

Ewidencja i audyt

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THE PLACE OF PRIORITY NATIONAL ACCOUNTING MODEL IN THE EUROPEAN AREA

The European space needs constant innovation in all spheres of public life. Accounting is no exception. Accounting is the foundation of doing business. It is an effective accounting system that is the priority for owner of the enterprise during the organization of economic activity. Economic challenges dictate the need to introduce a priority new national accounting system that addresses the potential hidden assets of the company on the market.

Leading European countries have long been actively introducing such kind of accounting as actuarial at their enterprises. Actuarial accounting is an innovative type of accounting, which is based on an effective methodological toolkit. The basis of such a tool is a complex mathematical apparatus, in particular actuarial mathematics, financial statistics and the theory of probability.

The content of the priority national accounting model differs from the traditional accounting system by the fact that the accounting service focuses on potential enterprises in the long run. Accounting gradually moves from establishing the facts of past events to predicting future scenarios of development and changes in the economic value of the enterprise in the appropriate time lag.

The priority national paradigm of actuarial accounting from 3D-format should be formatted in 5D-format. This is achieved through the transformation of financial statements into 5D-actuarial reporting. Innovative reporting structure consists of non-accounting activities and is a parallel projection of traditional financial reporting in the 4D-format (3D + t). On the fig.1 you can see the place of priority national accounting model in the European area.

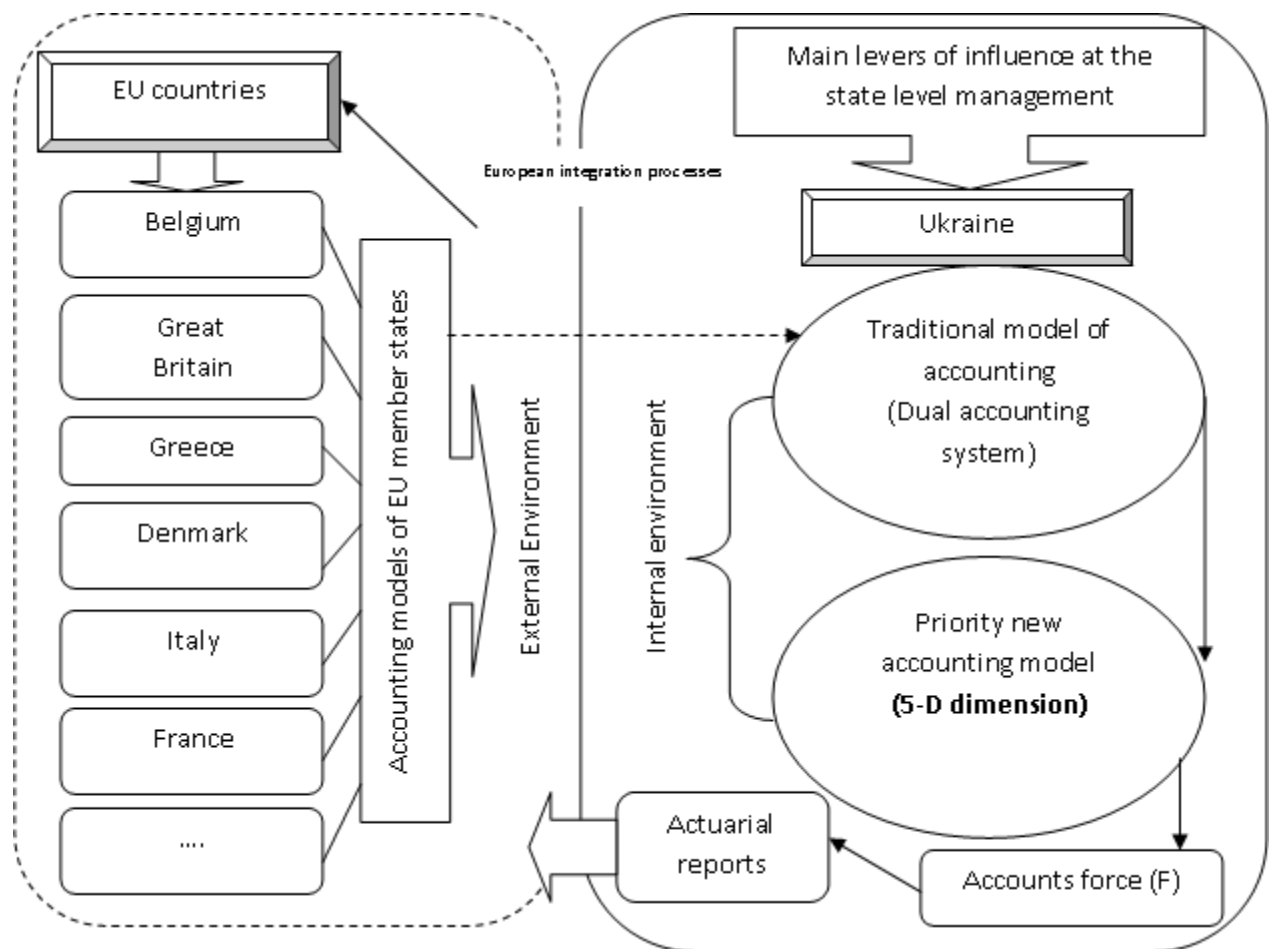


Fig. 1 The place of priority national 5D-accounting model in the European area [1]

With the development of human civilization static concept has changed into dynamic one, and in the era of XXI century it is replaced by an actuarial paradigm as a priority new stage of accounting development, which is an innovative model of accounting development [1].

Between shareholders and managers often there is an agency conflict about the effectiveness of business management and the use of financial resources in its development. Traditional accounting can't overcome such a conflict situation. Only actuarial accounting, through the prism of 5D-actuarial reporting, is able to regulate their relationship.

Actuarial accounting also helps to avoid an agency conflict between managers and business owners or shareholders. Agency relations through the prism of the actuarial paradigm are depicted in Fig. 2.

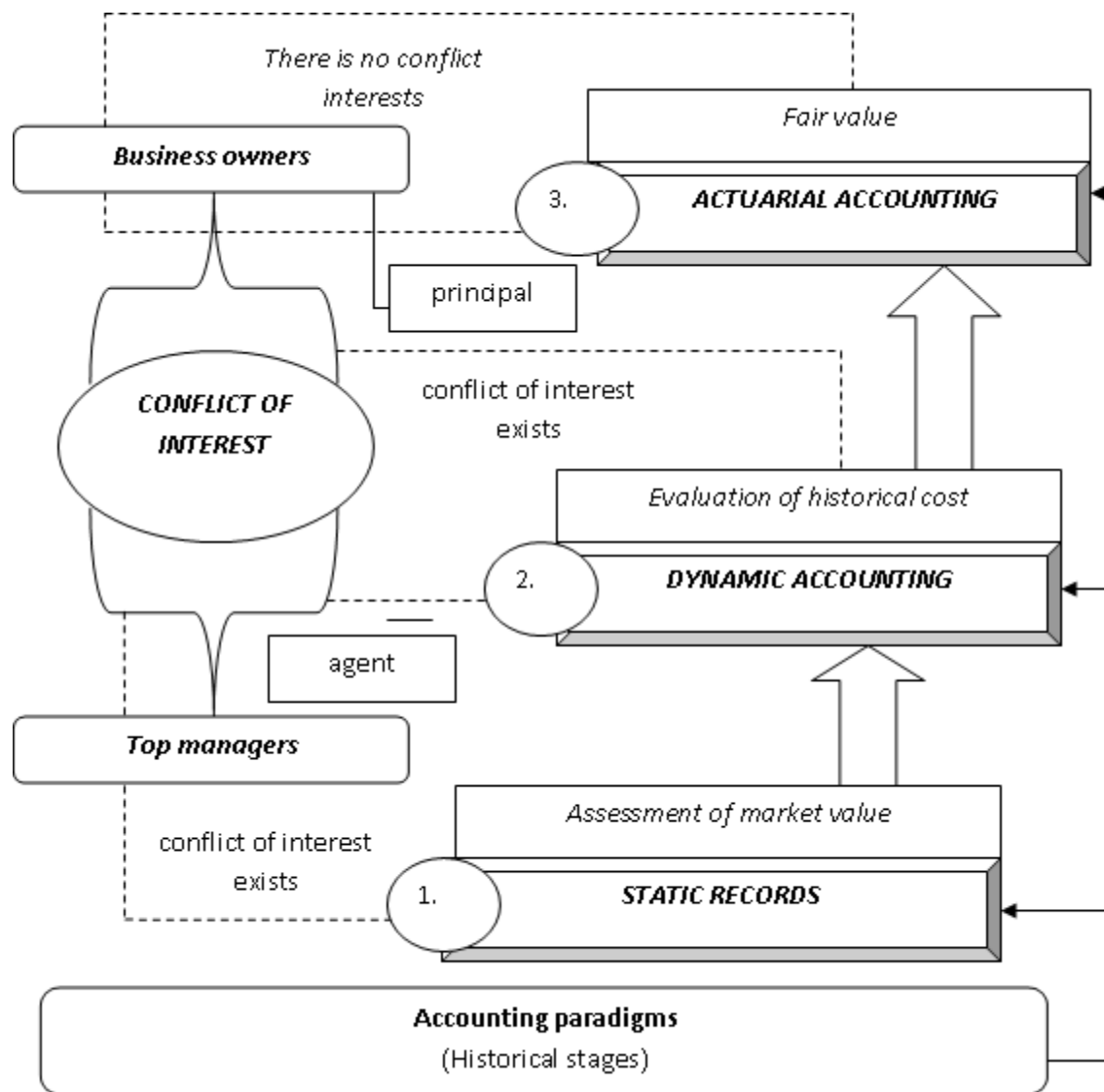


Fig. 2 Agency relations through the prism of actuarial paradigm [1]

Consequently, the innovative 5D-actuarial accounting paradigm should occupy an important niche in the traditional European accounting system. First of all, it contributes to avoiding the lack of financial resources, as it contributes to increasing the investment attractiveness of the enterprise in the capital market.

Literature:

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