

8. The issue of accounting of imported goods in Ukraine in terms of exchange rate volatility

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Introduction. The exchange rate has an effect on the operating profits of companies in globally competitive industries. The international trade surplus or deficit are affected by exchange rate volatility both in direct and indirect ways. Therefore, the issue of imported goods accounting in terms of exchange rate volatility became particularly acute.

Materials and methods. Information base of the study is the International Accounting Standard (IAS) 21, The Effects of Changes in Foreign Exchange Rates. Such native and foreign scientist as V. Baramia, E. Belinska, O. Patsenko, F. Rohach, I. Spivak studied the problems of exchange rate volatility. G. Bednarchuk, O. Bondareva, L. Kadurina, Y. Kuzminsky, M. Strelnikova, T. Voitenko, contributed greatly to the issue of accounting of import operations. Their scientific developments were the basis for our study.

Results. The price of imported goods is closely related to the exchange rate. The appreciation of the national currency increases the prices of national goods and services on the world market, which causes a decrease in their export. The inflow of imported goods increases since their prices expressed in national currency are falling.

An exchange rate is the value of one nation's currency versus the currency of another nation or economic zone. The exchange rates of different currencies are constantly changing. Due to changes in exchange rates, exchange rates differences arise. International Accounting Standard (IAS) 21 defines exchange difference as "the difference resulting from translating a given number of units of one currency into another currency at different exchange rates". The positive exchange rate difference is accounted by using sub-account 714 "Income from operating exchange rate difference" and the negative exchange rate difference is shown on the sub-account 945 "Loses from operating exchange rate difference".

The value determined by the contract price of imported goods is in foreign currency. The contract value is converted into hryvnia at the NBU exchange rate in order to be able to credit the imported goods to the balance sheet of the enterprise. The order of such recalculation depends on the event that will take place first: posting of goods or prepayment for goods.

In the first case with a non-resident: receipt of imported goods. This calculation of the cost of goods will be carried out at the rate of NBU which was on the date of the transaction. However, there are also cases when the whole batch of goods is accounted for with a partial prepayment and only then the rest money is transferred to the non-resident. Then the initial imported goods will consist of an amount equal to the prepayment (in UAH at the NBU exchange rate on the date of partial prepayment) and the remaining value of goods (in UAH at the NBU exchange rate on the date of posting).

Conclusion. The competitiveness of goods in international market is influenced both by factors of production and exchange rate volatility. Changes in exchange rates also lead to changes in the prices of goods imported by such countries.