

# CONSIDERATIONS OF FIXED ASSETS ACCOUNTING INFORMATION SYSTEM

Teaching Assist. Sorin-Sandu VÎNĂTORU, PhD  
Craiova University, Economics and Business  
Administration Faculty  
Craiova, Romania

**Abstract:** The present study aims to analyze the functioning of an integrated system comprising the essence of contemporary operations management, namely the methods of process improving in a representative and essential industry. The priorities of local management practices follows subjects such as the savings, efficiency, optimizing the resources usage, remove of dissipation, total quality etc. We analyze the challenges accompanying the efforts of some entrepreneurs to assimilate the principles of improving and to acquiring the lean organization status. This work deals with the processes improvements, respectively the applying of lean manufacturing tools and principles within the automotive industry in Craiova and in adjacent area. The immediate utility of the processes improvement principles comes from their contribution to profit growth (cost reduction) and also to improve the competitive position. The research is a directed investigation on the optimization programs and processes applied by a dozen of organizations working around the great producer operating in or near Craiova, and by analyzing the directions promoted on their own or under the coordination of the driver-company. The implementation of process improvements principles at Ford's supplier's network is one of the biggest objectives. The conclusions highlight the intentions and the achievements smoothing the philosophy of continuous improvement processes, the incumbent potential of these initiatives to eliminate the waste, but also some failures.

**JEL classification: M41, M42**

Key words: accounting management; accounting system; fixed assets; users

## 1. INTRODUCTION

Production, processing and, moreover, the use of accounting information (including that relating to the assets of the entity) is provided through a process that takes place in an organized manner in the accounting and financial reporting system.

The information used in the analysis are provided only ensuring a management accountant general, in case of an accounting information system, homogeneous and articulate, able to satisfy all of nature management decisions regarding assets.

According to some authors<sup>24</sup>, focus is on defining the information system as "a set of processes hierarchical information through intermedium which ensures linkage between the management system and driving system, the components of this system, the economic unit and overall economic and social system in order to achieve the unity of their targets consistent with the overall objectives of the company, with maximum efficiency."

---

<sup>24</sup> Iacob C., Pîrvu C., *Sistemul informațional contabil*, Reprografia Universității din Craiova, 2000, pag. 34.

## 2. RESEARCH METHODOLOGY

The sources of the data and interpretations proposed in this article are represented by the literature.

## 3. ANALYSIS AND INTERPRETATIONS

In our view, the focus should be on that within the economic entity's information system, the overwhelming majority of informațiilor (here including those related to assets) are collected, processed and handled on a carrier of information and forming what is commonly called economic system of the entity, which can be divided into three categories.

The technical and operational record system ensures timely and systematic recording of data characterizing the events and processes taking place in the various activities which, after an initial processing becomes operative conducerii information needed technical processes, production, economic and social. The key feature of this system is to locate records in time and space phenomena and processes that desfășoară in the various activities of the economic entity. In their primary form they do provide an overview and therefore are used as control information, especially for activităților leadership and functional entities as well as input for the development of works by senior executives. To ensure operational information management on intangible economic entity is required selection and processing of data in order to provide information sintetică that, by bringing them together, allowing the formation of a global picture on the course organization, the prospects achievement of objectives and rational use of resources.

Of most importance and efficiency, in our opinion, is the accounting system that processes data provided technical and operational records to present financial results of the economic entity for a certain period (month, quarter, year), the expression of the synthetic information regarding assets. The accounting system provides information particularly useful for analyzing and fundamentarea decisions being taken on the medium and long term objectives and future actions relating to property, and to develop measures to make best use of human resources and materiale financiare.

In our opinion, the management of any modern organization in all its forms of expression, feels more intense need for information, more varied, covering dynamic economic phenomena whose effects should be managed. In the process of substantiating the decision a special place financial and accounting information that is used primarily for the purpose entity management competence and performance management of business processes and, secondly, in view increasingly the character of its social, for a wide range of partners entities, called external users.

On economic information system in its structure, we can say that, between its three components (operating system, information system and decision-making system) connections in both directions, and between them and the external environment, as apparent from Fig. 1 and at the same time we can say that decision or management system fulfills the role of regulation and self-regulation of the business assets for materializing the general management objectives. The fundamental decisions, leading system provides coordination or driven operational system and process optimization connected, it led to internal and external environment.

Customizing our approach to the line carrying current assets, we believe that the real importance is the knowledge leader system response speed given the dysfunctional factors such as:

- circulation of information (selecting, processing and transmission on the entity's management) in terms of informational connections well articulated, will help improve system functionality, degree of reactivity line;
- elaboration of top management time required;
- notification of the decision and its practical materialization structures for specific action;
- the final equation that determines the adjustment increasing system functionality.

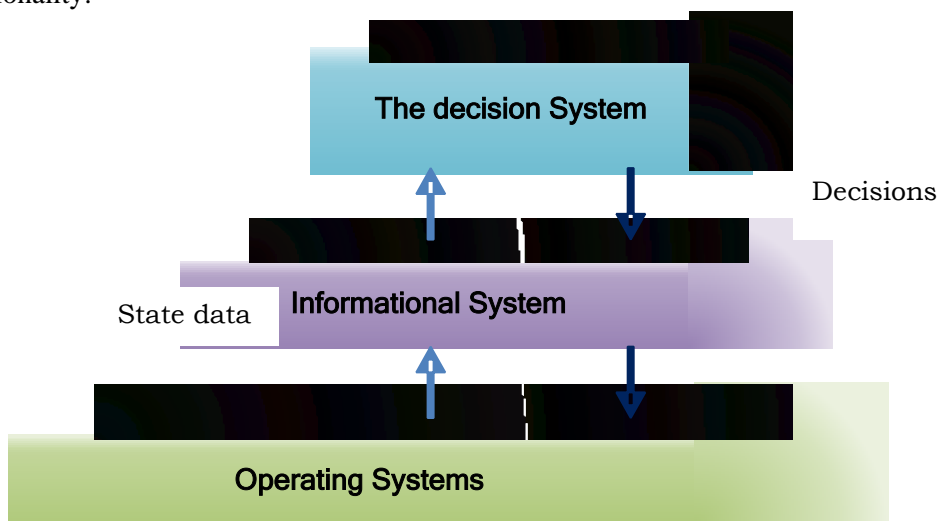


Fig no. 1. *Information networking subsystems of the organization*

In conclusion, brokerage depiction of fixed asset information system makes the objectives, internal structure and functioning to be influenced by the characteristics of other systems, namely general account management. This position makes the main objective of the information system to be represented by "providing a dynamic connection with the management system led by the achievement of all direct and inverse each other in constantly changing conditions."<sup>25</sup>

So, in a general sense, any entity can be viewed from the perspective of a system is to be effective, articulate, optimized and clearly defined objectives need to implement an advertising perspective informational structures able to collect, process and transmit appropriate required accounting information.

Whatever the diversity of ways of reporting, we expressed the view that the main way by which issuers offer transmit information to beneficiary's remains preparing and presenting financial statements. In this context, we note that assets are reflected separately in two ways, namely: on the one hand, in terms of net balance

<sup>25</sup> Boldea I., *Sistemul informațional și managementul entității*, București, 1998, pag. 23.

sheet value, on the other hand, in terms of the gross and separate motion depreciation (depreciation and adjustments) with explanatory note "Active".

As object of reflection by using financial statements, information on the assets are subject to the general requirements for the content and value of the accounting information. Levying different dominant factors, from the perspective of the creation and transmission of accounting information, imposed fundamentally different concepts in accounting, which relates to the fixed assets. Depending on how the government, other stakeholders of developments entity can constitute "a factor of counter-power"<sup>26</sup> and can have a notable influence in the foundation of accounting information.

Its importance lies in how dominant factor accounting exercise their powers plan, but also other secondary factors require choosing a particular accounting system and the recognition of certain accounting principles and bases of assessment that best respond to the aspirations of relevance and fair picture.

Unlike nature's immutable laws of physics or chemistry, accounting principles and concepts are developed by some national and international bodies and changes with the development of accounting theory and practice. Some new principles are created, others become obsolete and contradictory<sup>27</sup>.

The IASB's conceptual accounting framework, neutrality appears as a basic feature on the line to ensure the quality of published financial information. Thus, "to be credible the information contained in the financial statements must be neutral, ie free from bias. Financial statements are not neutral if the selection and presentation of information influence a decision or formulating a judgment to achieve a predetermined result or objective ".<sup>28</sup>

Compliance neutrality, although perceived as a quality criterion, we wonder to what extent can be materialized in conditions in which fundamental concepts distinctive approach to accounting, accounting information makes a resultant dominated by bias. Also in the same context, we believe that recognizing a particular user of accounting information will only deepen generate just such a bias, given that, admitting the existence of several categories of users whose information needs are heterogeneous neutrality is injured, by issuing a single set of financial statements.

Continuing this line approach and containing the spotlight on the fixed assets where the need to ensure the largest possible degree of transparency, loyalty and neutrality is determined by the heterogeneity of their potential, we adhered to the view that "the possibility of options, the choice between different methods and accounting treatments permitted within the same accounting system is the primary way by which the manufacturer exercises subjectivity of accounting information for a purpose".<sup>29</sup>

Addressing this issue in the literature, seen through the influence of socio-economic, political and legal various optical generates different categories of users of the financial information of an entity and the assets on.

Thus, we can base our approach on three criteria for the classification of accounting information seekers: to determine their placement entity; easy to understand and exploit this information by users, premise offered by the entity; modul

---

<sup>26</sup> Minu M., *Contabilitatea ca instrument de putere*, Editura Economică, București, 2002, pag.71.

<sup>27</sup> Iacob C., *Sistemul informațional contabil la nivelul firmei*, Editura Tribuna Economică, București, 2000.

<sup>28</sup> IASB, Cadrul de întocmire și prezentare a situațiilor financiare, paragraful 36.

<sup>29</sup> Minu M., *Contabilitatea ca instrument de putere*, Editura Economică, București, 2002, pag.74.

în care informațiile contabile, percepute și prelucrate anterior, pot contribui la sporirea performanțelor, aspect determinat și de gradul de omogenitate și sintetizare preexista  
easy to understand and exploit this information by users, premises offered by the entity.

a. The first criterion creates a "relatively simple structure", users can be divided into internal and external. In our opinion, real interest issues arising from this are determined by the way could be found "optimum information" so that some users nor not to be harmed in terms of synthesis-complexity ratio of accounting information offered about assets. In the same vein, the correct identification of external users and anticipating their needs objective information constitutes, in our view, a goal worthy of consideration.

Privileging external users (investors and creditors) on the "supply of information" does not imply the exclusion of the interests of other categories of users, because an imbalance appeared in demand financial information for the benefit of categories of users can lead to changing the position of others, General detrimental to the image of the entity issuing such information. Inclusion of investors and creditors in the category privileged users might be right if we think in particular the structure of financial statements that present information that is addressed with priority.

However, we believe that this perspective can be considered quite limited by the fact that the majority of investors and creditors use only summary information contained in the documents as obtaining additional information would generate a number of additional reports.

A favored class of users, we can consider it and managerial staff of the economic entity because it has a privileged status because of accounting information market is generating entity financial accounting information, being responsible for the preparation and publication of financial statements; It is the recipient of foreground<sup>30</sup>.

It can be said that information is a result of human creative attitude, with two poles genetic: the objective reality that provides content and subjective reality, which gives form. The views expressed on external users have a high degree of convergence on the line considering this category as one heterogeneous character determined by many factors such as the strength and resources of the nature of the information required to be communicated to them, political and economic factors such as the position they have in relation to the economic entity and the interest in it etc.

Conflicting opinions arise with attempts to delineate the scope of this category of users, as under the influence of economic, political and legal accounting literature meet the diverse views on this issue, as follows: *International standardization body*, the IASB, has a broad vision regarding the process of identifying categories of users, it clarifies that the financial statements to be useful "investors, creditors, employees, suppliers, other of creditor, customers, government and the public". *American Body normalization*, FASB, although it acknowledges the existence of several categories of users, adopting a narrow vision, emphasizing only investors and lenders. *Office of accounting standards in Canada shall*, within the conceptual framework adopted in 1988, that the accounting information is intended for both internal users and external stakeholders, including investors in the latter category, having claims, tax, regulatory bodies, employees etc. *National Accounting Council (CNC)* of France is composed of

---

<sup>30</sup> Mateș D., *Contabilitate financiară*, Editura Mirton, 2010.

60 personalities representing "all parties to the accounting information: entities, chambers of commerce, unions, banks, schools, ministries"<sup>31</sup>.

In this context, we believe that the concept of gathering all external users who are interested in the situation of the entity, which requires various financial and accounting information (and related assets). Starting from this idea, we believe that the relationship between the entity, as producer / recipient information, and external users can be evidenced by the chart in Fig. no. 2.

b. The second criterion for the classification of users of accounting information (including those that refer to assets), refers to their ability to perceive, process and interpret information requested for which recipients are delimited accounting products such: connoisseurs who have the experience required to ensure accurate and relevant interpretations; unadvised, unconnoisseurs or inexperienced drivers.

The importance and impact of this decision lies in the demarcation criterion structure, significance and presentation of financial information. Thus, users will be included in the category, especially, people who have enough knowledge to process, understand and interpret the information submitted.

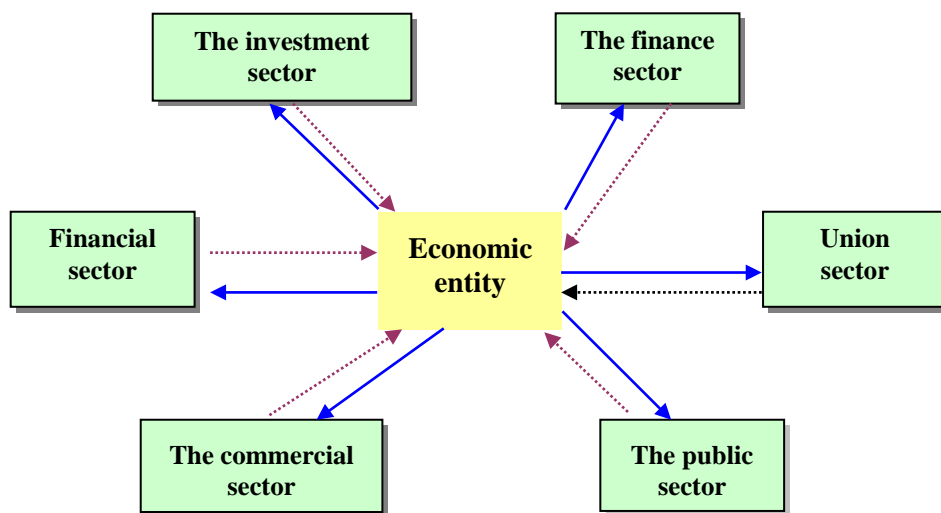


Fig. no. 2. *Entity-relationship external environment*

c. Expressions of opinion that the accountants should act on the line to facilitate an understanding of how high quality of the information forwarded by providing a certain way and structuring synthetic statements would mean a simplification of accounting procedures. We can not embrace such views, given current trends in accounting practices reveals a more pronounced degree of complexity. Therefore, we consider that the accounting information should have such a scope that users who have a reasonable knowledge of economic activities to be able to substantiate relevant and effective decisions.

In the same vein, the responsibility for the communication and use of information to be shared, on the one hand, the accountants, accounting information line

<sup>31</sup> Perochon C., Dubrulle L., *Contabilitate financiară*, Editura Economică, București, 2002, pag.96.

providing understandable, relevant, comparable and timely and, on the other hand, the recipients of this information, required to take all necessary steps on the line of professional self-improvement and knowledge of how to effectively use these results.

## 5. CONCLUSIONS

Brokerage depiction of fixed asset information system makes the objectives, internal structure and functioning to be influenced by the characteristics of other systems, namely general account management. This position makes the main objective of the information system to be represented by "providing a dynamic connection with the management system led by the achievement of all direct and inverse each other in constantly changing conditions."

So, in a general sense, any entity can be viewed from the perspective of a system is to be effective, articulate, optimized and clearly defined objectives need to implement an advertising perspective informational structures able to collect, process and transmit appropriate required accounting information.

Whatever the diversity of ways of reporting, we expressed the view that the main way by which issuers offer transmit information to beneficiaries remains preparing and presenting financial statements. In this context, we note that assets are reflected separately in two ways, namely: on the one hand, in terms of net balance sheet value, on the other hand, in terms of the gross and separate motion depreciation (depreciation and adjustments) with explanatory note "Active".

As object of reflection by using financial statements, information on the assets are subject to the general requirements for the content and value of the accounting information.

## AKNOWLEDGEMENT

This work was supported by the strategic grant POSDRU/159/1.5/S/140863, Project ID 140863 (2014), co-financed by the European Social Fund within the Sectorial Operational Program Human Resources Development 2007 – 2013 "Researchers competitive at European level in the field of science humanities and socio-economic. Research Network multiregional "CCPE.

## REFERENCES

1. Boldea I., *Sistemul informațional și managementul entității*, București, 1998.
2. Iacob C., Pîrvu C., *Sistemul informațional contabil*, Reprografia Universității din Craiova, 2000.
3. Iacob C., *Sistemul informațional contabil la nivelul firmei*, Editura Tribuna Economică, București, 2000.
4. Mateș D., *Contabilitate financiară*, Editura Mirton, 2010.
5. Minu M., *Contabilitatea ca instrument de putere*, Editura Economică, București, 2002.
6. Perochon C., Dubrulle L., *Contabilitate financiară*, Editura Economică, București, 2002.