

ACCOUNTING FOR REAL ESTATE UNDER THE CONDITIONS OF CHANGING OWNERSHIP INSTITUTION IN UKRAINE

Real estate is one of the components of fixed assets, which is important in the development of domestic enterprises, and takes a significant place among the factors of formation of the national economy and the accounting objects. The transformational changes that have occurred in the 90-th of the twentieth century have made significant influence on the formation of economic relations and accounting of real estate. These transformations had been introduced by privatization process and largely focused on the transformation of the institution of ownership in Ukraine. Real estate was one of the instruments of changes in national economy.

As a result of privatization, the private capital and the denationalization of the economy took place. Privatization was the first wave of transformation processes of the ownership institution in national economy. Property complexes, factories and companies had been the main objects of privatization during its first wave. The second wave of privatization had focused on the remains of state property and the privatization also had been limited to certain parts of property and assets. Real estate had been the main object of privatization on the second wave.

At present, the second wave of transformation of the institution of property is going on. It lies in the redistribution of ownership of assets between entities that affect the recognition and property value. The criteria of assets recognition shift from an ownership to the control rights, and this affects greatly the accounting for the real estate. There is a need for carrying out the scientific research of the phenomenon on transformations in national economy and developing a model of its accounting.

The Western scientists developed the theory of property rights, describing the relationship between entities as the acts of property rights exchange. The states of this theory describe the transition process in national economy and should be considered in developing models of reflection the accounting consequences of the transformation of property relations. It will provide more reliable information about the real estate.

Specificity consideration of real estate in the aspect of the transformation of property relations and transactions with them necessitates the development of theoretical and methodological components of the accounting and economic analysis of the operations real estate in the context of the transformation of property relations.

Currently, the criteria of assets recognition keep changing. Recently the prerequisite of recognition of assets was the ownership right for the asset, but now it needs only the right to control this asset. This transformation of the procedure of assets recognition indicates a change in the institution of property that affects on accounting system. The changes of conditions for the recognition of assets changes the time of their posting on the balance sheet.

Changes of moment recognition of real estate make changes in its book value at the moment of time. It causes changes in financial statement which is the main source of information about the enterprise.

Also new conditions of development of accounting in Ukraine concern the changes of the Chart of Accounts. Change in the Chart of Accounts have been caused by transformation of the property institution and by changes in the level of development of means of labor. The Chart of Accounts stood guard over the ownership and right of disposal, as all assets that appear in the account had to be possessed by the company. Thus the Chart of Accounts provided a general information basis for all processes associated with the redistribution of property rights in Ukraine. We can assume that as long as these processes aren't completed, the need for a common information base still exists and only the general Chart of Accounts is able to provide this basis for all entities.

It is important to note that this interdependence is observed in the next, second, phase of transformation of the ownership institution.

Another problem of development of the chart of accounts is that its structure in terms of real estate can not reflect the current level of development of means of labor. This problem is closely related to the first, because the transformation of the institution of property cannot do without information about the subject, the ownership of which is transforming. Therefore, in accordance with the transformation of the institution of property has to be transformed and chart of accounts, which will improve the completeness reflection of reality.

The information of accounting system transmitted to users through the reporting system. Reporting, as a part of a method of accounting, provides information about all the objects of accounting, including real estate. Without proper tracing of the facts of economic life the accounting system is ineffective, it does not ensure the preparing of reliable information, and therefore is unable to reach the goals of its functioning.

With the increasing of complexity of the economic system and economic conditions the economic activity of enterprises is also getting more complicated. The list of operations that can perform enterprise with real estate is not exhaustive. There for most of it can be documented by the envisaged forms of documents and accounting records. The development of economic theory in conjunction with the development of economic relations leads to new accounting objects such as ownership rights on the real estate. However, the existing accounting system cannot display such objects, This reduces significantly its information capacity as the management subsystem.

Formation of an information base on the real estate starts with drafting the basic documents, which are intended to trace the transactions with these objects. The majority of primary documents and accounting forms were borrowed from the former USSR accounting system, which had been just partially adapted to the new requirements in Ukraine. Such adaptations were predominantly limited to formal changes and did not concern any conceptual transformation of reporting forms. It is

necessary to pay attention to the nature of reporting which is to provide users with the reliable information. In this case, attention should be paid to the ability of reporting forms to provide information on the institutional aspect of the real estate.

A properly organized information flow system offers great opportunities for streamlining and optimizing the use of resources available. But to make this possible, reporting should meet some certain criteria and parameters.

Thus transformation of the ownership institution in Ukraine makes impact on accounting for the real estate. Modern accounting system does not have any proper instrument to take this impact into consideration and this makes the whole accounting system unreliable. Users of accounting information on the real estate have no accurate information on its value that may cause the erroneous decisions. So it needs applying the proper scientific approach in order to determine the modern conditions of accounting evolution and consider such conditions in accounting development in Ukraine.

We'd like to conclude that the accounting system facilitates the transformation processes in the economy. In performing its primary function – providing information - accounting, on the one hand, provides information on the processes taking place in the economy, and on the other hand it is being changed in accordance with the changes in the economic system. Thus, accounting is a kind of indicator that reflects the processes taking place in the economic environment, and therefore can be used either to obtain information or to influence the transformation process.

Chart of accounts provides identification of economic resources and monitoring over their usage. With the development of economic relations, especially with their complexity increasing, it starts to provide the functioning of the ownership institution.

Thus, the development of property rights theory and methodology of accounting in terms of the chart of accounts are the interdependent processes. Their interaction is mostly evident during the economic system transformation.

The reasons for the transformation of accounts to be carried out in Ukraine can be identified as follows: 1) the transformation of the ownership institution; 2) changes of the technological structure of the country.