

## THE COMPONENTS OF ECONOMIC RECORD AND THE RESEARCH OBJECT OF ACCOUNTING

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### ABSTRACT

**T**he study approaches issues of economic evidence and radiographs the three concepts through which can be defined the accounting object: juridical conception, economic conception, financial conception. At the same time, it researches the principles and specific procedures accounting method, ascertaining that besides specific procedures only accounting also it is appealed to general procedures for all disciplines, as well common procedures also other economic disciplines. The used method for this research is a meta-analytic one.

The conclusion is that, for increasing the confidence in unalterable image (registered data in time, concrete and complete information, accounting according with juridical base, applying with honest-minded of the economic-accounting rules and procedures), has to work according with principles and procedures.

**KEY WORDS:** accounting, object of accounting, accounting procedure, economic records, lucrativeness

## 1. SUBJECT AND OBJECT OF ACCOUNTING

Accounting practice has proven significance, being considered by the new dimensions of forecasting function as a growth factor. Through its calculation, accounting performs an activity of scientific exploration of the future with remarkable results both in the economic profitability, technological workability, and in that of the utility to promote new methods and techniques in management. In order to determine the economic sciences, accounting has its own area of research and it has always been made up of cash flowing values determined by the economic transactions that occur between economic units (Man, Dima & Mitran, 2010; Dima & Man, 2012; Dima & Vladutescu, 2012a). The information system is an organized grouping of complex economic information provided by and with certain data in order to better organize economic activities. An important role is the economic evidence that economic processes information and is structured in three forms: operative records, accounting and statistics. While operative records was born from the necessity of immediate knowledge of certain phenomena and processes, statistical evidence processed mass phenomenon, using statistical methods in this specific accounting has as a main object of study, patrimony. The subject of accounting can be defined by adding three different concepts: legal concepts, economic concepts and financial concept. The subject of accounting supports a lot of changes "in terms of opinions, behavior and attitudes" (Dima & Vladutescu, 2013b). Thus, according to legal concepts, accounting is the science that studies the evidence, calculation, analysis and control elements of the existence, status, movement and transformation of patrimony (Vlăduțescu, 2006a; Nowicka-Scowron, Dima & Vladutescu, 2012; Dima & Vladutescu, 2012b). The economic concept of this study concludes that accounting procedures relating to accounting, calculation, analysis and control of the existence, status, movement and transformation of capital. According to the concept of accounting, financial accounting studies records, analysis, calculation and control regarding the existence, state, movement and transformation of economic resources. The patrimony represents all the rights and obligations of economic value to a natural person or legal entity, and the referred assets. In the legal concept, the patrimony represents all the containing rights and obligations of the economic law of a subject. In the economic sense, the patrimony is considered to be economic assets expressed in money, including their use results which belong to an individual or entity (Vlăduțescu, 2007; Arhip2012; Arhip & Arhip, 2012). Taken together, the two approaches make up the economic and legal concept of patrimony, as it is a complex of rights and obligations in their money valuable elements (Vlăduțescu, 2002). The result is that in accounting, the patrimony is approached from two points of view, as, economic goods and, respectively, and as objects of rights and obligations. It follows that economic goods = rights and obligations. Obviously, between the two issues to address, in terms of value, there is an equal value. It can be seen that the object is to study accounting value movements expressed in money from all economic units, the use and reproduction patrimony components, establishing achieved economic-financial results. Economic means is the substance of the assets and liabilities substance patrimony resources and thus the general equation of double entry accounting is:  $HERITAGE ASSETS = LIABILITIES ASSETS$ . Accounting uses specific categories, such as the property or assets (means), and of resources within them in a special place returning capital. Flowing values are real values, meaning it represents movement goods, usually tangible. For instance, the delivery of goods from a supplier to a customer is a real flow. It is followed by a financial flow, or the payment by the client of the consideration in question. There are also streams of quasi-real values, such as the work performed by employees whose wages cash flow of the company employees. Value flows occur in the production, circulation and consumption placement in a full economic cycle. All these streams may receive monetary terms and are reflected by accounting them, being found in all parts of undertakings patrimony.

## 2. PRINCIPLES AND PROCEDURES OF ACCOUNTING

In order to establish an accounting system that accurately reflects how an occurred in patrimony unit moves, the practice has developed a system of accounting rules or principles to be followed to have a fair picture of the assets and liabilities, financial position and results (Vlăduțescu, 2006b; Man & Gadau, 2009; Vladutescu, 2012a).

In our country, the applicable accounting law, Law on Accounting and the Accounting Law Implementing Regulations, provide that official document in asset management unit of accounting, which must reflect a fair, clear and full of assets, financial position and results. The financial exercise in accounting means that the time period for which the amount of any property and the result is calculated (Vladutescu, 2008; Dima & Vlăduțescu, 2012c; Grabara, Voicu, 2013). These time periods are equal and separate the calendar year. In Romania, the fiscal year starts on January 1st and ends on December 31st. These principles are valid by law in our country, but from the diversity of principles and accounting rules and admitting that a principle can attack other principles derived to arrive at a group of generally accepted principles, which are: the honesty principle; the principle of autonomy of the enterprise; the principle of continuous exploitation; the principle of specialized exercises; the principle of stability of the currency; the historical cost principle; the principle of method maintenance; the precautionary principle; the principle of relative importance; the non-compensatory principle. The accounting method uses some procedures for reflecting and controlling all elements that compound its study object (Vlăduțescu, 2009; Vasile & Man, 2012; Dima, Man & Vlăduțescu, 2012). These procedures can be grouped like this: general procedures for all disciplines; common procedures also other economic disciplines; specific procedures only for accounting.

a) General procedures for all sciences are: observation is initial phase of research of object study of any science; reasoning is applied by accounting method to make new conclusions based on phenomena and processes that were observed; comparative suppose comparing of two or more phenomena and economic processes that can be value expressed, in order to establish correspondence and differences between them; classification is the operation of distribution, dividing, allocation on categories or in a certain arrangement, of objects or phenomena according to the differences between them; analysis is the procedure which is based on examination, on studying of each element apart; synthesis is based on passing from particular to general, from simple to complex, to get generalization (Voicu, 2013).

b.) Common method procedures and other economic disciplines are: documentation has importance for accounting because any economic operation to can be registered in accounting, must be recorded in an evidence document, special designed and standardized; evaluation represents economic operations expressing in currency; computation consist of using of some mathematics determinations to get some indicators used by accounting; inventorying is the procedure through which is compared the factual situation with recorded one.

c) The specific procedures of the accounting method are: the balance sheet, account and trial balance. The balance sheet, as a process of accounting method represents a fair picture of the patrimony over a determined period of time, no matter how diverse and complex it is in a particularly large volume (Man, Rivas & Gadau, 2011; Vlăduțescu, 2011; Măcriș, 2013). The account is a means by which they pursue accounting changes each asset and liability. Accounts work according to certain rules that depend on the economic content of each patrimony element which is attached to an account . The account has a specific structure : account symbol, explanation of the operation that took place and was recorded in turnover account, the account role which can be debit or credit, all the amounts in the account, the initial and final balance debtor and creditor and the account name (Dima & Vladutescu, 2013a; Vladutescu, 2013a). The trial balance is the process of checking the accuracy of the calculations and accounting records due to subjective

reasons errors which might occur. Documentation is a method of accounting method and assumes that every economic transaction that occurs as a result of a phenomena and processes that involve movement and economic transformation, is based on evidence . They are prepared on-site during and economic phenomena and processes (Dima & Vladutescu, 2012d; Vladutescu, 2012b; Vladutescu, 2013b). The documents are written papers, printed, recorded how many operations are taking place and not only the nature of the book, but statistical documents , financial management. Calculation is a process closely related to the assessment and the accounting help determine the production costs. Inventory is a widely used method accounting in which agreeable evident existence within the unit, with obvious management script, so at the end of the reporting period, reporting to the present works in real and true patrimony.

### **3. CONCLUSION**

Data recorded in the accounting records of economic operators must be consistent with the principles and procedures of accounting. This ensures law and create additional prerequisites for the development of healthy and profitable business processes.

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