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ABSTRACT

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THEORETICAL AND METHODOLOGICAL PROBLEMS OF ASSET ACCOUNTING

Specialty:	5303.01 Accounting
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Applicant:	**Vagif Maharram Guliyev**

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The dissertation work was performed at the "Finance and Audit" department of the Azerbaijan State University of Economics.

Scientific adviser: doctor of economic sciences, professor
Sakit Mamadi oghlu Yagubov

Official opponents: doctor of economic sciences, professor
Ibad Musa oghlu Abbasov

doctor of economic sciences, professor
Rafiq Mahmud oghlu Aliyev

doctor of economic sciences, professor
Shirzad Ayyub oghlu Abdullayev

doctor of economic sciences, professor
Salim Yanvar oghlu Muslimov

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INTRODUCTION

Relevance of the Topic and Degree of Study. The socio-economic reforms implemented in Azerbaijan over the past 30 years, along with their logical outcomes such as the sustainable development of the economy, integration into the global economy, access of commercial entities to international markets, and expansion of business relations with foreign companies, necessitated the reconstruction of the country's accounting system and its alignment with international practices.

To achieve this, the *Law on Accounting* adopted in 2004 laid the foundation for the development of national accounting standards based on international standards. Corresponding regulatory documents were introduced to ensure their implementation. However, the comprehensive restructuring and further development of the accounting and reporting system required more radical measures.

The national accounting standards were unable to generate information that adequately reflected the essence and legal basis of complex business operations emerging as a result of the influence of economic integration and globalization processes on corporate practices.

A true turning point in this area was the adoption of amendments to the *Law on Accounting of the Republic of Azerbaijan*, approved by a decree of the President of the Republic of Azerbaijan on May 4, 2018. These amendments provided a legal framework for the complete transformation of the accounting and reporting system in line with the International Financial Reporting Standards (IFRS).

Currently, the International Financial Reporting Standards (IFRS), implemented in nearly 170 countries, including Azerbaijan's commercial organizations, are regarded as a globally unified and universal accounting and reporting system. This system ensures the generation of comparable and useful information in the global business environment. Based on such information, investors and creditors analyze and evaluate companies' performance and make alternative financial decisions. As a product of globalization, this system has itself evolved into a universal tool that facilitates the expansion and advancement of globalization's boundaries. However, the management

of rapidly growing economic flows, measured in trillions of dollars, driven by the circulation of vast resources, the implementation of new business ideas and cutting-edge technologies, and the creation of logistics corridors and hubs, imposes new demands on the content and structure of the information generated.To address these challenges, adapting the semiotic foundation of the international accounting and reporting system—its primary information technology—to the changing socio-economic landscape and conditions, as well as its continuous updating and development, emerges as a fundamental issue.

Research indicates that the technology for generating information based on IFRS primarily serves corporate interests. The system produces information for users interested in deriving economic benefits—such as profit, interest, and dividends—from resource utilization, ensuring accountability to these stakeholders. However, it does not generate information for society at large, which may be interested in addressing economic, social, and environmental issues through resource utilization. Consequently, the system falls short of ensuring companies' accountability to society in these areas. The perception of the international accounting and reporting system, as developed by its theoretical, methodological, and pragmatic architects, as a tool for providing financial information exclusively to a specific group of users, has hindered its transformation into a framework capable of addressing social and environmental spheres. Therefore, it is of critical importance to revisit the purpose of the system, ensure the application of its theory and methodology to the social and ecological spheres, and develop new accounting rules and procedures aligned with these objectives.

Despite having a unified research base, different concepts regarding the nature, functions, composition, and utility of resources/assets have emerged within economic sciences. Questions such as *"What are assets, and what do they include?"*, *"What are the functions of assets?"*, and *"How is the effectiveness/utility of asset usage determined and measured?"* are answered in varying ways by economic theory at both macro and micro levels, as well as by accounting theory. Resources with the same economic nature and functions are expressed in economic sciences through numerous terms and concepts. This leads to a

complication of the terminological framework for managing these resources. Furthermore, this terminological inconsistency affects the teaching processes in economics-focused universities, contributing to conceptual fragmentation in academic curricula.

The definitions of assets provided in the *Conceptual Framework for Financial Reporting* and individual standards do not fully reveal their socio-economic essence or functions. The theories and methodologies developed based on these definitions fail to provide insights into how societal interests and corporate interests are reconciled. The absence or insufficiency of such information hinders the ability to assess how the burden of existing economic, social, and environmental challenges is distributed between the state and companies. It also prevents a proper evaluation of the role and responsibility of accounting and reporting in exacerbating the disparities between wealth and poverty—an issue that has become a significant concern for all nations.

Human resources under the control of companies are not included in the composition of assets. Consequently, companies' financial positions and performance efficiency are calculated and assessed without considering human capital. The accounting theory's stance—where employee wages are treated as an expense that reduces capital—suggests that the accounting and reporting system not only fails to promote the development of human capital but also regards it as an element contrary to corporate interests. These critical issues receive insufficient attention among researchers studying accounting theory and practice, and there is a lack of systematic scientific investigation in this area.

From the perspective of its essence, socio-economic informational value, and its ability to generate information that meets the interests of business participants, the existing accounting and reporting system should not be considered eternal or immutable. In light of society's social and environmental challenges, the functions of its theory and methodology must be revisited. This necessitates the continuous pursuit of adequate scientific, methodological, and pragmatic research to ensure the system evolves in response to these pressing issues.

Although the International Financial Reporting Standards (IFRS) Board has revised the conceptual framework for financial accounting

and reporting twice in the last 14 years, these changes have remained within the framework of business interests, focusing on the preservation of corporate capital and the generation of information about net cash flows. The accounting and reporting mechanism designed to evaluate companies' performance in this way, along with its normative or imperative-based elements (standards, models, methods, and rules), does not generate information regarding the tasks and functions that these organizations perform from a macroeconomic, social, ecological, or human capital development perspective.

The definitions of concepts and terms used in accounting, especially those related to financial accounting and reporting elements, are not extensively analyzed, nor subjected to rational critique in accounting literature aimed at teaching and research. These definitions and recognition criteria are typically accepted as axiomatic norms. Accounting science seems to overlook that dialectics involves not only the changes and development of nature, society, and consciousness, but also the evolution of the semantics of the definitions, terms, and criteria established by the theory of the science itself

In conceptual documents and accounting literature, approaches to the content and form, as well as cause-and-effect relationships between assets and other elements of financial statements, are often debated. Capital and liabilities are incorrectly presented as sources of assets. Investigating these issues holds significant importance from the perspective of the development of theory and methodology.

Although the concept of "assets" initially emerged within the terminology of accounting science, debates and discussions persist regarding whether it originated as a result of empirical or rational thought. The dominant idea that the accounting and reporting of assets can develop based directly on the concept of empiricism in epistemology poses the risk of transferring practical errors and shortcomings into theory and methodology. This stems from the fact that the importance and influence of rationalism in the development of theory and methodology by accounting science have not been comprehensively studied or explained.

Research on the role and status of paradigmatic, normative, and positive approaches in the formation and development of the theory and

methodology of asset accounting has not resolved the contradictions and diversity of opinions in this field. The IASB regulates the theory and methodology of accounting and reporting for assets, as well as other elements, based on a normative approach. It develops these concepts within the framework of notions such as "economic resources," "economic benefits," "maximum profit," and "capital maintenance." However, concepts like "society," "social," "ecology," and "human capital" remain outside the scope of the theory and methodology.

Despite numerous studies and research conducted on the composition and content of methodological principles in accounting, debates and disagreements in this area persist. Universally accepted foundational principles and their selection criteria have not been determined. Furthermore, the logical connection and interdependence between methodological principles, standards, and methods remain unexplained.

The classification of assets, valuation bases, accounting models, and methodologies have not been systematically and comprehensively studied from the perspectives of corporate and societal interests. In regulatory documents and scientific-practical literature, no distinction is made between the concepts of depreciation and obsolescence of assets. These concepts are either equated or depreciation is regarded as a result of obsolescence. Building the accounting methodology for depreciation on this basis leads to a loss of internal control over accumulated depreciation amounts, which are one of the main investment sources for companies. Therefore, reconsidering the essence of depreciation and revising its accounting methodology is a critical issue.

The points discussed necessitate a reevaluation of the theory and methodology of the system under study and call for their diversification. In other words, the focus of theory and methodology should extend beyond the economic aspects of companies' activities to include social and ecological dimensions. The author believes that in the 21st century, the development of the global accounting and reporting system, particularly its central component—the IFRS—should follow these directions. Addressing the theoretical-methodological and practical aspects of these directions should be considered among the most pressing challenges facing modern accounting science.

The relevance of the listed issues to modern accounting science, coupled with their unresolved nature or insufficient exploration, has formed the basis for selecting the topic and determining the direction of the research.

The object and subject of the research: The object of the research is the conceptual framework for the presentation of financial statements, the International Financial Reporting Standards (IFRS), and the "Rules for Accounting in accordance with IFRS" approved by the Ministry of Finance of the Republic of Azerbaijan on January 30, 2017, which regulate the accounting and reporting of assets under the control of commercial organizations. Specifically, 25 IFRS standards were directly used in the study.

The subject of the research – Is the economic-social essence of assets, recognition criteria, classification, valuation bases, accounting models, and the theoretical-methodological and practical aspects of their accounting methodology.

The purpose and objectives of the research. The purpose of the dissertation is to examine the theoretical-methodological foundation of asset accounting, identify and explain existing problems, and develop scientific and pragmatic proposals and recommendations for its development and improvement in accordance with the changing economic-social conditions. In line with the objective of the research, the following tasks have been defined in the dissertation:

- ✓ To study, systematize, and evaluate the concepts developed in the field of economic sciences at macro and micro levels, as well as in accounting science, regarding the economic-social essence and functions of assets/resources;
- ✓ To examine the recognition criteria of assets in the field of financial accounting and reporting from economic, legal, and social aspects;
- ✓ To identify the cause-and-effect relationships and transformation schemes between the concepts of "assets," "capital," "liabilities," "revenues," and "expenses," and to determine which of these are substantive elements in the construction of accounting theory and methodology;

✓ To investigate and substantiate the epistemological basis of the theory and methodology for forming information about assets;

✓ To investigate and explain the role and significance of the concept of paradigm in the development of the theory and methodology of asset accounting;

✓ To demonstrate the status of normative and positive approaches in the development of international constitutive documents and standards regulating asset accounting and reporting, and to explain their impact on corporate and public interests;

✓ To clarify the functions of the theory and methodology for forming information about assets, showing the logical connections and dependencies among them;

✓ To define the criteria for selecting objective, axiomatic accounting principles and to clarify the composition of the foundational principles based on this;

✓ To investigate the theoretical and practical aspects of the classification of assets in accounting and reporting, and identify the problems in this area;

✓ To study the initial and subsequent valuation bases of assets, conduct a comparative analysis of accounting models and methods, and determine their impact on changes in financial statement information;

✓ To develop theoretical-methodological and pragmatic proposals for the systematic development and improvement of asset classification, valuation, and accounting methodology in line with both corporate and societal interests;

✓ To approach the nature of asset depreciation differently and develop an appropriate accounting methodology for it.

Research Methods: In the process of conducting the research, general scientific methods such as scientific abstraction, formal and dialectical logic, deduction, induction, rational discussion, systematic analysis, synthesis, and comparison were used, along with methods characteristic of accounting science.

Key Propositions Defended:

As a result of the research conducted by the author, the following key propositions are put forward for defense:

1. Justification of the necessity of transitioning from the concept of economic benefit to the concept of economic-social benefit in relation to the essence, functions, and recognition criteria of assets.

2. Justification of assets as substantive elements in the context of content and form, and cause-and-effect relationships.

3. Investigation of the philosophical-scientific foundations of asset accounting theory and methodology and identification of its functions.

4. Scientific-practical evaluation of the impact of paradigmatic, positive, and normative approaches on the development of the theoretical-methodological basis of accounting and the formation of information.

5. Explanation of the selection of basic principles in asset accounting methodology, and the relationship between principles, standards, and methods.

6. Evaluation of the current status of the theoretical-practical aspects of asset classification in the accounting-reporting system.

7. Interpretation and analysis of asset valuation methods and accounting models.

8. Improvement and development of asset classification, valuation base, and accounting methodology.

9. New approach to the essence and function of asset depreciation and the development of an appropriate accounting methodology.

Scientific Novelty of the Research: The main scientific novelty of the work lies in justifying the necessity of transitioning from an accounting concept that forms and ensures reporting of information solely from a corporate interest perspective, to one that forms and ensures reporting from both corporate and societal interests. The comprehensive investigation of the theoretical-methodological aspects of this transition and its development, along with the formulation of scientific-pragmatic proposals in this field, constitutes the core scientific novelty of the research.

Specific scientific innovations obtained through the research include the following:

- Despite being a shared object of study, it has been determined that the use of different concepts in economic sciences to express

assets/resources, which carry the same economic essence, and the assignment of different functions to them, leads to terminological fragmentation in economic and business languages. This also prevents the establishment of a unified methodological basis for forming and evaluating performance indicators related to assets.

- It has been proposed and proven that each economic concept, including the concept of "assets," creates information with specific parameters, and the essence of the concept itself depends on the semantics upon which the definition/description of the concept is based. Based on this thesis, the idea that the theoretical-methodological basis and pragmatics of asset accounting can be structured within this semantic framework has been advanced and substantiated.
- It has been determined that the theory and methodology of accounting were formed and developed based on the essential concept of "assets are the sole source of economic benefit" or "economic benefit only comes from assets," and that this concept has been entirely transferred to accounting and reporting practices, meaning that the system exclusively serves the interests of business.
- Based on the premise that assets are not only a source for institutional units to maximize profit and increase capital but also serve as material and financial resources to solve the economic-social and ecological problems of society, a new approach to the essence and recognition criteria of assets has been applied.
- In the context of cause-effect relationships, it has been proven in theoretical-pragmatic aspects that the element of assets plays a causative role, not a result, compared to other elements, and that other elements emerge as a result of the existence and movement of assets. It has been demonstrated that the initial and subsequent quantities of other elements can be evaluated exclusively based on assets. Furthermore, for the first time in accounting science, the proposition “Capital and Liabilities are not the source of assets, but rather property rights over assets controlled by the company” has been substantiated.
- The theory and methodology of accounting and reporting technologies related to assets and other elements have been substantiated from a scientific-philosophical perspective, with the epistemological basis of accounting not being based directly on

empiricism but also on the concept of rationalism. The functions of the theory and methodology have been defined and concretized within this prism. Additionally, the mutual relationship and dependence between scientific rationalism and empiricism have been explained.

- It has been substantiated that the theory of the accounting-reporting system (definition and explanation of essence, determination of function, recognition criteria, classification) can be based on a deductive approach, while the methodology (asset valuation methods, reflecting accounts, rules for determining results of operations, etc.) can be based on an inductive approach.
- The philosophical concept of "paradigm" has been examined in the context of accounting systems. It has been proven that the paradigm, despite its semantics and pragmatics, cannot be applied to the understanding basis, theory, and methodology of accounting, including the accounting of assets, as accounting has historically evolved through evolution, not revolution.
- The role and importance of normative and positive approaches in the formation and development of asset accounting theory and methodology have been explained. It has been justified that information should primarily be formed based on normative approaches, while the results obtained from positive approaches (empirical data) should serve as the basis for correcting normative approaches.
- Definitions for the principles, the criteria for determining which general rules can be recognized at the level of principles, have been established. Based on these, the composition of base principles has been clarified, and the logical relationships and subordination between methodological principles, standards, and methods have been studied and explained.
- The classification of assets as established by International Standards and Regulations has been evaluated, accounting models and methodologies have been approved, and their positive and negative aspects have been explained from methodological-practical and useful information creation perspectives.
- Complex theoretical-methodological and pragmatic proposals have been developed for improving and enhancing the classification, initial and subsequent evaluation, and accounting methodologies of

assets in order to provide information to users with direct interest in the economic-social and ecological results of asset use and to the general public.

- The necessity of shifting from the premise that "depreciation of assets should be calculated based on their useful life" to "depreciation should be calculated based on the useful payment period of costs incurred for acquisition or creation" has been justified, and based on this premise, a new methodology for asset depreciation accounting has been proposed.

Theoretical and Practical Significance of the Research. The current state of the theory and methodology of asset accounting has been studied through general scientific-philosophical approaches, where the essence and nature of both historically existing and contemporary emerging problems have been clarified. The scientific results obtained from the research and the proposals provided can help address existing issues and problems, and enable the development of the conceptual foundations of the system as a whole, as well as the theoretical-methodological basis of the applied standards.

The practical significance of the research is determined by the fact that the theoretical-methodological results and recommendations developed in the dissertation can serve as a basis for purposefully solving the pragmatic issues of asset accounting in the near future and in the long term, and can be applied in the accounting and reporting practices of commercial organizations.

Results of the Work and the Justified Proposals in the Work Can Be Used:

- When the rules, guidelines, and other normative-methodological documents on accounting for assets and other elements are revised and improved by the Ministry of Finance of the Republic of Azerbaijan, as well as when changes are made to the structure and content of the information reflected about assets in the financial position report;
- When the Chart of Accounts, an important methodological tool for accounting and the preparation of financial statements, is revised or improved;

- In the accounting practice of companies when transactions related to the inclusion, movement, initial and subsequent valuation of assets are classified and reflected in the accounts;
- In the process of developing accounting policies in organizations that conduct accounting and provide financial statements;
- When research is conducted by doctoral students, master's students, and undergraduates who carry out scientific research in accounting, audit, financial analysis, management, etc.;
- In the practical activities of auditing organizations, consulting firms, professional accountants and auditors associations, and institutes;
- In the teaching of theoretical and functional economic sciences, particularly in subjects related to accounting and audit, in the preparation of textbooks, study guides, and lecture notes in relevant higher education institutions.

Validation and Application of the Work. The research work has been discussed at joint meetings of the "Economic and Technological Sciences," "Finance and Audit," and "Applied Economics" departments of the Azerbaijan State University of Economics, as well as at a relevant scientific seminar. The main theses and results of the dissertation have been reflected in monographs, textbooks, study guides, scientific journals recommended by the Higher Attestation Commission (AAC) of the Republic of Azerbaijan, the Russian Federation, and Ukraine, as well as in indexed journals included in the Scopus and Web of Science databases. In total, 26 scientific articles related to the research have been published in local and foreign journals, and 10 reports have been presented at national and international conferences.

The results of the research in the field of accounting for asset depreciation have been officially presented to "Azərenerji" OJSC and "Azərişıq" OJSC.

The name of the organization where the dissertation was carried out. The dissertation work was carried out at the Department of "Finance and Audit" of Azerbaijan State University of Economics.

The total volume of the dissertation with the individual volume of its structural sections noted. "The dissertation includes an introduction (23,144 characters), 5 chapters (Chapter I – 92,554 characters, Chapter II – 130,097 characters, Chapter III – 107,758

characters, Chapter IV – 81,711 characters, Chapter V – 57,199 characters), conclusion (25,923 characters), a reference list with 323 sources, and 9 appendices. The total volume of the work is 518,986 characters and includes 12 tables and 3 figures

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KEY POINTS FOR DEFENSE

1. The Justification for the Shift from the Concept of Economic Benefit to the Concept of Economic-Social Benefit Regarding the Essence, Functions, and Recognition Criteria of Assets

The information created by accounting is reflected within the framework of certain foundational concepts. One such concept, which has been a central symbol of accounting and reporting language in the last century, is the concept of "assets." Research has shown that the formation of the essence and functions of this concept during this period has had a significant impact on the development of accounting theory and methodology. However, it is crucial to identify and assess the conceptual foundations upon which this formation took place, as well as the purposes and interests it served, for the future economic and social development of society. Despite the issues being studied in this context, the dissertation applies criteria—questions—designed to understand the essence of the concepts that emerged, determine the differences between them, and explore the possible concepts related to the economic-social essence of assets, their functions, and the measurement and evaluation of their utility. These concepts have been studied and systematized (Table 1).

Table 1

	Resources	**Capital**	**Active husband**	**Effectiveness/economic benefit**	**Income/economic resources of benefit division on**
1.Macroeconomic concept	Factors of production and products (release)	Buildings, Machinery, Equipment, Machines, Tools (Fixed Capital); Stocks of goods and materials (Working capital).	The concept is not used or disclosed	GDP, MG, XDM, etc. productivity of public labor Fund distribution, fund capacity across the country GDP per capita, MG etc.	-
2. Microeconomic concept: a) economic theory version	Land Labor Capital	Buildings, Machinery, Equipment, Benches, Tools (Fixed capital); Inventory (Working Capital)	The concept is not used and rarely disclosed	Production of goods and services Added value, Income (certain time activity during cash inflows from)	Land - rent Labor - salary Capital - profit
b) version of functional economic sciences	Means of production Labor resources Financial resources	Fixed capital, or fixed assets, or fixed funds; Working capital or working capital, or working capital	The concept is not used, or is equated with the concepts of capital , funds or funds, or is characterized according to the accounting concept.	Goods and services production Income (cash received from activities over a period of time) Profit Net profit	Household tools (Capital, Assets) – profit Labor resources – wages
3 **. Accounting concept (based on IFRS)**	Assets	Private Equity (Organization's Assets *minus* Liabilities)	Economic resources (Land, tangible, intangible and financial resources)	net profit, or net cash receipts	Assets-profit Work – reward – cost/commitment

Source: Author's work based on research findings

The study and analysis of approaches to the essence, recognition criteria, and functions of assets within the framework of accounting concepts have shown that the definitions given to assets in the conceptual documents that form the accounting and reporting systems of different countries, as well as in scientific and practical literature, have collectively created the foundation for the existing theory and methodology of accounting. Based on this type of research, the author has been able to present the following observations and thoughts in general:

- In Western countries, the concept and recognition criteria of assets have developed over the past century solely on the idea of economic benefit, with the theory and methodology of accounting fully integrating this idea into accounting and reporting practices. While the conceptual documents under IFRS have altered the definitions of assets and their recognition criteria, these changes have been purely syntactical, and the changes have never deviated from the original idea (Table 2).
- The definitions do not include the labor resources under the control of companies as part of assets, thus de facto denying their role in the creation of economic benefits.
- In none of the conceptual documents is a social-ecological benefit function given to assets. Economic benefit is solely accepted as net cash inflows, essentially capital growth. This demonstrates that the current system directly and only serves corporate interests.
- The conceptual basis of the definition of assets given in 2018 shifted the economic essence of assets to the legal sphere, meaning the definition was formulated based on the form's content. Despite this approach, the author’s stance is that economic benefit is not created by law but directly by resources. Therefore, replacing the phrase "assets are resources that can generate economic benefits" with "an asset is an economic resource, and an economic resource is the right with the potential to generate economic benefits" does not reflect reality.

In terms of the composition and content of the economic benefit arising from the use of assets and labor resources, the concepts considered in the dissertation, according to the author, have an ideological character.

According to the Marxist theory, economic benefit arises only from labor, while according to non-Marxist theory, it arises only from the use of assets. The current accounting and reporting system is based on the second concept. The system reflects all forms of labor payments not as economic-social quantities but as expenses and liabilities that reduce the capital of companies. This creates a psychology among managers of companies to reduce wages both absolutely and relatively. This approach has ultimately led to a situation where 86% of the total personal consumption is concentrated in the hands of 20% of the world population. According to the author, the theoretical and methodological foundations of accounting bear great responsibility for the creation of this situation.

The formulation of the goal of economic activity solely as the preservation and increase of capital or the maximization of profit, along with the direct construction of the theory and methodology of accounting on this concept, has led to the emergence of certain socio-ecological problems in society. However, Western accounting science has not made the role and responsibility of the accounting and reporting system, including IFRS, the subject of research in the creation of this situation. It has been substantiated in the work that the use of resources/assets by companies should be assessed not only in terms of economic efficiency but also in terms of social-ecological efficiency indicators, and these should be analyzed. Based on this thesis, the dissertation provides a different definition of assets and proposes recognition criteria (Table 2).

Algorithms for indicators corresponding to this definition and criteria have been determined, and concrete proposals for their reflection in the accounting and reporting system have been prepared.

Table 2

	Definitions	Recognition criteria
1. Principles of preparation and submission of financial statements (year 1989)	Assets are resources controlled by the company as a result of events of previous periods, from which the company expects economic benefits in the future (p. 45).	An asset is recognized on the balance sheet when it is probable that future economic benefits will flow to the company and the asset has a reliably measurable value or valuation (p. 55).
2. Conceptual foundations of financial reporting (year 2010)	An asset is a resource controlled by the organization as a result of past events, from which the organization expects future economic benefits to flow (p. 15).	An asset is recognized on the balance sheet when it is probable that future economic benefits will flow to the organization and the asset has an initial cost that can be reliably estimated (p. 22).
3. Conceptual foundations of financial statements (year 2018)	An asset is an existing economic resource controlled by an organization as a result of past events. An economic resource is a right that has the potential to create economic benefits (p. 29).	Only items that meet the definition of an asset are recognized in the statement of financial position.
4. Suggested by the author	Assets are economic resources at the disposal and use of the company together with labor resources, which have the potential to bring economic benefits to the company in the future, and at the same time provide a material and financial source for solving the social, economic and environmental problems of society .	**(a)** the object (substance) corresponds to the definition of the asset (the definition formulated by the author); **(b)** the value of the object (substance) is formed and disclosed based on the determinations of the relevant standard.

Source: Author's work based on research findings

2. Justification of assets as a substantive element in the context of content, form, and cause-effect relationships.

The modern financial accounting and reporting system is based on and standardized through the interaction of five interconnected elements (Assets, Equity, Liabilities, Revenues, and Expenses). However, the division of these elements in terms of content, form, and cause-effect relationships, as well as their subordination, has led to different approaches and debates. One such approach argues that a company's resources are the result of the flow (circulation) of capital, and therefore, the profit and loss statement is the cause, while the balance sheet, which reflects the existence of resources, is merely the result. According to another approach, profit is the result, and thus the profit and loss statement is the outcome, while resources—i.e., the balance sheet—are the cause. Yet another approach suggests that expenses and revenues are the sources of assets and liabilities. This means that revenues and expenses are the cause, while assets, equity, and liabilities are the result.

The SFAC (Statements of Financial Accounting Concepts) 6 adopted in the U.S. has identified another approach: assets and liabilities are initial elements in relation to revenues and expenses, meaning that revenues and expenses should be recognized as the result of the use of assets and the acceptance of liabilities. However, it is regrettable to note that almost all authors who write textbooks, study materials, monographs, and articles on accounting, reporting, auditing, and economic analysis, or the vast majority of them, consider liabilities and equity to be the sources of assets. Based on the research conducted around this issue, the author has concluded that, in economic theory and other functional economic sciences, regardless of the meaning and functions assigned to the concept of "capital," within the accounting system, this concept is not synonymous with the concept of "assets." Moreover, neither capital and liabilities nor revenues and expenses can be the sources of assets, nor can any element or all elements be regarded as the cause, with assets as the result.

However, in the accounting and reporting system, the simultaneous use of the concepts "assets" and "capital" arises out of objective necessity, and therefore, the key issue is to determine exactly what capital reflects. According to the author's research, in the accounting

system, capital is a symbol that reflects special property rights over things such as money, land, machinery and equipment, material resources, securities, and other things that we refer to as assets. Capital, or assets, is not the real, tangible form of their existence, but rather represents an imperceptible, invisible, and non-empirically graspable aspect that is why, in the accounting system, capital should only be regarded as an abstract concept. The forms of property, including special property rights and other property rights, arise from the existence of assets. Without assets, there can be no rights over property, including special property rights or rights related to debt. According to Roman law, the main source of the content of discretionary rights is the material conditions of society's life. Without a doubt, the real carriers of society's material conditions, regardless of who owns them, are the assets.

Luca Pacioli demonstrated five centuries ago that capital and liabilities are not real things or property. Karl Marx also showed that in the Italian accounting system, capital reflects the property rights of the private owner: "In Italian accounting, personal expenses are written to the capitalist's debit in relation to his capital."[1]

All forms of economic-social benefit arise from the movement of assets, not from capital and liabilities. The real manifestation of economic-social benefit is the additional assets obtained in the form of cash, other valuables, or services. The abstract, legal aspect of these additional assets would be the net profit, which is considered a component of capital. The creation and disappearance of other elements are the results of the creation, use, and disposal of assets in economic activities.

Overall, the author has reached the following final conclusions regarding the issue under investigation:

In the equation "Assets = Capital + Liabilities," the assertion that "capital and liabilities are the source of assets, or capital and liabilities are the cause, and assets are the result" does not reflect reality. This is because, in all cases, assets are the substance, meaning:

- Assets are real things, while other elements are abstract concepts that cannot be directly understood through empirical methods;

[1] *Маркс К. и Энгельс Ф. Соч., изд. 2-е, Т.23*

- Other elements are only valued based on assets;
- Economic-social benefits are created by assets together with labor resources;
- Assets can only give rise to and be recognized as ownership rights when they are recognized;
- Capital and Liabilities characterize ownership rights over assets.

Assets = Ownership Rights, or Assets = Private Ownership Rights + Debt Ownership Rights.

3. Study of the Philosophical-Scientific Foundations of the Theory and Methodology of Asset Accounting and Determination of Its Functions.

In the dissertation, it is substantiated that scientific knowledge about assets and other elements, and information that can be considered equivalent to scientific knowledge, can be obtained through two paths: empiricism and rationalism. However, which of these should be considered superior has created disagreements in the field of accounting, just as it has in philosophy. Western scholars who have developed the theory of accounting argue that it is purely an empirical science. They investigate empiricism and rationalism, along with their approaches, directly in the broader philosophical context. Despite these studies, the author concludes that the "mechanical" application of purely philosophical propositions and concepts in the accounting sphere could hinder the development of accounting as a science. For example, in general philosophy, observation, sensation, impression, and other perception methods logically belong to the idealistic branch of empiricism, but such tools have no place in accounting systems. This is because accounting is based only on quantitative facts, whereas methods such as observation, feeling, impression, etc., cannot create specific measurable quantities. Therefore, the empiricism applied in accounting is not entirely the same as the general philosophical empiricism.

In examining the place and role of empiricism in the methodology of accounting, the author has concluded that in the accounting and reporting system, the materialistic branch of empiricism, not the idealistic one, can be applied. This materialistic approach relies on experience derived from reality and real things as the source of knowledge (information). However, the dissertation also substantiates

that applying the second branch of empiricism in the accounting system requires replacing the term "experience" with the term "facts." This is because the experience → methodology scheme is not characteristic of the application of empiricism in accounting, and instead, it is necessary to follow the facts → methodology scheme.

The relationship between the words "facts" and "methodology" from a semiotic perspective is as follows: from a grammatical (syntax) point of view, "facts" and "methodology" logically correspond to each other, meaning that facts serve as the basis for the creation of methodology. From a semantic perspective, "facts" and "methodology" show that knowledge about the economic-social benefits of assets, as carriers of value, is obtained. The pragmatic element of semiotics demonstrates that, based on facts and methodology, it is possible to calculate or measure the economic-social utility of using assets. This means that, in the field of accounting, empiricism can only apply the "facts → methodology" scheme. Without facts expressed in quantitative terms, the definitions created by theory cannot escape abstraction. However, if facts are not filtered through rational thought, theory and methodology cannot emerge. Rationalism, based on pure thinking, forms knowledge/information. There are also methodological principles that arise from facts or, more precisely, take on a methodological color based on the interpretation of facts. While acknowledging all of this, it must be emphasized once again that the foundation of forming theoretical and methodological concepts is based on rationalism. The empirical knowledge gained through the study of facts can enable the creation and improvement of methodology.

Knowledge obtained as a result of pure thinking (rationalism) can originate from (a) a concept or (b) the construction of a concept. The first type of cognition is philosophical, while the second type is mathematical cognition. The definition or term created by philosophical cognition is synthetic, can be broken down into components, and its complete and unchanging truth is questionable. Therefore, it is always a source of discussion. Humanities, including accounting, do not create concepts but only provide explanations of concepts. Such concepts are not empirical; they are abstract in nature, meaning they are not observed. Based on the research conducted in this context, the author concludes

that definitions and explanations of concepts through philosophical cognition should not be accepted as unchangeable. In particular, the semantics, recognition criteria, and pragmatics of the concept of "assets," which forms the theoretical-methodological foundation of modern accounting systems, should be revised, taking into account the interests of the corporate sector and society.

The general attributes of accounting for assets (definition, recognition criteria, classification) are formed based on the deductive approach (the rationalism concept). However, applying the inductive approach in standardizing these attributes is not feasible. The epistemological concept of rationalism, that is, the deductive approach, also serves as the main methodological doctrine for forming the theory of asset accounting. The inductive approach, based on nominalism, quantifies the general concepts and their elements created by rationalism. However, rationalism elements are applied here as well—initial facts/data are classified and generalized through logical reasoning to convert them into quantitative measures/information within general concepts. This transition from empiricism to rationalism occurs, ensuring the logical connection between empiricism and rationalism in the final result.

The theory of accounting creates a conceptual framework, develops a categorical-conceptual apparatus, explains and interprets these concepts, and establishes criteria for their recognition. All of these are carried out based on general philosophical and scientific methods. The theory created on this foundation simultaneously serves as a basis for forming the unique methodology of accounting. The investigation of philosophical-scientific sources, accounting literature, and the generalization of practice provide grounds to affirm that the main functions of accounting theory, including the theory of asset accounting, consist of the following:

- The formation of conceptual and terminological apparatus within the accounting system, or more precisely, the development of accounting symbols and language, along with their explanation and interpretation.
- Elucidation of the essence of assets and other elements, explaining them in the context of cause-and-effect relationships.

- Determination of recognition criteria for assets and other elements.
- Establishment of general principles for the classification of financial statement elements.
- Identification of the general directions for forming the methodology of accounting (principles, methods, and techniques) for assets and other financial statement elements.

The methodology of accounting brings the categories and concepts established by theory to life, transforming abstractions into tangible quantities. While methodology arises from both deductive and inductive approaches, its application to specific objects is inductive in nature. Here, the transition from the general to the specific becomes apparent: by employing various methods to evaluate different types of assets, their overall value is ultimately determined. Economic and financial decision-making is also conducted based on these approaches or the quantities derived from them.

According to the author, the methodology in the accounting-reporting system should perform the following functions:

- It should serve as a bridge for transitioning from theory to practice;
- It should generate both specific and general information about the objects being accounted for;
- It should provide information about the economic and social benefits derived from the use of assets;
- It should enable the formation of facts and reasoning to either confirm or refute the existing theory as a whole or its individual propositions.

The study also substantiates that methodology should lean more toward theoretical nuances rather than empirical ones. This is due to the fact that empirical facts derived from practice are transformed into information through methodology and explained via theory. Theory enables the interpretation of facts in economic, social, legal, psychological, and other dimensions. It takes into account the "results" of methodology and practice, examines the necessity for changes both within itself and in methodology, and determines the overall directions for the development of science.

Although the theory and methodology of accounting for assets and other elements emerge as a result of purposeful scientific activity, the existence of conventionalism, instrumentalism, and hypothetical

approaches is inevitable. Without these, the formation of the theory and methodology of accounting would not be possible. All of them must serve one purpose: to generate information about resources and their economic-social and ecological benefits.

4. The scientific and practical evaluation of the impact of paradigmatic, positivist, and normative approaches on the development of the theoretical-methodological base of accounting and reporting and the formation of information.

Research shows that individual scholars attempt to prove the significant role of certain philosophical-scientific concepts in the formation and development of the theoretical-methodological foundations of accounting and emphasize the inevitability of considering and applying their semantics in the accounting-reporting system. One of these concepts is the notion of "paradigm." The American philosopher T. Kuhn, who introduced this concept into the field of science, refers to the scientific achievements widely recognized under the name of paradigms, which provide the scientific community with models for problem formulation and resolution over a certain period of time.[2]

According to T. Kuhn's philosophy, the development of science and its methodology initially occurs within the framework of normal science. Later, normal science fails to recognize the problems that arise and the ways to solve them, resulting in a crisis and anomalies. These crises and anomalies lead to a scientific revolution, which causes the old paradigm to collapse and a new paradigm to emerge. T. Kuhn refers to the transition to the new paradigm as a scientific revolution. T. Kuhn's concept of the development of science can be represented in the following diagram (Figure 1).

[2] *Кун Т. Структура научных революций / Томас Кун; пер. с англ. И. З. Налетова. – М.: АСТ, Москва, 2009. – s 11.*

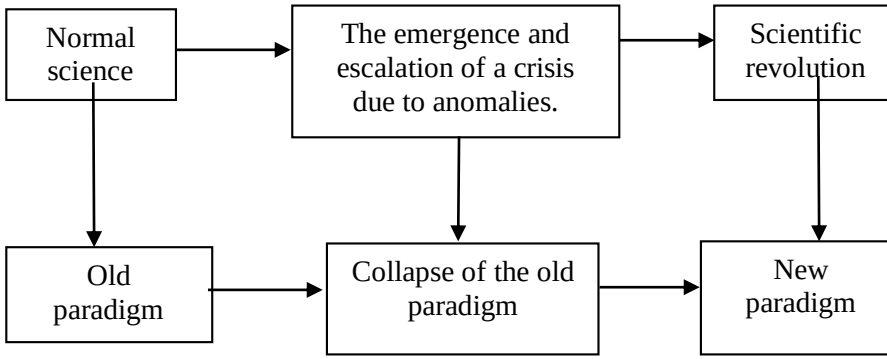

Figure 1. Scheme of the transition from the old paradigm to the new paradigm

Source: author's work based on research results

As stated in the dissertation, many scholars have expressed positive opinions about the applicability of T.Kuhn's paradigm concept in accounting, formulating various paradigms in this field and explaining their essence. While the author positively evaluates the research conducted around the concept of paradigm, they have concluded that the propositions and theses proposed as paradigms for the accounting and reporting system do not meet the criteria for scientific-methodological achievements that can be accepted at the paradigm level. At best, they are interpretations of the cumulative, spiral development stages of accounting. Such development, however, should not be viewed as a historical approach, because according to the historical approach, the emergence of one model should lead to the complete cessation of the activity of the previous one.

Such developments, considered scientific revolutions, have not led to the rejection of any significant concepts, principles, or rules in the theory and methodology of accounting. Therefore, in the author's view, the proposed paradigms are not concepts or propositions that could play a foundational role in the science of accounting, its theory, and methodology. The use of these paradigms in the formation of theory and methodology is not supported by the history and practice of accounting

science. As a result, discussions and debates around them end without producing any substantial conclusions.

One of the most studied and discussed issues in philosophical-scientific and economic literature within the framework of the classification of theory and methodology is the distinction between positive and normative approaches. The study has determined that two groups have emerged regarding the relationship between these approaches: 1) those who affirm that there is no difference between positive and normative approaches; 2) those who affirm the existence of differences between positive and normative approaches, and their interconnection and interdependence.

The author, after thoroughly examining the positions and justifications of the representatives of these groups, has concluded that the positions based on the concept of "is" and "facts" (positive approach) and those based on "ought to be" and "norms" (normative approach) are more accurate, as they reflect reality. From this standpoint, the author believes that positive and normative approaches, with their philosophical roots, have played a crucial foundational role in the formation and development of all economic sciences, including the theory and methodology of accounting, and continue to hold significant importance today.

Although Western authors affirm that the goal of accounting theory is to explain, meaning that the theory tends to be more positive in nature, reality does not support this. The definitions and explanations provided by the conceptual foundations for assets and other elements, as well as the criteria established for their recognition, are descriptive, meaning they are normative in nature. The methodology built on the foundation of accounting theory also serves the implementation of these definitions and criteria.

All of this leads to the conclusion that the current goal of accounting theory is not explanatory but descriptive in nature. Achieving this goal requires the establishment of certain methodological rules, as it is impossible to reach the goal without such rules. Therefore, these rules themselves are normative in nature, meaning they are descriptive. The results of applying the established rules can be examined, studied, and evaluated with the help of positive theory. However, this should not be

interpreted to mean that theory, and also methodology, should be based solely on a positive approach or practice. The formulation of any theoretical definition or the establishment of a methodological rule should not be left solely to the judgment based on empirical verification. "If standards are based on practice, and practice is represented on its own, then such a situation would lead to the perpetuation of the flaws of that practice."[3] Therefore, in such cases, it is necessary to rely on the power of rational epistemology, which mostly involves a deductive approach.

Since it does not allow for an objective assessment of a company's financial position, the accounting principle of the calculation method cannot be abandoned, as its application is based on a normative-legal approach. This principle arises from the transformation of "what is" into "what should be," or from "facts" into "norms." The rule of double-entry bookkeeping and the equation A = L + E cannot be altered. Such fundamental normative approaches are not derived from the personal (egoistic) interests of any individual or group, nor solely from society's interests; they have an objective character. No empirical verifications can lead to their denial, because they are based on rationalist epistemology, and their empirical application is mandatory. Therefore, to determine the financial position of any company, the equation A = L + E must be used. The real value of this equation can only be obtained by directly applying two methodological principles—the double-entry bookkeeping and the calculation method accounting principles. These judgments are a priori and represent elements of a descriptive methodology; they do not require empirical verification. However, at the same time, the equation A = L + E does not, on its own, provide specific or practical knowledge about the company’s financial position. For instance, based on the values A = 1000, L = 400, E = 600, it cannot be determined whether the financial situation of the company is bad or good, as the equation is universal and normative, independent of practical experience. However, if within the elements of the equation, it

[3] *Фейерабенд Пол. Избранные труды по методологии науки: Переводы с англ. и нем. / общ ред. и отв. вступ. ст. И. С. Норский. – М.: Прогресс, 1986. – s. 489 – 490.*

is determined whether the company's financial situation is bad or good, then the equation should also be regarded as explanatory. In this case, there is a transition from the normative/descriptive approach to the positive (empirical) explanatory approach. In other words, the normative and positive approaches encompass each other; they are twins, yet they have differences. At the same time, the equation A = L + E, which seemingly rests entirely on a priori judgments, can internally, in terms of its internal structure, be regarded as an a posteriori judgment.

Thus, in the accounting system, information regarding assets and other elements should be directly formed based on a normative approach, while the results obtained from positive approaches (empirical data) should serve as the basis for correcting normative approaches.

5. Selection of Base Principles in the Methodology of Asset Accounting, and Explanation of the Relationship Between Principles, Standards, and Methods

The elements of normative approach/metodology have a special place in the principles of accounting. However, questions such as: what are the functions of these principles, what judgments can be called principles, how are the interrelations and dependencies of principles with specific standards and methods logically structured, what determinative judgments can be accepted as principles in the accounting of assets, and which are necessary, have been debated for many years in accounting literature. However, no unified approach has been established on these positions. Many of the requirements and conditions proposed under the name of principles do not align with the etymology of the word "principle." In this dissertation, principles are viewed as the initial element of the methodological system that forms information, and it is argued that accepting this or that provision as a principle in accounting cannot be done without rational discussion, criticism, or convention. The history of the development of accounting and reporting provides grounds for stating that certain principles are aprioristic approaches, whose existence and information-forming functions have been unconditionally accepted by everyone. However, disagreements continue regarding the composition, essence, and pragmatics of these principles.

In the dissertation, a critical perspective is presented regarding the research conducted by authors from Western countries and post-Soviet countries concerning the composition and essence of accounting principles. It is noted that the disagreements on the composition, essence, and functions of accounting principles stem, among other reasons, from the failure to properly understand or explain the theoretical, methodological, and pragmatic similarities and differences between the generally accepted methodological principles in the literature and the requirements and procedures imposed on accounting. In some works, routine accounting procedures and information quality characteristics are wrongly elevated to the level of methodological principles, and the criteria upon which a specific requirement or judgment is accepted as a principle are not explained.

Based on the research, the author has defined accounting principles in the following way: Principles are the most general methodological rules that underpin the standards, methods, and procedures used to form information about accounting and reporting objects/elements, and whose usage is objectively necessary, universally accepted, developed, and applied in practice. In the dissertation, it is justified that the definition formulated by the author can serve as a criterion for accepting a specific provision or requirement as a principle.

From this theoretical-methodological approach, the author accepts the existence of the following basic principles: 1. **The Entity Principle; 2. The Monetary Measurement Principle; 3. The Accrual Basis Principle; 4.The Double Entry Principle**

These principles can be regarded as substantive reference principles because they:

- The product of historical periods of economic development and the corresponding periods in which accounting was conducted;
- Identical for all accounting models and systems, and their application is an absolute necessity;
- Immutable in terms of time and space; they are constant;
- Not subject to or likely to be influenced by various objective and subjective factors or conditions;
- They serve as the basis for the methodology of information formation, regardless of the goals of accounting and reporting;

- Form the methodological foundation for the development of accounting and reporting standards, methods, and procedures;
- Not unfair to one party and fair to the other;
- Exist in mutual interaction and unity with one another.

In the work, it is substantiated that the investigation of the relationship and interdependence between principles, standards, and methods is of significant explanatory importance. The difference between principles and standards lies in the fact that, as the economy and business evolve and ownership forms change, principles remain unchanged. However, economic events and facts, along with their material components such as assets and other elements, have been recorded or may be recorded in various periods and locations based on different standards. Standards themselves are shaped by the determinations of both theory and methodology. Standards provide definitions for an element/object, regulate its classification, recognition, the cessation of recognition, and establish the methods for initial and subsequent evaluations. In short, standards are norms that implement the realization and application of theory and methodology on specific elements/objects.

Standards can be national, regional, or international, reflecting the interests of those respective domains. Principles, on the other hand, are universally human and international. Standards can be fair or unfair, often serving particular interests, whereas principles are generally seen as more impartial. The application of methods is regulated based on standards. Methods, like standards, can vary and change depending on geographical territories, property relations, the economic-social characteristics of countries, legislative acts in each country, and other factors.

For example, while the principle of measurement in monetary terms is universal, the methods of evaluating assets and other elements may differ, varying over time and space. Even for the same element, alternative methods or models may be applied to its evaluation. The relevant standards allow for this within the framework of the monetary measurement principle. However, even if applied methods or models lead to unfair or subjective results, the principle of measuring in

monetary terms remains unchanged and cannot be invalidated, preserving its universality.

6. Accounting and reporting system: Evaluation of the current state of theoretical and practical aspects of asset classification.

The preparation, systematization, and grouping of information for presentation to users constitute the primary purpose of classification. Since the classification of assets is directly related to the nature and functions of the elements forming the information, providing a correct theoretical and practical explanation of this process is one of the fundamental problems facing accounting science that requires resolution.

However, questions such as *What are the objectives and functions of classification?* and *On what criteria should classification be based?* are not extensively discussed in global accounting literature. Moreover, the functional relationships between the Chart of Accounts and reporting forms, created based on classification, and whether the information formed within these frameworks meets the evolving demands of users, especially society, remain under-researched topics that are not widely studied in depth.

Classification enables the theoretical-methodological aspects of assets to be interconnected with other elements. Without such interconnection, it is impossible to develop accounting methodologies for these elements, prepare reporting forms, evaluate financial position and performance based on this information, and make forecast decisions. Therefore, in the author's view, classification, along with its essence and functions, must be addressed in a theoretical-practical context.

Classification has a theoretical nature because it is based on the definition and explanation of elements. The transition from definitions to numbers, in other words, the shift from deduction to induction, is achieved through classification. Without classification, the individual components of methodology cannot be effectively applied. However, classification does not create essence; rather, it serves the methodology by forming information about the structure of the essence.

The necessity of classification arises from the need to evaluate different types of assets. In this case, specific methods of valuation, as

the main element of methodology, are applied not generally but specifically to individual types of assets. Thus, classification also takes on a practical character. Classification does not create initial information but instead facilitates the distribution or aggregation of initial information based on various features, required directions, and quantities.

In the dissertation, a comparison was made between the classification of assets as outlined in IAS (International Accounting Standard) 1 and the classification intended for the country's commercial organizations. It was determined that, despite significant improvements in the classification of assets compared to previous periods and its alignment with international practices, the current classification still faces the following issues:

1. The information generated based on the classification of assets, including associated liabilities in the balance sheet, is insufficient for a comprehensive analysis of companies' property and financial situation in terms of content and structure.
2. Although the classification of assets in the accounting system is sufficiently analytical, it is overly aggregated in the report. This issue is particularly relevant for inventories included in the current assets section. Considering that inventories have a significant proportion within the current assets of commercial organizations in the country, presenting information about them in a single item creates difficulties for external users in accurately assessing and evaluating the organization's financial condition, especially its solvency.
3. The financial position statement lacks specific classification items regarding capitalized and non-capitalized investments in the creation of long-term assets. This pertains to amounts invested in tangible and intangible assets, biological assets, and investment property that have not yet been recognized. The absence of these items in the classification prevents an objective assessment of the company's activities in renewing and enhancing production capacities.
4. The placement of assets in the accounting and financial reporting system according to their liquidity levels is not rational. For instance, cash, which has 100% liquidity, should be the last item in the current

assets section of the financial position statement. However, it is displayed as the third item in this section.

5. The "current assets" section of the financial position statement does not include a classification item for short-term investments, despite their broad classification in the accounting system. Including this information in the report is essential for external users. It is known that receivables and cash, categorized as financial assets, are highly liquid assets. However, their mere presence (balance sheet amounts) does not necessarily indicate that they are generating income. In other words, it is not possible to determine whether these items are in circulation from the financial position statement. The high proportion of these items does not guarantee the company's profitability. The income-generating element of financial assets is financial investments. The absence of relevant items on them is considered a deficiency in classification. The same applies to long-term financial investments.
6. Two out of the five items in the "current assets" section represent other short-term financial assets and other short-term assets. This complicates the understanding of the financial position and creates an impression of obscuring the structure of current assets to some extent.

The most significant deficiency in the classification, according to the author, lies in the conceptual documents, standards, and guidelines treating classification solely as an economic-accounting category, with the accounting and reporting system built on this pragmatic approach.

7. Interpretation and analysis of asset valuation methods and accounting models.

The essence, recognition, classification groups, and items of assets are structured in such a way that the information required for the calculation, comparison, and analysis of financial indicators at both micro and macro levels—such as the financial condition of companies, their performance, financial results, and the economic-legal relations between investors, shareholders, and other partners—forms through valuation methods, which are a central element of the asset accounting methodology. However, due to the geographical differences and

temporal changes in the asset valuation base and methods, it is not possible to conduct comparative analyses at international and regional levels. As a result, users face difficulties in making objective financial and investment decisions. Therefore, the establishment of a unified valuation base and the identification of non-substitutable valuation methods at the global level is one of the significant methodological and practical problems facing accounting and reporting.

The Conceptual Framework of 2018 and the relevant standards have established an eclectic valuation system for assets acquired and created by companies (Table 3).

Table 3.

of assets types	**Recognition during assessment**		**Without recognition next assessment (account models)**	
	History with value	**current with value**	**History with value**	**current with value**
Land, building and equipment	Yeast cost with	-	Yeast cost or current with value	
Intangible assets	Yeast cost with	-	Yeast cost or current with value	
Investment immovable property	Yeast cost with	-	-	current with value
Useful excavations intelligence and evaluation	Yeast cost with	-	Yeast cost or current with value	
Biological assets	-	Fair with value	-	Fair with value
Finance assets	-	Fair with value	(a) Depreciation which is with value (b) Other aggregate comes through fair with value (c) Profit and damages through fair with value	
Reserves	At the cost of yeast	-	Two from price - Maya value and Possible Net Sale From the price most down which is with price	

Source: author's work based on research results

The Conceptual Framework of 2018 has defined the bases for valuing assets at historical cost and current value. The following items

are included in the base for valuation at current value:

(a) Fair value;

(b) The usability value of assets; and

(c) The current cost of replacing the asset.

The historical cost and the current cost of replacing an asset represent the asset's "entry value," while the fair value and the usability value of the asset represent its "exit value." The current value indicators of assets are formed as overall accounting quantities.

The rules and methods for the recognition and initial valuation of assets are generally based on a normative approach. Only when it is not possible to initially value biological assets at fair value, IAS 41 permits their valuation at cost. According to the author, the application ofthe normative approach to initial valuation ensures the comparability of information across all companies organized under IFRS, allows for auditing of this information on a uniform methodological basis, facilitates the unification of accounting and reporting at the international level, and creates potential conditions for companies in all countries to access international commodity and securities markets.

However, the author believes that certain criteria set by the standards regarding the capitalization and accounting of costs for long-term tangible and intangible assets obtained through purchase or created through the company's own efforts raise controversial points. One of the controversial points in the standards is the recognition and accounting of borrowing costs. According to IAS 23, if a qualified asset has been brought to the necessary location and condition for use (or for intended use) according to the management's intention, capitalization of borrowing costs, i.e., recognition, is stopped, and the remaining costs are recorded as current expenses. This rule also applies to qualified short-term assets (inventories). Additionally, administrative expenses, costs of raw materials, materials, and labor, as well as losses exceeding normative values related to the creation of long-term assets, are not allowed to be capitalized. Another controversial point is the prohibition of capitalization of research-phase costs related to the creation of intangible assets under IAS 38. Such normative decisions lead to a deterioration in the current financial results of companies.

The recognition, initial and subsequent measurement of financial assets related to financial instruments are regulated based on the provisions of IFRS 9. The standard requires all types of financial assets to be initially recognized at fair value plus transaction costs. The author believes that the measurement rules for initial recognition of financial assets established by IFRS 9 are useful for accounting for dynamic changes in the financial instruments market and reflecting their results in financial statements, and do not create any significant points of contention. However, the author also notes that there is a need for further improvement in the approaches related to the classification, recognition, initial, and subsequent measurement of financial assets.

During the period between the initial valuation and the cessation of recognition of assets, methods for measuring at cost and revalued amounts, along with accounting models, are applied (Table 4).

Table 4. A comparison of long-lived asset accounting models after initial recognition

	Cost accounting model	
	(a) Balance value > Cash value	**(b)** Balance value < Payment value
Impairment of an asset – first check	Dt Profit & Loss Kt Fixed assets	
Impairment of an asset – second review		Dt Long-term asset Kt Profit and loss
	The revaluation model of accounting	
	(a) Book value >Rated value	**(b)** Book value < Revised value
Reassessment – first	Dt Profit & Loss Kt Fixed assets	Dt Fixed assets Kt Revaluation reserve
Revaluation – second	• **if (b) occurred first:** Dt Revaluation reserve Dt Profit & Loss Kt Non-current assets – *decrease exceeds reserve* • **if first there was (a):** Dt Fixed assets Kt Profit and loss Kt Revaluation reserve – *increase exceeds loss*	

Source: author's work based on research results

According to the author, the application of two alternative accounting models for the subsequent measurement of long-term tangible and intangible assets does not align with the principles of comparative information formation and conservatism.

When measuring financial assets, the difference that may arise between their fair value/amortized cost and carrying amount should be reflected in the capital and/or profit or loss. Although the criteria for cessation of recognition and the methods for determining and accounting for the results arising from cessation are quite complex in international standards, they are of a pragmatic nature.

The valuation rules for inventories are regulated by IAS 2. According to the standard, after initial recognition, inventories are measured at the lower of two amounts: cost or net realizable value (NRV). The first value is historical cost, and the second is the accounting quantity. For long-term assets held for sale, the initial valuation is determined under IFRS 5, which measures these assets at the lower of their carrying amount or fair value less costs to sell. Both standards are based on the principle of conservatism: if the carrying amount of an inventory is lower than its net realizable value/fair value, the difference should be reflected in profit or loss. In subsequent periods, any reversal of the loss should occur only to the extent that the net realizable value/fair value exceeds the carrying amount.

The dissertation's author’s empirical tests on the alternatives established by standards in terms of valuation and subsequent accounting models for different types of assets show that they affect companies' financial position and performance results in various ways. In practice, the application of the current valuation base and rules for some asset groups is difficult, as they rely not on actual facts but on assumptions and various hypothetical methods, requiring considerable costs or, in many cases, making their implementation impossible. Despite assets within the same group, the existence of alternative valuation and accounting models necessitates changes in accounting policies, which creates potential conditions for manipulation and makes comparisons between companies more challenging.

8.Improvement and Development of Asset Classification, Valuation Basis, and Accounting Methodology

In the dissertation, the issues related to the development of asset classification, valuation, and accounting methodology are approached systematically, based on the theoretical and practical concept of determinism. For each direction, relevant provisions and assumptions have been put forward, and concrete proposals for their implementation have been substantiated.

According to the author, the evolution of asset classification should proceed in the following directions:

- Meeting the information needs of a group of users interested in economic benefits; and
- Meeting the information needs of society in the interest of social and ecological benefits.

In the first direction, the dissertation substantiates that changes could or should be made to the structure of the existing items of assets. It is noted that the current form of the statement of financial position, which contains only 15 line items, is insufficient for evaluating the financial condition of companies. Furthermore, the inclusion of 4 of these items under the "other" category increases the uncertainty of the report's information. Therefore, the reduction or elimination of these items is deemed necessary.

The dissertation argues that a separate item should be included in the statement of financial position to reflect information on costs related to capitalized and non-capitalized expenses during the capitalization stage for tangible and intangible assets. Such information is essential for investors and creditors to track the company's development strategy, analyze the dynamics of funds allocated for development over the years, and assess their performance. It is also considered appropriate to separately present information on capitalized and non-capitalized investments/expenses directed toward the acquisition and creation of assets at the accounting level. This distinction is necessary to evaluate how effectively companies are creating new assets from their invested resources, their activity in innovative sectors, and the outcomes of these efforts.

According to the requirements of IAS 38, the accounting of intangible assets (IA) with known and unknown useful lives should be conducted under separate classification items.

According to the author's research, the classification items provided in the Regulations are insufficient for accounting for all types of TTA (Tangible and Intangible Assets), and there is a need to expand them. Based on the research, it was concluded that materials related to the exploration and assessment of natural resources should be classified under QMA (Fixed Assets) and TTA within their frameworks, rather than under the "natural resources" category.

In the current Chart of Accounts, under the section "Investments accounted for using the equity method," investments accounted for using the equity method are classified into two categories: investments in subsidiary companies and investments in joint ventures. However, since the term "subsidiary company" implies a parent-subsidiary relationship and accounting for subsidiary companies is carried out using the acquisition method, it is justified that this section should be renamed "Investments accounted for using the equity and acquisition methods," and investments should be classified into the following groups: (a) Investments in associate companies; (b) Investments in joint ventures; and (c) Investments in subsidiary companies.

In the second area, the necessity of considering assets as part of the social accounting category has been substantiated. It has been shown that the current accounting-reporting system has evolved into a closed, pragmatic information system for the companies themselves and groups with economic interests. The classification should provide information to society about the composition and quantity of assets held by companies in the social and environmental protection sectors. Therefore, the existing classification needs to transform from being purely an economic (financial and management) mechanism tool into an economic and socio-ecological mechanism tool. At the same time, information formed through accounting and reporting that has a socio-ecological content should become the subject of external audits and, in general, the object of public control. This is necessary and inevitable for all societies aiming to acquire the status of a social and green-oriented economy.

In addition to the existing accounting, the granting of a social status has been extensively researched in the literature over the past 40-50 years. However, there have been virtually no real proposals and recommendations on a specific classification group, indicators system, and their measurement and evaluation in this regard. Social accounting has primarily been accepted as accounting that forms information on environmental pollution, and the indicators and evaluation methods have only been proposed in this context. In the author's opinion, in this context, the focus should be on accounting for the assets created and obtained by companies in the field of environmental health, i.e., green economy, reflecting them as a separate classification group, evaluating and recognizing them in financial reports. The development of social-ecological accounting in this direction is necessary. Information formed within the framework of social-ecological accounting is needed for the evaluation of companies' activities by society in addressing global problems such as the differences between wealth and poverty, unemployment, increased levels of environmental pollution, extinction of many species of flora and fauna, and the spread of dangerous diseases like COVID-19.

The dissertation argues that the labor resources under the control of companies should be included in their asset composition. There is a sufficient body of research, proposals, and recommendations in the literature that are practically applicable in this regard. However, these proposals and recommendations have not yet been directly reflected in the national accounting and reporting standards of any Western countries or other countries, nor in the International Financial Reporting Standards. The paper reveals the methodological and practical aspects of classifying labor assets controlled by companies as "assets and liabilities," rather than "expenses and liabilities," in accounting and reporting.

The conducted research as a whole suggests that the assets under the control of companies should be classified not only as carriers of economic benefits but also as carriers of social-ecological benefits. Considering this, a different classification of assets in financial accounting and reporting has been developed.

The paper argues that regardless of the category to which the asset is qualified, all expenses related to borrowings, administrative and general invoice costs, the equivalent price of the payment when assets are purchased, the interest amounts arising between the equivalent price and the total payment made in cash, as well as costs for materials, labor payments, and other resources exceeding the norm, and losses incurred during the creation of the asset by the company itself (if such losses are due to reasons not directly related to the company's own activities) should be capitalized and recognized as part of the initial value of the assets. The following arguments can be made in support of this assertion: first, failing to capitalize the considered expenses and writing them off as periodic costs reduces the initial value of assets acquired or created through investments; second, it increases losses from regular operations or decreases the total profit, as well as reducing the amount of profit tax; third, it lowers the responsibility of the personnel managing the company's direct investment activities; fourth, by reducing the total capital volume, it worsens the ratio between the company's capital and liabilities, and so on.

One of the issues that needs to be addressed within the framework of subsequent valuation models is the selection of criteria for determining the range of relative quantities within which the decrease or increase in the value of an asset can be identified. Currently, the relevant standards do not specify any criteria, or in other words, specific relative quantities in this area. In the author's opinion, the accounting and reporting system should respond to and reflect the increase in the balance value of assets when the annual inflation rate changes between 10-50%.

The dissertation states that to determine the decrease in asset value, it is advisable to use a single indicator as the payment value, i.e., the fair value indicator after subtracting selling costs. The issue lies in the fact that the usability of the asset is of a purely predictive nature, carrying risks such as changes in interest rates, currency exchange rate fluctuations, changes in the prices of products produced or services rendered from the use of the asset, and so on. These risks can ultimately affect the amount of total and discounted net cash inflows. Taking all

of these factors into account several years (for example, 5 years according to IFRS 13) in advance and determining the payment value based on this information is not flawless in terms of reliability. As events influence the established quantity, adjustments must be made to that quantity, which adds additional challenges.

Another alternative indicator that could be used to determine the payment value—the fair value indicator—is not without its flaws either, as it also has a hypothetical nature. However, fair value is less risky than the previous indicator because it can be determined based on market data. Determining the value of an asset based on the market is considered more reliable. In the absence of a primary market for the asset, the organization can also turn to another more advantageous (useful) market to assess the fair value.

Regardless of how it is classified, all borrowing costs must be included in the initial (cost) value of inventories, provided that such costs meet the criteria proposed by us. Despite the subsequent valuation of inventories, the rule established by IAS 2 (International Accounting Standard) stems from the requirements of the prudence principle: inventories must be measured either at cost (when the net realizable value exceeds the cost) or at net realizable value (when the cost exceeds the net realizable value of the inventories) after initial recognition. We believe that this rule, defined by the standard, is appropriate because profits arising or potentially arising from price increases are unrealized gains.

Regarding financial assets, it can be stated that the principles and methods of their initial and subsequent measurement, as well as the valuation principles applied at the time of derecognition, established by IFRS 9 (International Financial Reporting Standard), represent a mechanism that reflects reality from both a methodological and practical perspective. However, the imperfections of the financial market, frequent changes in the supply and demand for financial assets, and the specific characteristics of the business environment in which a company operates create challenges in determining fair value. Moreover, the low objectivity of accounting information regarding the value of financial assets, the lack of an exact algorithm, methodological tools, adequate information, and software support for

determining the fair value of financial assets also hinder the determination of fair value. In the author's opinion, the algorithm for valuing financial assets should include the following stages:

- Determining the company's business plan;
- Selecting and implementing an appropriate business model for managing financial assets;
- Choosing and applying valuation criteria corresponding to the selected business model.

Research indicates that complex and dynamic changes occurring in the economy, the creation of new standards to address these changes, and the continuous improvement of existing ones necessitate the modification and development of accounting methodologies designed for the country's commercial organizations. The development of asset accounting methodologies has been examined and determined through three aspects:

1. The formation of accounting methodologies based on the activities of companies in the field of socio-environmental issues.
2. The development of accounting methodologies in relation to the provisions of standards.
3. The restructuring of accounting methodologies directly stipulated in the regulations.

For each direction, specific methodological and practical proposals and recommendations have been developed within the dissertation work.

9. A new approach to the essence and function of asset depreciation and the development of a corresponding accounting methodology.

The concept of "depreciation" occupies a significant place in the terminology of all economic sciences. However, its essence and function are not uniformly understood or interpreted in these disciplines, and it is often used interchangeably with the concept of "obsolescence." Are "depreciation" and "obsolescence" synonymous, or do they have different semantics? There is no unequivocal answer to this question in general economic and accounting literature.

Some authors consider obsolescence as a prerequisite for depreciation, implying that if obsolescence did not exist, there would be no need for asset depreciation at all. The incorrect or unclear interpretation of the essence, content, and purpose of depreciation and obsolescence in the literature, as well as the improper foundation for their accounting, has led to several economic, financial, methodological, and technical accounting problems, many of which still persist today.

As a result of the research, the author has concluded that calculating the obsolescence of long-term assets through depreciation amounts and analyzing or evaluating their technical level based on these amounts is fundamentally flawed. This is because no accounting method can accurately determine the degree of physical or moral obsolescence of any asset. Therefore, the concept of "obsolescence" should not be used or treated as a subject of study within the accounting and reporting system.

The work substantiates that asset depreciation should be viewed purely as an economic or financial indicator. This is because the repayment of assets during their useful life is not related to their degree of obsolescence but is directly tied to the necessity of recovering the initial costs or funds invested. It is through this process that real financial assets, namely cash, are generated.

However, the accumulation or repayment of such financial assets should not be based on the principle established in International Standards—that is, the principle of systematically allocating the depreciable amount over the useful life of the asset. Instead, it should be based on the principle of repaying the capitalized costs of assets over a period beneficial to the company and its investors. When calculating depreciation in accounting, the criterion should not be the "useful life of the asset" but rather the "beneficial period of cost recovery for the asset."

The current practice of accounting for accumulated depreciation in liability accounts and writing off these amounts using entries such as Dt 102-1, 112-1, 122-1, and Kt 101, 111, 121 does not necessarily indicate that these amounts have been reinvested. Accumulated

depreciation—that is, the repaid amounts for long-term assets—should be reflected not as funds or reserves but as incoming real cash.

Although several authors have criticized the practice of accounting for depreciation in liability accounts in recent times, they have not explained how the problem can be solved nor proposed any specific accounting methodology.

Our research, analysis, and observations provide grounds to argue that the accounts that record depreciation should be active accounts, not liability accounts. In this case, the accounting methodology for depreciation proposed by us can be applied.

The proposed methodologies for accounting for depreciation solve the following problems:

- ✓ The proposed methodologies are based on a model of long-term assets – depreciation – expenses (costs) – payment (cash). In this model, the accumulation of payments/depreciation in the form of cash enables the rejection of liability accounts. As a result, the previously existing methodological and technical difficulty (the inability to reconcile funds accumulated in reserves with active accounts, i.e., accounts that record investments) is completely eliminated.
- ✓ The proposed methodology allows for the control of the amount and movement of the paid portion of the initial value of long-term assets.
- ✓ The proposed methodology makes it possible to determine the residual (book) value of long-term assets at the end of each month, and as a result of this determination, there is no need for the abstract accumulation of depreciation in liability accounts.
- ✓ By applying the revalued value accounting model, when revaluing long-term assets, there is no need to revalue accumulated depreciation, as the proposed accounting methodology does not form information about accumulated depreciation. It ensures that long-term assets are reflected in the balance accounts (101, 111, 121) only with their residual (book) value.

CONCLUSION

Based on the research conducted on the theoretical and methodological problems of asset accounting, the following conclusions have been drawn and recommendations have been made:

1. Throughout all periods, the main purpose of accounting has been to form information about the economic activity of institutional units. However, changes in the composition and requirements of information users in terms of time and space have led to certain changes in the theory and methodology, which serve as the technology for realizing this objective. This has made the adequate updating and development of accounting theory and methodology in line with the economic and social conditions an objective necessity.
2. Modern accounting theory and methodology base information on concepts such as Assets, Capital, Liabilities, Revenues, and Expenses. These concepts form the foundation of accounting terminology and practice applied in companies. Although these concepts are common objects of study for economic sciences, they are not universally understood or interpreted in the same way in these disciplines. Resources that carry the same essence and function are referred to as capital in economic theory and functional economic sciences, while they are called assets in accounting theory. The income derived from the use of resources is explained in different syntaxes in terms of its essence and composition. All of this complicates the economic language and its terminological base, making it difficult to form a universal system of indicators to determine and assess the efficiency of the use of assets available to companies.
3. The study of the documents and accounting literature that form the conceptual basis of the accounting system in Western countries shows that the definitions of assets not only form the foundation of the existing theory and methodology of accounting but also serve as a basis for the transition from grammar and semantics to pragmatics within that system. These definitions characterize assets only as sources of economic benefit, excluding

labor resources under the control of companies from the composition of assets and disregarding their role in generating economic benefits. According to the author, the conceptual foundations and standards that treat labor costs and liabilities as elements leading to a reduction in capital ultimately contribute to the emergence of unemployment in society and deepen the gap between wealth and poverty.

4. This suggests that the theory of asset accounting should be based on a different concept, where assets are not only considered resources that provide companies with profits and net cash flows and increase their capital but also resources that serve as material and financial means to solve society's economic and socio-ecological problems. Based on the research conducted in this area, the author considers it appropriate to define assets as follows: Assets are economic resources, including labor resources, that are under the control and use of the company and have the potential to bring future economic benefits to the company while also providing material and financial means to address society's socio-economic and ecological problems. In the financial position report, the recognition of assets is recommended based on two criteria: 1. The object aligns with the definition of an asset (as formulated by the author), 2. The value of the object is formed based on the determinations of the relevant standards.
5. In the context of cause-and-effect relationships, concepts have been formed around the elements of accounting and reporting – capital is the source of resources; or capital generates profit, and ultimately, capital is the cause, while resources are the result; revenues and expenses are the cause, and assets, capital, and liabilities are the result. The groundlessness of such concepts is supported by the following arguments in this work: objects referred to as assets are real, empirical things, while objects referred to as capital and liabilities are abstract concepts; all other elements can only be valued based on assets; economic and social benefits are created by assets, together with labor resources; property rights can only arise when assets are recognized. Thus, in accounting theory and practice, capital and liabilities should be

understood not as the source of assets, but as property rights over assets.

6. The theory and methodology of accounting should be viewed as a system of conceptual and pragmatic approaches, principles, and methods that create an information system for making decisions that allow for the efficient use of limited economic resources to solve socio-economic problems. The research has shown that the theory of asset accounting, formed on the basis of philosophical understanding, creates not just concepts but a concept, forming a category-concept apparatus and explaining the concepts. However, it is emphasized that the definitions and explanations of concepts should not be accepted as immutable; the semantics and recognition criteria of the "assets" concept, upon which the modern accounting reporting system is built, should be improved and developed based on rational epistemology, taking into account both corporate and societal interests. The methodology of accounting should convert the concepts established by theory into information with a certain content and structure. The methodology should be formed through both deductive and inductive/empirical approaches. In this case, the empirical methodology should be applied not as an experience-methodology scheme, but as a facts-methodology scheme.
7. The critical generalization of the research and discussions around paradigms in accounting science indicates that the propositions and theses put forward as paradigms for the accounting and reporting system do not meet the criteria for paradigms. At best, they represent interpretations of the spiral, cumulative stages of accounting development. Therefore, viewing this kind of development as a historical approach is scientifically and practically unfounded. It is concluded that the theory and methodology in the accounting system cannot develop within the framework of the paradigm concept.
8. The normative (prescriptive) nature of the theory of asset and other element accounting implies that the methodology and methodological elements must also be normative (prescriptive). The outcomes of applying a normative theory and methodology

should be explored, studied, and evaluated with the help of a positive theory. However, this does not mean that the development of prescriptive theory and methodology should rely solely on the positive approach, i.e., practice. In the author's view, when formulating the definition of a concept or element and shaping the methodology for creating information about it, one should rely not on judgments based on facts but primarily on rational epistemology, which involves a more deductive approach.

9. Principles should be understood as the most general methodological rules that are based on universally accepted, developed, and applied standards, methods, and procedures used to form information about accounting and reporting objects/elements. Referring to this criterion, the author accepts the existence of four basic principles within the accounting system. It has been demonstrated that these principles cannot be created on a normative-legal basis. They do not determine the usefulness of the information, and there is no connection between their influence on the reliability and truthfulness of the information or the cost-effectiveness of the information.
10. One of the essential elements in forming structured financial information is classification. The theory-methodology-practice framework of classification is a means of grouping and systematizing the nature, composition, and quantities of items related to accounting elements within the context of ownership rights. In this regard, although the classification of assets in the Chart of Accounts and the financial position statement forms for commercial organizations generally aligns with the requirements of IAS 1, several issues have been identified and their content has been explained. It has been substantiated that improving and developing the classification of assets in two main directions is necessary: (a) to meet the information needs of users interested in obtaining economic benefits, and (b) to meet the information needs of society aiming to achieve social and ecological benefits. The classification developed by the author can be used in this area.
11. According to the author, conducting the initial and subsequent valuation of assets in the accounting system based on a normative

approach allows for intercompany comparisons at regional and international levels, facilitates unified auditing of accounting and reporting on a single theoretical-methodological basis, aids in the unification of national standards, and ensures companies' access to international commodity and capital markets. However, some problems have been identified within the existing valuation concepts and bases. Based on the research, the author concludes that regardless of whether an object is qualified as an asset or its level of readiness for use, all costs related to borrowings, administrative and general expenses related to the creation of assets, interest arising from deferred payments, as well as losses from materials, wages, and other resources not directly related to the activity or inactivity of the organization during its self-creation, and the costs incurred in the research phase of creating intangible assets, which ultimately form the basis for recognizing the intangible asset, should be capitalized and recognized as part of the asset's initial/historical value.

12. Standards recommend the valuation of long-term assets after initial recognition based on either the cost model or the revaluation model. While the identification of these two alternative models provides flexibility for companies in the field of accounting and reporting, their application creates several methodological and practical controversies. For instance, the difference resulting from the asset's settlement value exceeding its book value is not reflected in the cost model of accounting, while in the revaluation model, the increase in both the book value of long-term assets and the capital quantity is shown. This rule prevents objective comparisons of the financial position, performance, and cash-generating ability of companies using different accounting models. As a result, the conceptual framework and individual standards' requirements are not fully complied with in ensuring the comparability of financial information, leading to the formation of different approaches by external users towards companies.
13. The methodology of asset accounting does not provide full information within the framework of classification, valuation, and

disclosure required by specific standards. Furthermore, as changes in the legal-normative base of business occur, the necessary modifications in the chart of accounts, an essential document for applying accounting methodology, are delayed. The existing accounting methodology does not form information that reflects the social and ecological aspects of companies' activities, leaving these aspects obscure to the broader public. It is advisable to use methodical and practical recommendations and concrete proposals to address these deficiencies, develop accounting methodology, and transform it into the social-ecological sphere.

14. Although the nature, function, and accounting methodology of asset amortization have been widely discussed in the literature, no consensus has been reached on these aspects. In general economic and accounting literature, as well as in normative documents regulating accounting and reporting, "amortization" and "wear and tear" are often treated as synonymous concepts. The accounting methodology applied according to this approach has led to the loss of control over cash flows within the accumulated amortization amounts, which are considered as a real investment source for long-term assets. Based on the research, the author argues that amortization for long-term assets should be calculated not based on their useful life, but on the useful payment period corresponding to the costs incurred in their acquisition or creation. Based on this principle, the author proposes that the accounting methodology for amortization be established within the assets-amortization (costs/expenses)-payment (cash flows) model. A new alternative accounting methodology is proposed based on this model.

The main content of the dissertation is reflected in the following scientific works:

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12. “Aktivlərin uçot və hesabatda təsnifatının nəzəri–praktiki məsələləri” // Azərbaycan Dövlət İqtisad Universitetinin Elmi Əsərləri jurnalı, Bakı, İl:5, Cild 5, – Yanvar – Mart 2017, s.37–51.

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Əlaqə üçün: capevi@internet.ru Tel.: +994552012809