

## THE INTERPRETATION OF ECONOMIC ESSENCE OF CATEGORY “INCOME”

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The article describes different views of economists on the definition of “income”, the most scalable interpretation that fully comply with current legislation, taking into account the purpose of income in the management and development of modern enterprises.

The term “income” means any inflow of cash or valuables, having monetary value. Every company starts its activities to generate income, so it is important to define the correct interpretation of the concept for further implementation, auditing and analysis.

Methodological bases of formation of accounting information on income of the company and order of its disclosure in financial statements are determined in the decree (standard) 15 “Revenue”. According to international and national accounting standards, the term “income” means an increase in economic benefits during the reporting period or reduction of commitments that leads to the increase of equity, providing that the income estimation can be reliably measured. It means that the income cover obligations arising simultaneously with the costs incurred in the result of obtaining these revenues, and increase capital. When the income is enough only to cover such obligations and the capital does not increase, it will result in the absence of profit. So not every income of

assets is related with income, and not every income leads to profit.

In the tax legislation the income is defined as a central value in the theory of taxation. This is a flow that occurs in the process of pricing, taking into account the costs incurred in individual sources of income and its subjects

Category of income has not acquired semantic steady tone in the economic literature, legal documents, statements and organizations.

Income is the basis for the development of a company. They provide sources of reimbursement of all current costs related with the implementation of economic activity; they are the source of tax payments; they form a profit, provide the self-financing of the enterprise and ensure its development in the future.

The research shows that income of the company – is the increasing of the economic benefits resulting from the flow of assets or cancelation of liabilities, which leads to the growth of capital, with the exception of members` (property owners) contributions and obtained in the result of usage of economic resources and competitive advantages in terms of an acceptable level of business risk in the economic process.