

# РАЗДЕЛ II. ПРОБЛЕМЫ ЭКОНОМИКИ И УПРАВЛЕНИЯ НАРОДНЫМ ХОЗЯЙСТВОМ

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## КЛАССИФИКАЦИЯ ОСНОВНЫХ ПОЛЬЗОВАТЕЛЕЙ БУХГАЛТЕРСКОЙ ИНФОРМАЦИИ

*Аннотация.* Бухгалтерский учет играет значительную роль в мире бизнеса, способствуя получению информации, необходимой нескольким группам людей, которые называются пользователями бухгалтерской информации. Статья содержит классификации пользователей бухгалтерской информации и обзор причин использования ими бухгалтерской информации. В частности, что пользователи хотят получить от этой информации, определение для них ее роли и преимуществ. Исследование показало, что люди и организации, являющиеся пользователями бухгалтерской информации, нуждаются в различных ее видах: о всех хозяйственных операциях и событиях. Классификация и анализ бухгалтерской информации способствует определению пользователем выгод этой информации, а также влияет на процесс принятия решений, касающихся финансового положения и хозяйственной деятельности коммерческих организаций. Сделан вывод, что без бухгалтерской информации надлежащего качества процесс принятия решений трудно реализуем.  
*Ключевые слова:* бухгалтерский учет, бухгалтерская информация, внутренние пользователи, внешние пользователи, принятия решений.

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## CLASSIFICATION OF MAIN USERS OF ACCOUNTING INFORMATION

*Abstract.* Accounting plays a significant role in the world of business, through its contributing to obtaining information, required by several groups of people called users of accounting information. This article is focused on the classification of users of accounting information on the outlining

of reasons they use this information and what they want to get from this information as well as on the definition of its role and advantages. This study has shown that both individuals and corporate users of accounting information needs its various kinds and for instance, all business transactions and events. The classification and analysis of accounting information facilitate the users defining its benefits as well as influence decision making processes pertaining to financial positions and economic performance of business companies. Otherwise stated, in the absence of proper accounting information, decision making would be hardly feasible.

*Keywords:* Accounting, Accounting information, Users of Accounting Information, Internal users, External users, Decision-making.

Sometimes the impression is given that the purpose of accounting is simply to prepare accounting reports on a regular basis. While it is true that accountants undertake this kind of work, the preparation of accounting reports does not represent an end in itself. The ultimate purpose of the accountant's work is to give people better information to base their decisions on [4, p. 2].

Accounting is the "language of business" and an instrument to give business accounting information to users. It can be defined as an "information system that provides reports to users about the economic activities and condition of a business" [7, p. 3].

The goal of accounting as an information system is to provide information, which meets the needs of its users. Clearly, these should be specified in accordance with the theory of user's requirements [3, p. 17].

Accounting is concerned with collecting and analyzing accounting information. This information is useful for those who need to make business decisions and plans, including those who need to control them [4, p. 2].

Therefore, for accounting information to be useful, the accountant must be aware of users who the information is being prepared for and purpose which the information will be used for. There may be various groups of people (known as 'user groups') with an interest in a particular organiza-

tion, in the sense of need to make decisions about it [4, p. 3].

The people who use accounting information to make decisions can be divided into three categories [1, p. 10]:

1. Those who carry on business.
2. Those outside a business enterprise who have a direct financial interest in business.
3. Those who have an indirect financial interest in business.

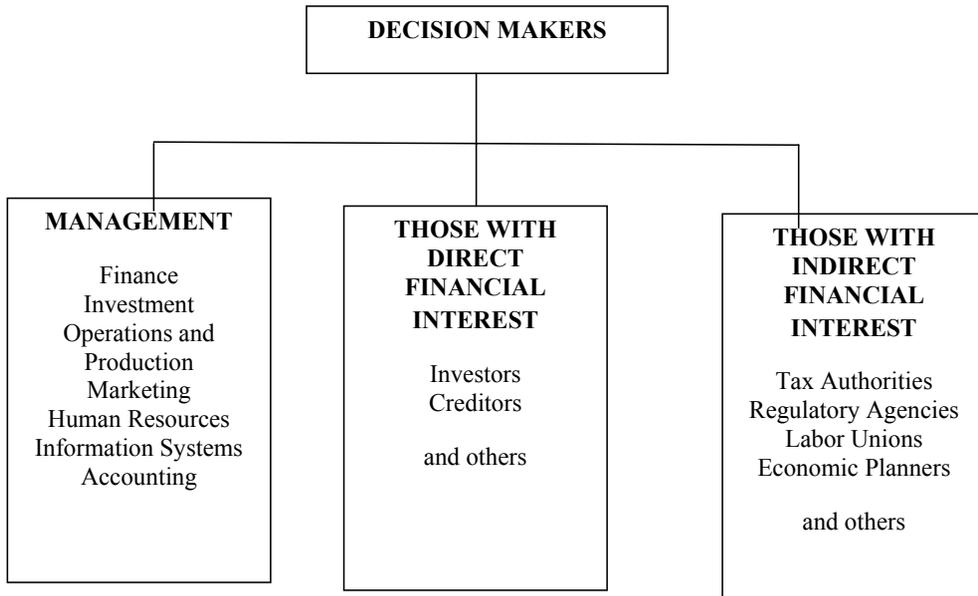
These categories apply to governmental and not-for-profit organizations as well as to profit organizations.

The figure below shows the Users of Accounting Information

1. **MANAGEMENT:** these users are often just referred to as managers. Managers are involved in a variety of activities, including planning, operating, and control. These activities involve making decisions both on an individual basis and in teams.

Management also refers to people who are responsible for carrying on business and guaranteeing its profitability and liquidity. In a small business, management may consist only of the owners. In a large business, management usually consists of people who have been hired to do the job. Managers must decide what to do, how to do it and whether the results match the original plans [1, p. 10].

**FIGURE 1**  
**The Users of Accounting Information** [1, p. 11]:



The area of accounting that provides internal users (management) with information is called managerial accounting or management accounting. The object of managerial accounting is to provide relevant and timely information for a manager [7, p. 3].

Management accounting focuses on the information needed for planning, implementing plans, and cost control. Managers and executives who work inside a company have access to specialized management accounting information [8, p. 8].

Often, such information is sensitive and is not distributed outside the business. Examples of sensitive information might include information about customers, prices and plans to expand the business. Managerial accountants employed by a business are employed in private accounting [7, p. 3].

In addition to using management accounting information available only to those within the firm, management of

a company can use general financial accounting information that is also available to outsider users [8, p. 10].

Because many key decisions are based on accounting data, managers are one of the most important users of accounting information. In a decision making process managers perform functions that are essential to carrying on business. Although large business has more elaborate operations than small, the same basic functions must be performed, and each requires accounting information to make decisions [1, p. 11].

The basic management functions are:

**Business funding:** a finance function designated for corporate finance managing.

**Investing resources:** investing assets in production funds to reach company's goals [1, p. 11].

**Operations and production function:** the operation and production function are producing the products or services that an organization provides to its customers.

Marketing goods and services: distribution of goods and services related to marketing. Marketing product refers to advertising, and other efforts to promote products sales.

Human resources function: This function is concerned with insuring that processes are documented, employee records are properly maintained and filed, employees get paid, employment adds are placed along with many others daily activities that are essential to the smooth operation of the business. These very important functions must be performed accurately, efficiently and in time.

Therefore, successful managers consistently make the right decisions based on timely and valid information. To make good decisions, company managers need answers to such questions as:

1. What were the company's earnings during the past quarter?
2. Is the rate of return to the owners adequate?
3. Does the company have enough cash?
4. Which products or services are most profitable?
5. What is the cost of manufacturing each product or providing each service?

To answer these and other questions, users (management) need detailed information on a timely basis. For internal users, management accounting provides internal reports, such as cost reports, budgets and other internal reports. These reports often include non-monetary data (direct labor, unit of breakeven, etc.), as well as accounting information often needed for company segments being more likely future oriented than past oriented [2, p.15; 9].

**2. Users with a direct financial interest:**

Another group of decision makers who need accounting information are those holding a direct financial interest in a business. They depend on accounting to assess and control information about how a business has performed [1, p. 12].

These users are not directly involved in managing and operating the business, so they can be considered external users. The area of accounting that provides external users with information is called financial accounting. The goal of financial accounting is to provide external financial reports, included in the firm's annual report. The aim of such reports is to provide relevant and timely information used by individuals and organizations that have an economic interest in the business but are not a part of its management, in other words this information is used for decision making needs users outside of the business [7, p. 3–4; 8, p. 8].

Therefore, most companies periodically publish a set of general-purpose financial statements that report their success in meeting the goals of profitability and liquidity. These statements show what happened in the past, and they are important indicators of what will happen in the future. Many people outside the company carefully study these financial reports [1, p. 12].

We can describe the users with a direct financial interest as following:

– **Investors:** a large business may have many investors who are not the managers of the business. Some investors are the owners (shareholders) [3, p. 5].

Those stockholders who invest or may invest in a business and acquire a part of ownership are interested in its past success and its potential earnings [1, p. 12].

**Investors** want accounting information to help them estimate [3, p. 5; 8, p. 9]:

1 – Whether they should buy, hold or sell their investment.

2 – How much money they can expect to receive in the future if they invest in a business now, assess the ability of the business to pay them a return (known as a dividend).

Therefore, investors need to assess financial performance of the business organizations they have invested in to consider the risk inherent in, and return provided by their investments [5, p. 3].

Financial statements, referring knowledge of business plans, market forecasts, and the character of management, can aid investors in assessing future cash flows [8, p. 9].

A thorough study of a company's financial statements helps potential investors to judge the prospects for a profitable investment. After investing, they must continually review their commitment, by examining the company's financial statements [1, p. 12].

**– Creditors or lenders:**

Creditors provide goods, money or services to business organizations and accepted delays in payment or repayment. Creditors or lenders may be short-term or long-term. Short-term creditors include suppliers of materials and goods, normally described as trade creditors, credit institutions such as banks, which lend money at interest on a relatively short-term basis, and those who have provided services and are awaiting payment. Long-term creditors are those who have lent money for a long period, often in the form of secured loans [6, p. 20].

In cases of borrowing money from creditors, the creditors are always interested in a return to recover the original amount with interest [8, p. 9].

The main concern of creditors is whether or not the business is credit-

worthy, that is, whether it will be able to meet its financial obligations. Creditors are interested in the business's profitability only as far as it affects its ability to pay the debts. On the other hand, creditors are concerned with the company's liquidity, that is, those cash or near cash resources which may be mobilized to settle the debt [6, p. 20].

When company wishes to get a large loan from lender such as (banks, finance companies, mortgage companies, security firms, insurance firms, suppliers and other creditors) must analyze the company's financial position before they grant a loan [1, p. 12].

For example if any company wants to get a large loan from a bank, the lender will request the following types of information, allowing to know and evaluate whether the borrowing company is able to repay the borrowed amount, and the following information should be acquired [8, p. 9]:

A – the company's assets and liabilities list.

B – payrolls, tax returns, and other evidence of the company's income.

C – monthly payment details (car, rent, credit cards, etc.) the company's monthly charged and dues.

D – Copies of recent bank statements to document the flow of cash into and out of the company's accounts.

In essence, the bank would be asking the company for a balance sheet, an income statement, and a statement of cash flows. Similarly, banks use companies' financial statements in making decisions about commercial loans. The financial statements are useful because they help a lender to predict the future ability of the borrower to repay the loan.

Thus creditors are interested, mainly in financial accounting information evi-

dencing company's solvency, liquidity and profitability, as well as in the reports describing company's financial standing [6, p. 20].

– **Competitors:** business organization interested in knowing the relative profitability of competitors operations. They need accounting information because it may help to identify the strategic opportunities for marketing efforts and where potential profits are high or where a business competitor is weak. Therefore, business organization use accounting information available in financial statements to track their competitors and identify new opportunities to grow and use their market share in retail to increase their revenues in other ventures [8, p. 10].

– **Customers:** customers are interested in accounting information indicating the fairness of pricing policies, such as the relative proportion of unit price which consists of costs, profit and taxes, and in the difference in value of various products produced by the same company at a different price [6, p. 21].

Customers need accounting information because it helps them to assess the ability of business organization to continue carrying on business and to meet their current and future needs [4, p. 4].

– **Employees:** unless employees have a right to share the business organization income, they are effectively dissociated from these activities, if we suppose that the goal of the business organization is maximizing the accounting income and returns to shareholders [6, p. 19].

Employees are interested in financial accounting information for a variety of reasons; the most important of these reasons are the following:

1. Financial statement data is used in determining employees bonuses [8, p. 10].

2. Employees need accounting information to be aware whether the business organization has the ability to pay increased wages and benefits, and offer job security [2, p. 14].

3. Financial accounting information can help an employee to evaluate if the employer will be able to fulfill the long-run promises, such as pensions and retiree health-care [8, p. 10].

4. Employees are interested in accounting information, because they want to assess the ability of the entity to continue providing their remuneration and employment opportunities [3, p. 5].

5. Benefits related financial statements are also important in contract negotiations between labor unions and management [8, p. 10].

**3. Users with indirect financial interests:** In recent years, society as a whole, through governmental and public groups, has become one of the largest and most important users of accounting information [1, p. 12].

Users who need accounting information to make decisions on public issues include:

– **government authorities:** government agencies, such as tax authorities, central statistical services, ministries of commerce, industry, employment, etc., collect information about various aspects of business organizations activities. A considerable part of this information is the direct accounting result, for example, levels of sales activities, income, investments, inventories, liquidity, dividend levels, taxation, etc. This information is very important in developing policies for managing the economy [6, p. 20].

Government are interested in accounting information for a variety of reasons, the most important of the reasons are the following:

1. Governments need accounting information to calculate the amount of tax owing and whether the entity complies with tax laws [2, p. 14].

2. Governments need accounting information from business organizations to know whether financial support is needed. In making these decisions, an assessment of profits, sales revenues and financial strength should be made [4, p. 4].

3. As long as government has direct responsibilities of controlling the economy, the reliable financial data help to assemble the national economic statistics, used for a variety of purposes in controlling the economy [5, p. 3].

In addition government may demand disclosure of information such as future investment plans, expected future financial performance and other. However, government expect accounting information to be presented in a uniform manner, so that the rules applying to accounting methods and preparation of accounting reports to be used by a government should be the same as those governing the nature of accounting information disclosed to investors and shareholders [6, p. 20].

– **Local community:** business organizations activities influence local communities in a different ways [3, p. 5].

Local industries have both positive and negative influences on the locality. For example, pollution; despoliation and congestion are the negative aspects of the activities determine direct and indirect external social and economic costs, set by communities. Local communities have their interests in their local industrial activities, and require much more information about social benefits and costs and also the public-relations information, presently disclosed [6, p. 21].

Accounting statements (generally called “financial statements”) may give local communities the information about the trends and recent developments of the business organizations and the range of their activities [3, p. 5].

– **Other users:** there are also other users of accounting information considered indirect users having interests in business organizations, such as labor unions, who study company’s financial statements in order to prepare for contract negotiations; and company’s incomes and costs often play an important role in these negotiations. There are groups of financial analysts and brokers, insurance companies, lawyers and financial press who have indirect interest in business financial performance and prospects, and also there are experts in economics and finance who need accounting information in order to assist in business economic policies and programs assessment [1, p. 12-13].

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