
Essence and Concept of Financial Results of the Enterprise

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Abstract: The concept and essence of the financial results of an enterprise are relevant for any enterprise. After all, it is the financial result that reflects the final result of the organization's activities. The article discusses the definition of financial results from the position of leading economists and scientists, analyzes these concepts and generalizes them.

Keywords: financial result of the enterprise, profit, loss, determination of financial results.

Many leading economists and scientists pay attention to the study of the financial results of the economic activity of an enterprise in their research. Everyone gives his own definition of this concept, since he highlights various main points.

So, for example, G. V. Savitskaya notes that the financial results of an enterprise are characterized by a change in the amount of equity (net assets), while its main source is profit (loss) from the main, investment and financial activities of the organization, as well as as a result of extraordinary circumstances. Quantitatively, profit can be expressed through the difference between total income (after paying value added tax, as well as excise tax and other deductions from revenue to budgetary and extrabudgetary funds) and total expenses of the reporting period of the organization's activities.

Understanding the financial results of Gorfinkel V.Ya. and Chernysheva B. N. are close to the opinion of Savitskaya G. V. These scientists also believe that the financial results of the organization's work are determined by the balance sheet in the form of an increase (or decrease) in equity for the reporting period of the organization's activities

According to A. D. Sheremet, the financial results of the organization give a general picture of the formation of net profit (loss) as the difference between the income and expenses of the enterprise. Thus, according to the latter, information on income and expenses is the basis for the formation of financial results. At the same time, Sheremet A. D. claims that when assessing and analyzing indicators that characterize the process of formation and dynamics of the profit (loss) of an enterprise, they use the data of the report on financial results. Thus, the scientist determines the primary role of profit (loss) in financial results and defines the remaining indicators as reflecting the process of its formation.

Professor Gribov V. D. believes that the final financial result of entrepreneurial activity of enterprises is profit (or loss). In general, it is the difference between the price of products and its cost, and in general for the enterprise - the difference between the proceeds from the sale of products and the cost of goods sold.

Doctor of Economic Sciences Ryakhovskaya A. N. believes that the financial results of the company characterize its position in the market, as well as the success of management, the capitalization of the company and other aspects. The scientist at the heart of the concept of the financial performance of the company focuses on the fact that not all receipts are income, just as not all costs are related to expenses. Thus, the characteristics of income and expenses, their classification and evaluation, as well as the rules for their formation are considered in the economy of the company in their synchronization and comparison to determine financial results.

Scientists Askerov P.F. and Tsvetkov I.A. believe that the financial result of the organization's activities is expressed in the change in the value of its own capital for the reporting period. The ability of the organization to ensure the steady growth of equity capital can be assessed by a system of indicators of financial results. A summary of the organization's most important financial performance indicators is presented in the income statement.

Indicators of financial results (profit and profitability) characterize the absolute efficiency of the organization's management in all areas of its activity: production, marketing, financial, investment; they form the basis of the economic development of the organization.

Russian scientists Devyatkin O. V., Akulenko N. B., Baurina S. B., in turn, argue that financial results are a complex concept that includes both absolute and relative indicators. Absolute indicators include income, as well as the final result of the enterprise in the form of various profit indicators (sales profit, gross profit, accounting profit before tax, net profit). Relative indicators include profitability indicators. Obtaining financial results is the motive and purpose of entrepreneurial activity. The mechanism for generating profit indicators is contained in the statement of financial results.

Considering all these concepts in aggregate, we can conclude that financial results are a generalizing system of indicators of the activity of an economic entity at certain stages (stages) of its formation, ultimately reflecting the profit (loss) of the organization, as well as the profitability of the company and individual areas.

Summing up the definitions of financial results from the point of view of various economists and scientists, it should be noted that in general, the understanding of financial results is relatively similar and implies a certain list of indicators of the organization's activities, namely various indicators of profit and profitability.

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