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CONTEMPORARY ISSUES OF FINANCIAL POSITION ASSESSMENT IN COMMERCIAL ORGANIZATIONS

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Abstract: The evaluation of the financial position has traditionally been carried out by the results of the commercial activities of organizations and basically pursued private interests. Business partners made investment plans based on such assessments, analyzed partner risks and considered the competitive positions of commercial organizations in the market. However, currently commercial organizations are considered not only from the point of view of financial stability, but also from the point of view of the social responsibility of their activities to the public, and the existing international standards require the publication of combined financial reports, which assess financial risks of public interest. The

article proposes new approaches to assessing the financial position of organizations in the context of corporate social responsibility.

Keywords: financial ratios, corporate social responsibility, environmental risks, IFRS-S1, integrated financial statements

JEL code: M48

Research aims: to present new approaches to evaluating the financial position of organizations. that will reflect public interests in addition to commercial interests.

Research novelty: proposed innovative indicators for evaluating the financial position of commercial organizations, which are used when analyzing the performance of social responsibility formed as a result of business activities.

Introduction

Traditionally, the financial position of commercial organizations has been mainly assessed by four groups of indicators, which are liquidity, autonomy, business activity and profitability (Gulluscio, C., Puntillo, P., Luciani, V., Huisinigh, D., 2020). Moreover, separate discussions of these indicators are considered not effective, because the improvement of the level of profitability may occur at the expense of the loss of autonomy, or the enhancement of business activity indicators may be accompanied by the damage of autonomy (Fisher, J.A., Patenaude, G., Giri, K., Lewis, K., Meir, P. M., 2014). For this reason, professional literature supports the complex assessment of the financial situation, when financial stability is characterized from all mentioned sides (Tshughuryan A., Hakobyan A., Grigoryan L., Bayadyan A., 2022).

However, at present, along with it, there is a problem of expanding the scope of the complex assessment, taking into account the financial consequences caused by the fulfillment of the social responsibility undertaken by the organizations (Eng, L. L., Fikru, M., 2022).

While conducting business activities and pursuing private interests, commercial organizations must pursue the service of the public interest and publish financial reports on the extent to which they contribute to the preservation of the environment and support sustainable development. Possessing such information, it is possible to use indicators characterizing sustainable development along with traditional financial ratios.

Research results

The international accounting standard IFRS-1, which came into effect in 2023, set itself the goal of regulating published reports in the context of sustainable development (General Requirements for Disclosure IFRS-S1). At the same time, more emphasis was placed on the findings related to the prevention of sustainable development risks, the possibilities of activities carried out by the organization with ESG approaches. Moreover, the IFRS-1 standard aims at organizations to publish integrated reports that combine financial and non-financial information, which gives rise to various interpretations in the professional literature (Alekseeva, I. V., Khlynova, A. S., 2022).

However, the problem becomes more complicated, when questions are asked about how to evaluate the financial situation of commercial organizations in the context of social responsibility.

When organizations pursue public interests in addition to their business interests, they sacrifice financial results to a certain extent, as additional resources are spent on environmental protection. In this regard, there is a need to evaluate the formation of financial results, taking into account the degree of social responsibility assumed by the business, which we propose to implement in three steps (see Figure 1).

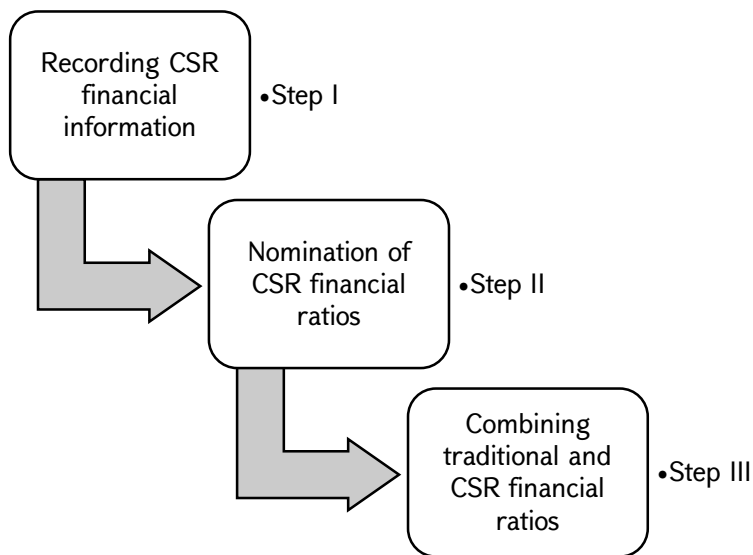


Figure 1. Steps in evaluating financial results commercial entities in the context of corporate social responsibility (CSR)²

Recording the financial results of corporate social responsibility (see Figure 1) is practically meets difficulties. Although the

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international SASB standards generate sectoral social responsibility accountability formats (SASB standards), they are not always related to financial information and mainly carry non-financial information (use of alternative energy, saving water use, waste recycling, etc.). In this regard, professional literature suggests ways to present financial information on corporate social responsibility, which are included in financial reports published by organizations (Hakobyan, A., Tshughuryan, A., Martirosyan, G., 2023).

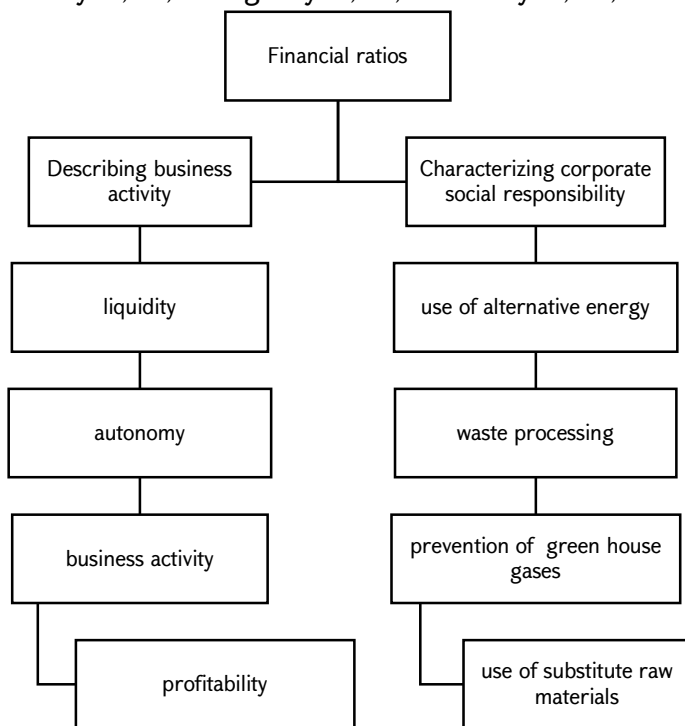


Figure 2. Combined representation of traditional and corporate social responsibility financial ratios³

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However, at the same time, researchers still do not offer financial status assessment indicators related to corporate social responsibility or sustainable development of organizations (see diagram 1). In this regard, we propose such indicators that harmonize with the traditional indicators characterizing the financial situation of organizations (see Figure 2).

Conclusion

The success of commercial organizations is currently also viewed through the prism of sustainable development, and in this case, there is a need to apply financial ratios that characterize the process of fulfilling corporate social responsibility. In this case, it is important to combine the changing trends of traditional financial indicators with the changing trends of corporate responsibility indicators. And if it turns out that commercial organizations record qualitative growth in the field of financial status arising from business activities, and record regression in the field of support for sustainable development, then in general, their financial status does not receive a positive assessment from their partners, because corporate social responsibility is avoided.

Therefore, in this case, the practical application of financial factors characterizing sustainable development, can be sectoral, but ultimately describe the course of performance of corporate social responsibility undertaken by commercial organizations.

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**ՖԻՆԱՆՍԱԿԱՆ ԴՐՈՒԹՅԱՆ ԳՆԱՀԱՏՄԱՆ ԱՐԴԻ
ՀԻՄՆԱԽՆԴԻՐՆԵՐԸ ԱՌԵՎՏՐԱՅԻՆ
ԿԱԶՄԱԿԵՐՊՈՒԹՅՈՒՆՆԵՐՈՒՄ**

Ավարդ Սարգսյան

Հայաստանի պետական տնտեսագիտական համալսարան,
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Ինեսա Քոսակյան

Հայաստանի պետական տնտեսագիտական համալսարան,
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Բանալի բառեր - ֆինանսական գործակիցներ, կորպորատիվ սոցիալական պատասխանատվություն, բնապահպանական ռիսկեր, IFRS-S1 ստանդարտ, ինտեգրված ֆինանսական հաշվետվություններ

Ֆինանսական դրության գնահատումը ավանդաբար իրականացվել է կազմակերպությունների կոմերցիոն գործունեության արդյունքներով և հետապնդել է մասնավոր շահեր: Բիզնես գործընկերները նման գնահատումներով կազմել են ներդրումային ծրագրեր, վերլուծել են գործընկերային ռիսկերը և դիտարկել են առևտրային կազմակերպությունների մրցակցային դիրքերը շուկայում: Սակայն, ներկայումս առևտրային կազմակերպությունները դիտարկվում են ոչ միայն ֆինանսական կայունության, այլև հանրության հանդեպ իրենց գործունեության սոցիալական պատասխանատվության տեսանկյունից, և արդեն իսկ գործող միջազգային ստանդարտներով պահանջ է դրվում հրատարակելու ֆինանսական

համակցված հաշվետվություններ, որոնցով գնահատվում են հանրային հետաքրքրություն ներկայացնող ֆինանսական ռիսկեր:

Հոդվածում առաջարկվում են կորպորատիվ սոցիալական պատասխանատվության համատեքստում կազմակերպությունների ֆինանսական դրության գնահատման նոր մոտեցումներ:

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