition, based on the analysis, we systematize the characteristic features of the concept "income" in table 1.

Table 1. –Analysis of the concept of "Income"

Resource	Increase in economic benefits (assets) or decrease in liabilities	The flow of money and material values	Revenue less costs	Added value
1.Law of the Republic of Belarus " on accounting and reporting»	+	-	-	-
2.Position on accounting "Incomes of the organization" PBU 9/99	+	-	-	-
3. Accounting standards 15 "Income" No. 290	+	-	-	-
4.Tax code of the Russian Federation	+	-	-	-
5.Ushakov D. N.	-	+	-	-
6.F. A. Brokgauz, I. A. Efron	-	+	-	-
7.M. Macmillan	-	+	-	-
8.Alain Baton, Antoine Cazorla, Christine Dollo, Anne Marie Dre	-	+	-	-
9.Economics of enterprise. Textbook for universities. M., "Banks and exchanges", UNITY,	-	-	+	-
10. G. P. Zhuravleva	-	+	-	-
11.P. S. Yeshchenko,I. Palkin	-	-	+	-
12.I. M. Lemeshevsky	-	+	-	-
13. Raizberg B. A., Lozovskiy L. S., Starodubtseva E. B.	-	+	-	-
14. A. N. Azilian	-	+	-	-
15. T. A. Frolova.	-	-	+	-
16. K. Marx	-	-	-	+
Total	25%	50%	19%	6%

Note: Own development based on the study of special economic literature and regulations.

As can be seen from table 1.1, the normative documents of the Republic of Belarus, the Russian Federation, the Republic of Ukraine on accounting treat income as an increase in economic benefits (assets) or a decrease in liabilities. Thus, the instruction on accounting of income and expenses approved by the Decree of the Ministry of Finance of the Republic of Belarus dated 30.09.2011 No. 102 (hereinafter – instruction 102) establishes that income is an increase in economic benefits during the reporting period by increasing assets or reducing liabilities, leading to an increase in the equity of the organization, not related to the contributions of the owner of the property (founders, participants).

The authors of the economic dictionaries Raizberg B.A., Lozovskiy L.S., Starodubtseva E.B., Ushakov D.N. F.A. Brokgauz, I.A. Efron, M. McMillan, A.N. Azilian, as well as authors of textbooks on Economics Alain Baton, Antoine Cazorla, Christine Dollo, Ann Marie Dreux, G. P. Zhuravleva, I. M. Lemeshevskaya share the opinion that income is the money or goods received as a result of any activity for a certain period of time.

From the point of view of the authors of textbooks on Economics C. P. Yeshchenko, I. Palkin and Frolova, T. A., income is the revenue from sales of products (works, services) minus material costs.

The famous financier of the 19th century Karl Marx in his work "Capital" (1867) expresses an interesting and not similar to all the above opinion about the concept of "income" expresses.

K. Marx defines income as the surplus value resulting from the movement of capital. This is explained by the fact that capital needs to continuously produce surplus value and constantly reproduce it in order for it to continue to exist. Having created surplus value, capital must be applied again to re-create it, etc. Therefore, capital produces surplus value again and again and reproduces it. The surplus value acts as a constantly reviving fruit of the capital in motion, as a constant income from capital, as a profit [1].

In our opinion, the most accurately reflecting the essence of the concept of income is the definition provided in Instruction 102 that income is an increase in economic benefits as a result of the receipt of assets (cash, other property) and (or) repayment of obligations, leading to an increase in the capital of this organization, except for deposits of participants (property owners).

The financial result from current activities is the main component of the overall financial result along with the financial result from investment and financial activities. Current activities – the main income-generating activities of the organization and other activities not related to financial and investment activities [5]. The financial result from current activities is defined as the difference between income and expenses from current activities. Therefore, it is important to understand the concepts of "income from current activities" and "expenses from current activities".

Based on the analysis of approaches to the concept of "income from current activities" of the authors of special literature on accounting and regulatory documents of the Republic of Belarus, the Russian Federation, we will make an analytical table 2.

Table 2. – Analysis of the essence of the concept "Income from current activities»

Resource	Sales proceeds	Income from sales	Result of management from the main activity
1. Instructions for accounting of income and expenses from 30.09.2011 №102	+	-	-
2. Position on accounting "Incomes of the organization" PBU 9/99	+	-	-
3. A. O. Levkovich	-	+	-
4. O. V. Grishchenko	-	-	+
5. T. A. Frolova	+	-	-
Total	60%	20%	20%

Note: own development based on the study of special economic literature and regulations.

Instruction on accounting of income and expenses, approved by the Ministry of Finance Of the Republic of Belarus from 30.09.2011 №102 (ed. resolution of the Ministry of Finance of 08.02.2013 № 11) recognizes income from current activities revenue from the sale of products, goods, works, services, as well as other income from current activities [3]. Approximately the same definition is found in the Regulation on accounting "Income of the organization" PBU 9/99, approved by the Order of the Ministry of Finance of the Russian Federation of may 6, 1999 № 32n (ed. Order of the Ministry of Finance of Russia from 08.11.2010 No. 144n).

The author of economic literature, T.A. Frolova also characterizes income from current activities as revenue from the sale of products (works, services) minus material costs [9]. This approach to the concept of "income from current activities" takes 60% of all the studied approaches. By 20% in the total amount occupied by the definition of the concept of "income from current activities" as income from the sale of finished products, goods and semi-finished products of its own production and as a result of management of the main activity (V.

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Grishchenko). We will agree with the majority. Thus, in our opinion, the income from current activities is the revenue from the sale of goods, works, services received in the course of the current activities of the enterprise.

The company, operating in the market and receiving income, must bear the costs. In the analytical table 3, we systematize the characteristic features of the concept of "expenses".

Table 3. – Analysis of the essence of the concept " Expenses»

Resource	Reduction of economic benefits (assets) or decrease in liabilities	Costs	Amount spent to pay for goods or services	Using resources to generate income
1.Instructions for accounting of income and expenses from 30.09.2011 №102	+	-	-	-
2.Law of the Republic of Belarus "on accounting and reporting»	+	-	-	-
3. Accounting standards 16 "Expenses" No. 318	+	-	-	-
4.Tax code of the Russian Federation	-	+	-	-
5.Tax code of Ukraine	+	-	-	-
6.E. E. Rummyantseva	-	+	-	-
7. A. B. Borisov	-	+	-	-
8. A. G. Gryaznova	-	+	-	-
9.B. A. Raizberg, L. S. Lozovsky, E. B. Starodubtseva	+	-	-	-
10.M. E. Medvedev	-	+	-	-
11.Graham Bets, Barry Brindley, S. Williams	-	-	+	-
12.A. C. Igoumennikov	-	-	-	+
13.N. P.Moshenko	+	-	-	-
14.The concept of accounting in the market economy of Russia	+	-	-	-
15.Y. V. Sokolov,F. F. Butynets, L. L. She, D. A. Pankov	-	-	-	+
16.O. V. Grishchenko	-	-	-	+
Total	44%	31%	6%	19%

Note: own development based on the study of special economic literature and regulations.

Instruction No. 102 defines expenses as a decrease in economic benefits during the reporting period by reducing assets or increasing liabilities, leading to a decrease in the equity of the organization, not related to its transfer to the owner of the property, the distribution between the founders (participants) [3].

Law of the Republic of Belarus of October 18, 1994 N 3321-XII "on accounting and reporting" (ed. Law of the Republic of Belarus of 26.12.2007, No. 302-W) treats the expenses as a reduction of assets or increase in liabilities, leading to a reduction of capital [7]. Virtually the same definition of costs is given in the regulatory documents of the Russian Federation and the Republic of Ukraine and by the authors of economic literature B. A. Raizberg, L. S. Lozovsky, E. B. Starodubtseva, N. P. Moshenko.

In terms of A. B. Borisov, A. G. Gryaznova, M. E. Medvedev, expenses are costs, or expenses of the enterprise, leading to a reduction in its equity (capital) or to increase its liabilities in the process of economic activities[4]. The tax code of the Russian Federation recognizes expenses as reasonable and documented expenses.

Another group of authors, whose views should be combined into one, explain the essence of costs as the use of resources to generate income. The representatives of this group are A. C. Igolnikov, Y. V. Sokolov, F. F. Butynets, L.L., D. A. Pankov, O. V. Grishchenko. Thus, expenses of the organization are the cost of used resources that are fully spent within a certain period of time to generate income [6].

Thus, on the basis of table 1.2, we conclude that in most of the studied sources (44%) there is a definition of expenditure as a decrease in assets or an increase in liabilities, leading to a decrease in capital. The second place was divided by two interpretations of the concept of "consumption": costs in the course of economic

activity (31%) and the use of resources to generate income (19%). In third place-the amount spent to pay for goods or services (6%).

Thus, in our opinion, expenses are reasonable and documented expenses of the enterprise in the course of economic activity aimed at obtaining income.

As noted above, income is closely related to expenditure. Therefore, we analyze the different approaches to the essence of the concept of "expenses from current activities". To do this, we systematize the characteristic features in the analytical table 4.

Table 4. – Analysis of the essence of the concept "expenses from current activities»

Resource	Costs related to income from current activities	Costs associated with implementation	Total cost of sales
1. Instructions for accounting of income and expenses from 30.09.2011 №102	+	-	-
2. Regulation on accounting "expenses of the organization" PBU 10/99	-	+	-
3. A. V. Gartvik	+	+	-
4. V. N. Zhukov	-	-	+
5. G. G. Zavileisky	-	-	+
Total	<b>40%</b>	<b>40%</b>	<b>20%</b>

Note: own development based on the study of special economic literature and regulations.

As can be seen from table 1.4, the instruction on accounting of income and expenses, approved by the Resolution of the Ministry of Finance of the Republic of Belarus dated 30.09.2011 №102 (ed. resolution of the Ministry of Finance of 08.02.2013 No. 11) recognizes as expenses on current activities part of expenses of the organization relating to the income on current activities received by the organization in the reporting period. A. V. Gartvik in the definition of expenditure from the current activity calls them costs of implementation, aimed at generating income.

In the Regulations on accounting "Incomes of the organization" PBU 9/99, approved by Order of the Ministry of Finance of may 6, 1999 № 32n (ed. Order of the Ministry of Finance of the Russian Federation of 08.11.2010 №144n) costs for ordinary activities are the costs associated with the manufacture of products and sale of products, purchase and sale of goods [8].

Wn.Zhukov and G. G. zavileisky believe that the costs of current activities are the total cost of output and sold products.

Summing up, it should be noted that in 40% of the studied sources there is a definition of expenses from current activities as expenses related to sales and expenses related to income from current activities. Second place-total cost of sales (20%).

We also note that, in our opinion, all interpretations are equally applicable to the definition of "expenses from current activities". However, in our opinion, the instruction on accounting of income and expenses most precisely expresses the essence of expenses from the current activity.

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