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GENERAL ACCOUNTING PRINCIPLES

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Abstract: *L'objectif fondamental de la comptabilité et y compris des situations financières annuelles concernant la présentation d'une image fidèle des actives, des dettes, de la position financière, du profit ou de la perte de l'identité se réalise conformément aux certaines règles, méthodes et procédures comptables qui se fondent et se concrétisent ayant en vue une diversité de principes et de règles d'évaluation déterminées par la réalité économique afin de satisfaire certaines conditions de qualité imposées par les bénéficiaires des informations comptables.*

D'ailleurs, l'activité comptable de n'importe quelle économie de marché ne peut pas être conçue sans l'utilisation des principes comptables au caractère général. En ce sens, on a en vue le fait que, dans l'activité pratique on peut rencontrer des opérations comptables pour lesquelles il n'y a pas de règles établies, ou de procédures de résolution et leur solution peut être accomplie seulement par l'appellation d'un ou de plusieurs mêmes principes, ce qui justifie la nécessité de l'existence, de la connaissance et de la compréhension correcte de leur contenu.

The general accounting principles assimilated for the practical afferent activity of legal entities that organize and conduct the financial accounting are briefly presented and defined in the effectual accounting regulations. These principles have a special importance in realizing the main objectives of accounting and especially for the evaluations that are caused by the annual financial situations, and because of that, in the following lines it will be elaborated in detail the conditions and the manner in which each of the nine adopted principles are applied.

Also these principles allow the assessment of the elements that are presented in annual financial situations according to the ledges accounting, which denote that the effects of the transactions and other events are known when these are produced, and therefore not when the ready cash or its equivalent is cashed or paid, and therewith, when they are registered in the accounting and reported in financial situations that regard the respective exercise. The continuity of the activity principle consists in that "is supposed that the entity normally continues the functioning, without entering in a liquidity state or significant reduction of the activity".

This principle usually acts when ending the exercise, when are drawn up the synthesis documents, and, especially in stocktaking, and implicitly in goods evaluation.

When it is assured the activity continuity it is proceeding to the prosecution of the annual valuation of the goods in accordance with their utility inside the entity, taking into account the normal use of the accounting methods, from which I present: the delimitation of the activities developed in exercises and also of some expenditures on much more future exercises, the use of historical costs in the patrimony valuation and in administration etc.

When it is observed the beginning of the liquidation state or of the sensitive reduction of the activity, for the goods evaluation are used other values than those of utility (smaller ones), also known as liquidating values, adopting a valuation manner adequate to the activity shutting or non-continuity. It is also taken into account the value of the corporal immortalisation cannot be recovered in time, and some expenditures, as those for constitution and development cannot be allocated on more exercises.

The possible insecurity elements, known by the entity's administrator connected to the events that can lead to this one's incapacity to carry on its activity must be presented in the explanatory notes.

There are also needed to be given explanations in the case in which the financial situations are not drawn up on the basis of the analyzed principle, being presented the motives that have determined adopting the decision according to which the entity's activity cannot carry on.

The principle of the immanency of the methods consists of assuring the continuity in applying the evaluation rules from a financial exercise to another, desiderate according to which by registering in accounting and by presenting the patrimonial elements and the results are created the necessary premises for comparing in time of the accounting information. The methods used must have the character of permanence, meaning of their use during much more consecutive exercises, which allows the comparison of the data or the information from the financial situations that are drafted, and therefore the analysis of the economic-financial indicators contributes in obtaining some pertinent information for those who are interested.

When it is imposed the changing of some methods that can be established by law or by an accounting standard or by the entity's decision motivated by obtaining some more relevant or credible information regarding its operations, it is necessary that they are signalled in the explanatory notes of the financial decisions under the aspect of the respective changes explanation, and also of the consequences explanations that those have generated.

The prudence principle is referring to the fact that the patrimonial elements evaluation imposes prudence, meaning that it must be accorded considerable attention to the aspects that consider the taking into account of the following four elements: only of the realized profit at the balance sheet date (a), of all the arisen debts during the current financial exercise or of any precedent exercise (b), of all the predictable debts and potential loses that appear during the current financial or during an precedent exercise, even if these become obvious only between the balance sheet date (31 December) and its drafting date (c), and also of the adjustment of the corresponding values of the observed depreciations, indifferently if the result of the exercise is lost or profit (d).

The analysed principle as it is observed, it is organically connected to the valuation of the patrimony and for respecting its demands it is necessary that this operation is effectuated correctly, which present doubtless advantages. In this way it is taken into consideration the fact that it is assured a certain dilution of the exaggerated optimism of some business people in favour to the creditors, and also a protection plus for investors, by avoiding the overestimation of the profit and the active elements, and also of the sub estimation of the expenditures and the passive elements.

Therewith it is kept in mind that by intended incorrect application of the discussed principle it can be hidden or distorted the reality, being created unjustified reserves by exaggerating the future risks.

The principle of the exercise independence is important to assure a truthful image of each financial year result.

In practicing a engagement accounting and, therewith for the forecasts in the field, he supposes the rigorous delimitation in time of the incomes and expenditures afferent to the financial exercise which the reporting is done for, indifferently of the date of the amounts cashing or of the payments. Therefore, the effects of transactions and other events are recognized when they are produced and when they are registered in accounting and in the afferent financial situations, therefore not regarding the cashing or payment of the numeral or its equivalent, after case.

A first consequence that is disengaged from this principle application consists of that the finances are reflected into accounting when the goods are handed over by the buyer, when they are delivered according to the invoice or in other conditions stipulated into the contract, which testify the propriety transfer of the respective goods to the clients. In this conditions we

do not take into account the cashing moment that can also be done in the following exercise, and not even the fact that the invoice it will be drawn up subsequently, and the realised operation is temporarily registered in a specific account called “Clients-invoices to lay down” (418).

The expenditures represent, in their turn, the amounts or paid values or values to be paid that are regarding the current financial exercise. This denotes that there are not taken into account the aspects regarding the properly payment that can be done even during the future exercise, and not even the situation, rather of exception, that the invoice did not accompanied the delivered goods or the services performed by thirds, and the operation in question is reflected temporarily in the specific account called “Providers-not arrived invoices” (408).

Another consequence regarding the analysed principle refers to the fact that it is necessary the use of some regularisation accounts namely: 471 “Expenses registered in advance” and 472 “Incomes registered in advance”. These account also contribute to the definition in time of the realised incomes and expenses and, effectuated in the current exercise, but that are regarding the next exercise and its result, from which there are reminded: the anticipated cashing from rents, the expenses for capital unpredictable repairs, the rents paid in anticipation, etc.

In which regards the fulfilment of the demands of the presented principle it cannot be neglected the problem of the calculation and the registration of the amortisements and the provisions at the end of each exercise, indifferently if these are or are not fiscally deductible.

The principle of the separate evaluation of the active and debts elements is referring to drafting the balance sheet and especially to the fact that for establishing the total corresponding value of each position (indicator) of this one it is necessary the disjointed definition of the value of each individual element of active or debts that is included in its component.

The intangibility principle consists of that between the opening balance sheet of an exercise and the closing one of the precedent exercise must be in a perfect concordance. When it is the case, the corrections imposed by the application IAS 8 “The clear profit or the clear loss of the period, fundamental errors and modifications of the accounting policies” are excluded from this demand. Therefore it is created the possibility of easy verifying of the patrimony integrity and the correct informing of the external users of information. With this purpose there are extremely important the information presented in the Explanatory Notes afferent to the precedent exercise. Regarding this last aspect it can be mentioned that in the practical activity there are numerous situations when it is handled with superficiality, meaning that are not presented the information established by the regulations from this area, from which are reminded those regarding: the manner of evaluating the patrimonial elements; the used depreciation regime; the constituted provisions, deductible and non deductible, and if these weren't constituted, which is the cause and the effect over the financial results of the exercise; if it has been derogated from the known general principles, including the reason and the effects of this derogation; other situations that are influencing the comparability with the precedent year and the truthful image; the eventual events posterior to the closing of the financial exercise, etc.

The non atonement principle imposes the distinct registration in the balance sheet of the active elements value and the passive ones in the profit and loss account of the incomes and the expenditures, not being admitted any atonement among them. In this way we exemplify: the non atonement of the claims of debts to the same third and the non atonement of the valuable pluses with the valuable minuses that can intervene when applying the prudence principle.

Therewith it is reminded as an exception the fact that between the claims and the debts towards the same economic agent, only the atonements admitted by the effectual regulations can be realised, having the obligation of the former registration in the bookkeeping of the afferent incomes and expenditures at the integral value.

The principle of the prevalence of the economic over the juridical is referring to the fact that the value of the balance elements and those from the profit and loss account is presented taking into consideration the economic fund of the transaction or of the reported operations and not only in their juridical form, assuring in this way the credibility of the provided information.

In this way it is taken into account the fact that the transaction fund or other events one is not always concordant with what is foreseen from their juridical or conventional form. The analysed principle is applied to the entities that made up the individual financial situations and that are outrunning the limits of two of the measure criteria described above. On their turn the entities that do not outrun the limits of two of the measure criteria legally established apply the principle at which we are referring, only in the case in which the strengthened financial situations are drafted.

The principle of the breakeven point is influencing the relevance of the accounting information, cause for what is necessary that in the financial situations to be distinctively presented only the elements that have significant value. The other elements, as far as they have the same nature, as well as similar functions are reflected in cumulated amounts.

In certain cases the nature of the information is sufficient by itself to determine the relevance of the information but there are situations when the nature and the significance point are important in this way.

The information is considered as being significant if the erroneous omission or declaration of those one might influence the economic decisions of the users. The significance point depends upon the measure of the element or of the error judged in the specific circumstances of the omission or the false declaration.

The significance point cannot be defined by a mathematic formula because in order to establish it, in each situation that shows interest, are taken into account the quantitative and the qualitative aspects. In this way are mentioned the insignificant but repeated errors that totalised pass the significance point and, therefore must be taken into account the incorrect or incomplete presentation of the accounting politics inside the explanatory notes from the financial situations, which determine the incorrect interpretation of the used politics.

The analysed principle is acting meaning that the balance elements and those from the profit and loss account can be combined when they represent an insignificant amount in which regards the assurance of a truthful image as it is understood by the effectual accounting regulations and also when contributes at rising up the clarity level. This last way needs a distinct presentation in the explanatory notes.

The significance point is determined according to the entity's situation and the interest of the users of financial situations, taking into consideration one or more elements from which are reminded: the gross profit, the turnover, the total of actives, the net active and clear profit, specifying that it is allowed to be applied only by the entities that surpass the limits of two of the three criteria of measures regulated.

Besides the above presented principles and the ones assimilated in our country by the applicable regulations, there are accepted on an international plan other accounting principles and conventions, from which we are reminding: the pertinence and the relevance of the information according to the economic decisions at whose elaboration they contribute; the justification of the facts that regard the veracity and objectivity of the information; the monetary quantification etc.

In which regards the general accounting principles above analysed it is imposed as a final definition also to be taken into consideration the fact there are admitted digressions from the requests imposed only in exceptional cases, having the obligation of presenting them in the explanatory notes as the motives that have determined them, and also as the evaluation of the effect that they had over the actives, the debts, the financial position and the profit or the loss.

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