

IMPROVEMENT OF THE ACCOUNTING OF ALLOCATION AND USE OF RETAINED EARNINGS (UNCOVERED LOSS) IN A JOINT STOCK COMPANY

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A component, which forms a joint-stock company and provides the further success of the company, is the shareholders' equity. It consists of seven funds: registered (share) capital, capital revaluation surplus, additional capital, capital reserve, retained earnings (uncovered losses), seized capital, unpaid capital. Each of these has its own sources of formation and direction in which it is used. However, the most commonly used foundation that ensures the formation of the reserve capital increase of the authorized capital and the payment of dividends have retained earnings (uncovered loss).

Profit distribution process is essential in the implementation of strategic plans by the joint-stock companies by increasing trust between the social and economic partners. In accounting, this is reflected in the development of a system of analytical accounting accounts in areas of distribution (use) of profit, which will provide an opportunity to identify areas for targeted share of profits after the distribution, as well as on the

basis of information on the accounts form the financial statements.

At the present, there are inconsistencies in the legislation on accounting for the distribution of profits. In regard to the payment of dividends a reflection technique is not perfect, especially on dividend reinvestment transactions clearance procedures. Therefore, we believe the interpretation of the account 44 "Undistributed profit (uncovered loss)" does not correspond to its use. Therefore, we propose to replace its name by the title "Resulting net income (loss)" and with the help of sub-accounts to display the resulting income, received net loss, profit retained for the use, profit used in the reporting period and retained earnings. It will provide information on operations of planned use of a part of distributed profits and actually used during the following reporting period profit. The use of the model proposed in the registration process of the enterprise provides the ability to obtain timely information on the used part of the net income and internal controls for its rational use.