

Finances management system in the enterprise

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In the article authors are taking the attempt of analysis of conditioning of the financial operations of the enterprise in the system recognition in small production enterprises. Finances management in the enterprise is a subject of deliberations of many authors. However the problem of considering finances management in the system presentation didn't find adequate understanding in literature. Conducted empirical researches show that it is possible to conduct full analysis and the evaluation of the financial operations of the enterprise only taking into account interaction and feedbacks of elements of the finances management system.

Field of Research: Finances management, management systems, intelligent organization.

1. Introduction

Economic phenomena associated with collecting and disbursing cash for the purposes of the operations of the company are determined with name of finances of the enterprise (Bień, 2002). The executive committee of a company is conducting organizational, decision-making and test activity in the sphere of finances in order to create the chance of receiving the most beneficial results of activity.

Every taken decision can be expressed with tongue of influences and monetary expenses. Different groups appearing in organizations of businesses are aspiring at different targets. Between them conflicts exist. The management is conducting activity in the compromise way, reconciling purposes of all sorts groups. To express such purposes it is possible in the financial way, in money. Finances enable the thorough look at the field of conflict. Thanks to them it is possible to answer a question, what step carrying planned action out causes an increase in number in enterprises.

Broad principles of taking financial decisions are of help in the entire process of the business administration. Thanks to them it is possible a lot to judge conditioning and effects of financial decisions. Without the acquaintance of financial reports: of profit and loss account, balance, putting together changes in own capital and the account of financial flows an available evaluation of the financial position of the enterprise isn't.

The reporting of enterprises is a system which the whole of financial reports drafted by the economic entity is embracing. They are constituting the basis

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Toruński & Wyrębek

of managing an economic entity and are an effect of financial accounting. Financial reports are intended mainly for outside users and about activity companies constitute a basic source of information, and their form and contents are succumbing to rigorous regulations.

Analysis and the assessment of the finances management system in the production enterprise are a main purpose of the article taking into account:

- financial planning,
- financial situation,
- the correctness and the effectiveness of the management,
- essence of financial reports,
- change of the value of money in the time,
- working capital.

For the purposes of this article empirical researches were conducted in small Polish production enterprises in 2008 year. For estimating the research sample for the number in the research population of small-sized enterprises the rate equal of the confidence was accepted 0.95 and the maximum estimated mistake on the level of the 7%. Methods and research techniques of analysis of source materials where used while collecting research material.

Also own questionnaire surveys were conducted and made in the article (discussion of findings) of general analysis of empirical research findings in combination with theoretical analysis of the problem. The method of observation and the interview was used also in empirical researches.

2. Literature Review

There are emphasizing that an essential purpose of activity of the company is a maximization of the wealth of the owner in financial literature (Brigham, Gapenski, Ehrhardt, 1999; Brealey, Mayers, 2000). There are also emphasizing that the company has a lot of purposes of businesses competent for all sorts groups (Damadaran, 1997). Every of these groups has other expectations. Therefore between them conflicts are occurring. In order to prevent conflicts in financial activity at making a decision a manager should be guided by adopted principles (Emery, Finnerty, 1991) and consider financial events in the system presentation.

3. Discussion of Findings

Every company should have at its disposal a wealth enabling to conduct a business activity. So owners or shareholders contribute capital suitable for the company in the businesslike or cash form. They are becoming a property of the company. Foreign financial resources, get in the form can be supplementing capital of the company of credit and loans of securities contracted directly on the money market or in the form.

Toruński & Wyrębek

Own and the company is allocating foreign capitals for the purchase of essential property elements of long-term using for example a real estate, machines and devices, transport centres, objects of the equipment, and the like and resales intended for the production of materials and purchased to the purpose of goods. This capital also constitutes the source of financing remuneration of employees, services of strangers, taxes and other obligations. As a result of the sale of produced products and purchased goods amounts due are coming into existence from recipients, from them a processed profit should also be. However the cash received from recipients can again be consumed for financing the next cycle of operations, constituting objects of the company. All economic phenomena associated with collecting and disbursing cash for the purposes of the business activity determined companies are a name of finances of the enterprise. The executive committee of a company is usually conducting proper organizational, decision-making and test activity in the sphere of finances, shaping economic phenomena in the company in the way creating the chance for achieving the most beneficial results of activity.

Analysis of the financial effectiveness of functioning of a company is being conducted through the prism of finances. In the form financial an income reached by the company, costs of getting them and an achieved result, i.e. a profit or a loss are being expressed. Such sizes are being included in money as, the wealth, capital, obligations and the current value of the company. as a result the economic effectiveness of the operations of the enterprise is finding full reflecting in his financial situation, of which analysis to constitute should one of essential tools of optimizing profits and the financial surplus.

A management of the enterprise and his uses of the destination should use the above tool:

- of getting initial grounds for taking correct current and strategic economic decisions, sales concerning the profitability, shaping the structure of capital or of new investments,
- of control of the unanimity of the real course of economic processes from planned at taking a decision.

Banks are demonstrating an special interest in the financial situation of the company at granting credit. They are effecting the detailed evaluation of this situation then, also during using credit by the enterprise, aspiring for determining the credit rating which is marking potential possibility of timely regulating obligations by the debtor. The credit rating agrees with the current financial liquidity of the company in the short-term presentation. However at considering motions for long-term credit a more perspective evaluation of the credit rating of the debtor, that is an ability are becoming significant for the handling of debts. Simultaneously in case of worsening the financial situation of the debtor, banks are reducing credit, are increasing the foot of charging them interest, can also demand,, the early repayment of credit under the terms of the contract.

Toruński & Wyrębek

Into an assessment of the financial situation of the enterprise insurance companies are also penetrating in case of accepting the risk of the insolvency of recipients companies.

Balance and the profit and loss account are a fundamental source of data being used for an assessment of the financial situation of the company. The assessment contains details about the amount of the assets of the company and his structure as well as sources of financing assets. It enables the evaluation of the ability of the enterprise among others for timely regulating obligations and the degree of the financial sovereignty. However the profit and loss account allows for analysis of basic sources of coming into existence of the profit or the loss net. These reports contain the valuable information being used for an evaluation of the company. Analysis of these reports lets financial managers for revealing strong and weak installments to activity. Using reports of financial other cooperating companies allows to assess the payment credibility them and of confrontation of achieved results with the performance of competitive companies. The way of drafting was described hereinafter of work.

The operations of every enterprise require the economy of the market periodic evaluation of the correctness and the effectiveness of the management in conditions. This evaluation is a ground for approving financial results of the annual operations of the enterprise. „ the market value of the enterprise is determined as the current value of future operating financial flows net generated by assets used in the operational operations of the enterprise.

So that the economic bill based on the criterion of the value actually functions, an existence of transparent property relationships is necessary. it can be of the Criterion effectively used only in these conditions, when in the way beyond reasonable doubt to identify it is possible of owner of the enterprise interested in increasing its assets. Whereas it is entailing, fundamentally holding the thing, private form of the property of means of production (Czekaj, Dlesler, 2005). between the owner and the manager factors causing the discrepancy of businesses in enterprises managed by the single owner aren't appearing. However he exists in enterprises of joint-stock companies organised in the form objective mechanism of the control of the unanimity of taken decisions. A capital market is fulfilling such a function, he is providing the objective information about the value with joint-stock companies. Shares of these companies are an object of the turnover and Stock Exchange quotations. Separating the function of the property from the management causes it, that on account of a conflict of interests of the payed manager with businesses of owners, a need to exercise managements of companies by owners of the control over actions appears.

A change of the value of money is one of basic elements which require considering economic decisions at taking and the realization, in the time. She is being described with the help of the specific type of the price of money an interest rate is which. A remuneration for the lender for making capital available makes it up (it is his cost for the borrower) and cost

Toruński & Wyrębek

of the risk which results from the possibility of loss by the debtor of the ability for the repayment of the debt.

Calculating value of money in the time, it is possible to distinguish:

- future value of money which primitive capital increased by interest falling for the time of expectation for the return of capital comprises,
- current value of money which will be standing for the instruction in the future; she is being described through reducing the amount expected in the future by interest for the time of expecting the discount with the help of the account.

The interest rate is demonstrating determined connections with the current rate of the inflation. The foot exceeding the inflation rate has positive character (real foot), developing below the inflation rate is determined with name negative. The rate of calculated interest depends not only on the level of the interest rate. A moment of calculating interest is also playing a significant role (i.e. from above or from the bottom) and whether they are payed systematically, or writing up to capital, enlarging his size, from which it is counting next interest in the next period simultaneously. From such point of view it is possible to distinguish the account of interest of straight lines taken systematically from above (so-called discount), whether from the bottom (calculating) and of folded interest capitalized i.e. added to capital or knocked from his future size (discount).

Also a way of setting instalment repayments of the debt is affecting the sum of calculated interest. In case of uniform instalments taking the repayment of capital up and interest their amount is higher than at uniform only instalments of capital. Postponing their repayments is also affecting the rise in interest. Money is fulfilling diverse functions. He is a measure of the value which enables the evaluation of the company, for her own of both foreign capitals, reached incomes and incurred costs, and processed profits and suffered losses. This property enables his mediation in the exchange of goods and services. In the end money has features of the good which has a determined value. Thanks to using money it is possible also to calculate results and the economic effectiveness of economic decisions taken and carried out. Therefore already in the course of preparing and the evaluation of the implementation of the decision, taking the value of money into account is essential.

The value of money depends on the sequence of diverse factors, and the quantitative theory of money is discerning associations between changes of his value and the relation between the growth amounts of money in the circulation in relation to the height of the national product. Umbilical ties exist between the value of money and dynamics of the general level of prices. In case of the progressing inflation a purchasing power is reducing what is being bound with his value, then a depreciation is appearing. However as a result of the fall in the general level of prices the value of money is growing, then an appreciation is appearing.

Toruński & Wyrębek

The value of money is changeable in the time not only under the influence of inflationary or deflationary processes. If they assume that such processes aren't appearing, it still standing money currently in the form have cashes at their disposal greater value for his owner than analogous his sum which will be received in the future. Because this money can already be used in the business activity, giving the chance of profits into this way. He sometimes enables the earlier consumerism, letting for getting greater satisfaction, than from eating in the future. Money which will be received in the future, for some time is frozen, cannot so be made arrangements for the purposes giving to the benefit at present. For them a, all the more distant time of freezing money is longer date of the possibility of having it at one's disposal, is also all the smaller towards his current value. Money which it is possible currently to have at its disposal, is appearing in the form cashes of the company being in disbursements offices and in bank accounts.

In every enterprise systematically different kind of operations are being made (economic transactions) which influence changes of the size and structures of its wealth appropriately, determined with assets and of having capital and obligations, called liabilities. Such operations systematically are being registered by accounting department according to specific criteria and principles. On the basis of data check in by accounting department, financial reports illustrating his current property and financial situation are being drafted.

In every enterprise they are the most important financial reports balance and the profit and loss account. Balance is a document containing putting together for the determined day (in the valuable presentation) state of the assets of the company and sources of financing him. He is being drafted in the form of bilateral table. On the left of document are being demonstrated, with the division into basic genre positions, assets constituting the property of the enterprise, i.e. property elements, on right liabilities, i.e. sources of financing the wealth which own capital comprises and obligations. Balance is showing also a profit reached by the enterprise in the given period or the loss in one position. It is insufficient to the effectiveness fuller of the evaluation of the financial operations of the company. Therefore very much a bill of the performance of the enterprise, containing elements making the total profit up or the loss is important supplementing balance. Such a report contains items of the income reached by the enterprise according to sources of their coming into existence, as well as elements making up to costs of getting the income and payed taxes burdening the enterprise from trades and from profits. An account of results is ending with the net profit, or the loss net, of which the height should be in accordance with data of balance.

In the aim of protection of businesses of creditors, shareholders, enterprise, principle of drawing up a balance sheet and the calculation of results, and the manner of the evaluation of the wealth and obligations enough explicitly are being regulated with provisions of the law and norms (with standards) formulated by nationalist and international organizations of proficient auditors.

Toruński & Wyrębek

The information being in balance and calculations of results can serve different purposes. In the moment of the newly created enterprise balance initial, containing capital contributed by shareholders in the form is being drafted of the cash and retrieves material, constituting the basis of opening books of the company. Balances and bills of results drafted in the end every year have important meaning rotational. They constitute the base for final establishing taxes in the given year, but first of all to dividing the profit or arriving at by shareholders a decision about covering losses. Shareholders of the company on the basis of an annual reports are judging also fulfilling duties by her executive committee and are taking decisions about granting a discharge.

For correct managing the company analyses being enough of annual financial reports aren't. Especially in large enterprises his management and authorities are carrying the property evaluation of a situation out in short spans of time. Therefore in the majority of enterprises in the sequence of the year quarterly, not to say monthly financial reports are being drafted.

Balance and the profit and loss account are a basic source of data being used for an assessment of the financial situation of the company. The assessment contains details about the amount of the assets of the company and his structure and about sources of financing assets. It enables the evaluation of the ability of the enterprise for timely regulating obligations and the degree of the financial sovereignty. The profit and loss account allows for analysis of basic sources of the coming into existence of the profit or losses net. On the basis of analysis of these reports managing the company should aspire for revealing strong and weak instalments to activity appropriately to react at taking a decision. Using by the financial manager given financial reports is also necessary of other cooperating companies of results in order to make an appraisal of their payment credibility and the confrontation achieved with the performance of competitive companies.

Into the composition of the rotational wealth which is participating in economic operations following a cyclical pattern about periods not exceeding one year, centres which have different character, are being ranked having only a financial expression (cash, securities, receivables) or material (supplies of materials, goods, products, and so on, and so forth). Of costs and simultaneous freezing getting carried away in them components of the rotational wealth require capital about businesslike character. Supporting them is usually burdened with the greater financial risk, than appearing by elements having character exclusively financial. Before the amendment to matter-of-fact ingredients to the cash they are experiencing definite transitional phases.

Cycles of economic operations in enterprises still are repeating itself, are appearing simultaneously in different – stages mutually are overlapping each other. Purchases of materials, disbursing funds to cover current costs of activity, the operations associated with the sale of products are characterized by a continuity and of goods, debt collection of the amount due, paying taxes and a lot other. The general amount of the rotational wealth, and his structure

Toruński & Wyrębek

are surrendering to constant hesitations under the influence of changes of the sale, of conditions of drawing out one's vowels and regulating obligations and the debt collection of a bill.

Stewarding the rotational wealth includes financial decisions influencing his size and the structure. These decisions should aim at appointing the size of individual elements of the rotational wealth, essential to conduct the operations of a company at rational for using them, considering different character of individual elements of components of the rotational wealth, cash stores, receivables and supplies are which. In addition determining and shaping the synthetic cycle, in which rotational assets, apart from the cash, are being transformed from the material and legal form has important meaning in cash. At stewarding the rotational wealth one should take into account different properties of his elements but first of all the degree of the fluidity. Because he is diversified in proportion to cash stores, the amount due and supplies.

Cash stores are spreading through states of cash on current accounts, in disbursements offices of the company and short exchanges. It is possible easily to change these papers to the ready cash, and it is often possible with them to regulate obligations.

Resource management cash is concentrated on planning influences and monetary expenses with the division into individual – lengths of time months, decades, days. On this base with the appropriate advance decisions concerning sources of financing transitional deficiencies are being taken of the cash and most beneficial depositing surpluses appearing periodically for her.

Also tracking the information about everyday influences and cash expenses is necessary, analysing the divergence with the plan and taking necessary decisions for preserving the financial liquidity and for preventing exaggerated towards the plan for freezing capital and cash. Too big towards needs states of the cash are reducing the risk of disruptions in the ability of the company for timely regulating of obligations, reducing profits which could be achieved thanks to investing the bigger cash in economic processes or payed deposits in addition.

Current resource management cash is making his way to:

- of hastening the availability with cash takings by shortening the time of their circulation,
- for timely regulating obligations, but without the advance towards the final due date,
- of depositing transitional surpluses of the cash in the way ensuring appropriate benefits,
- of acquiring the cheapest sources of financing transitional deficiencies of the cash.

Amounts due of the company are a result of the sale of products and goods mainly, if the payment is being made by the recipient in the period more late

Toruński & Wyrębek

than the date of the receipt of the benefit and delivering the account to the customer. Postponing the payment means granting the recipient handling or commercial credit. Handling credit is appearing then, when the due date is set in the brief several days' period after carrying the benefit out.

Administering amounts due is connected with reducing the risk of the losses caused by the insolvency of debtors. Therefore one should pay attention to examining the payment situation of potential debtors already at coming into existence of the amount due. It is valid for it especially in companies conducting the hire purchase in the extended period of the payment (over the year), at that time because financial circumstances of the buyer can change. Also an insurance plan serves reducing the risk of the collection rate of the amount due. The insurance society is taking the considerable part of the risk on then (e.g. to the 80% of the amount due) in exchange for the remuneration, dependent on the scale of the risk.

In administering amounts due also establishing and the implementation of the right policy of granting credit are an important problem commercial customers, profitable sale enabling increasing, considering extra costs of freezing capital. A need of due protecting the timely debt collection of the amount due against the customer and applying are associated with it of appropriate forms of the guarantee of repayments and insuring the risk of the losses caused by the insolvency. Important meaning has also determining in the agreement with the customer of the appropriate form of money settling accounts (direct or off-bank).

Managing supplies which have a financial and businesslike form, is uniting with steering their size in the diameter individual positions and selected groups, because then it is only possible appropriately to synchronize the size of supplies with needs of the production and the sale. This task is responsibility of persons supervising the production and the sale. They cannot however be omitted by the financial manager, because shaping competent parties of the purchase of materials and goods requires employing appropriate sources of financing. Therefore the financial manager should cooperate with persons managing the production and the sale in the scope of rational shaping maintenance costs of supplies and reducing the risk of losses associated with them.

Stewarding the rotational wealth includes financial decisions which influence his size and the structure. Such decisions should aim at appointing the size of individual elements of the rotational wealth, of activity essential for the running of a company at rational for using them, considering different character of individual elements of the rotational wealth, cash stores, receivables and supplies are which.

At the resource management cash taking effective action in order to hasten the debt collection of the cash at the given politics has basic meaning of providing credit for customers, providing for the possibility timely regulating assumed obligations and beneficial depositing transitional financial surpluses and in case of the deficiency of the – cash raising credit at low interest.

Toruński & Wyrębek

Rational shaping the size and the structure of supplies demands the efficient system of their standardizing, guaranteeing the continuity of production and the selling, preventing coming into existence of the exaggerated or unnecessary wrestling, causing extra financial costs and the possibility of loss of the financial liquidity. One should so systematically analyse the state of supplies in order to avoid exaggerated freezing means of capital and to come into existence of losses.

The planning is a process which the possibility of selection of solutions the most satisfying the decision-maker from available alternatives and applying undertakings essential to get intended targets are creating.

There is a financial planning in conditions of the market management of the basic element of the general process of making plans for the operations of enterprises. Such a planning firstly enables to recognize the availability and costs essential to fulfil aims in the businesslike sphere, – what is creating bases for appointing acceptable frames for these aims. Therefore taken economic decisions are righter what is supporting an increase in number of the company.

Secondly, determining the probable influence of alternative ways action on results enables financial – companies is creating grounds for basing decision-making processes for financial criteria. What lets the operations of the company for increasing profits in the longer perspective of the time and for avoiding surprise interferences. He also lets for predicting the scale and effects of the threatening financial risk from above what the possibility is giving appropriately of early taking activity aimed at the elimination or curbing effects of the risk. Also a control of the course of economic processes is an important element of the process of planning. She enables the evaluation of the degree of the realization of planned effects and taking centres adapting manners of planned implementations of tasks to the changing appearance.

The financial planning is a process, in which:

- connections and relations are being analysed between material and financial aspects of accessible conditions of action,
- future consequences of present decisions are anticipated in order to reduce the uncertainty,
- decisions concerning choice of individual variants of action are being taken,
- a course of economic processes is controlled as well as an evaluation of the degree of the realization of planned effects is being effected.

One should state that an evaluation of effects, exerted by different variants on the realization of strategic purposes of activity of the company is giving the financial planning. It is possible to divide the process of the financial planning in three stages. In the route of the ones three types of plans are being prepared:

- plan of the profit,

Toruński & Wyrębek

- fiscal plan,
- financial plan.

The plan of the profit determines the amount of the profit which is a basic measure effectiveness of action of the company and with base of her long-term stable development. Planning the profit is starting with planning the size of sale. A profit is a difference of products between the income from the sale and costs of the production sold and services.

The financial planning consists in drafting a few financial reports, in which permeable sizes of individual financial variables are described in with grasped plan period. Such reports are being called financial reports pro forma. After planning the volume of the sale one should determine changes of individual costs, taking their changeability into account with regard to the volume of the production and the sale.

A fiscal plan is a plan containing putting together the planned financial income and expenses in definite periods of the time. As a result of this plan it is possible to estimate planned surpluses or deficiencies of cash. The drafted fiscal plan is most often on form of monthly balance sheet which he lets describe, what period the company will have a financial surplus in and in which with deficiency.

A financial plan is making plans for the demand of the enterprise for capital along with the expression, what sources he can be from supplemented. Drafted balance of the company is a point of departure for this plan pro forma. Pro forma a method of the permanent process is the most frequent method of drawing up a balance sheet of sale, she assumes that the part of the position of balance will depend on the volume of the sale and the structure of balance won't change.

The financial planning is creating bases for the inspection of the compliance of the course of real processes from established. It prevents incorrect decisions which can have a negative effect on an effectiveness of functioning of the enterprise.

The financial planning constitutes the important instrument of deliberate steering economic processes in the way enabling to take righter financial decisions, supporting for an increase in number of the company and limiting of the risk threatening her existence of the future. It consists in appointing the objectives and methods and means of action, essential to achieve these objectives. He/she makes the financial plan up:

- plan of cash turnovers,
- preliminary estimate of profit and loss containing the anticipated final result,
- planned property balance,
- preliminary estimate of financial flows.

He is important, in order to preserve the principle of the steady planning, consisting in permanent supplementing the temporal range with the passage

Toruński & Wyrębek

of time. Also keeping the right elasticity of plans just enough is significant of outside conditioning, and especially economic.

The financial reporting is a part of accounting intended for using by the interested parties recipients. To rank among this circle we can contracting parties, investors, employees, lenders, shareholders, tax authorities and the management of the enterprise. The financial report constitutes the final effect of the processing of information in financial accounting, and data is his source from an account books.

In order to draft financial reports satisfying the essential information needs of the wide circle of users above all from the outside is fundamental (Olchowicz, Tłaczała, 2004). It constitutes a main source of information about the material situation, results of activity and a financial situation of the enterprise. He serves also taking a decision on credit, investment and transaction character. The information about results of the operations of the unit and their exploited change abilities are for the evaluation of potential changes in involving stores and of the effectiveness of acting at using resources had so far. However information about changes of the financial situation, that is about financial flows for withdrawing a decision from the scope activities are affecting operating, investment and financial.

In administering funds one should rank companies among basic directions of using financial reports:

- analysis of the effectiveness of the management (profitabilities),
- analysis of the material and financial situation,
- analysis of the situation in terms of capital – property,
- analysis of the payment ability (Gos, 2007).

Also an information included in balance sheets supplementing the financial report is essential, as well as in the additional information. They can, because to contain the information about the risk and the uncertainty of action of the individual, the assortment, amounts due and conditional obligations and a lot other.

They are included in general features of the information included in financial reports:

- intelligibility - the information should be given in the straightest form and contain possible explanations,
- sobriety - the information should contain only useful facts for the recipient in taking a decision,
- credibility - for the recipient should be convinced of the credibility of the information,
- completeness - the report should contain the complete image of the economic operations of the enterprise,
- comparability's - the information should be comparable at taking a decision,
- topicality - the information must include the right time,
- objectivity - the information included in the report must present the actual strength, cannot be partial.

Toruński & Wyrębek

Describing the reporting information one should remember that they contain the information from the past, and on account of their character are limited only to the financial part and don't contain the information about surrounding the individual. The financial report is giving the image of achievements of management of the individual, fulfilling the managerial soil, the protection and causing of wealth, working out profits, care of businesses of employees, reliability towards contracting parties and customers, the regulation obligation to lenders, timely and reliable accounting oneself with regulatory organs.

4. Conclusion and limitation

In the entire process of managing the company finances are playing a basic role. Every decision taken in the company has its financial dimension. Thanks to finances is possible examining effects of financial economic decisions, prepared developmental plans, restructuring programs (Rutkowski, 2003). Indispensable serving tools for optimum using reduced reserves allow to receive funds and of taking rational decisions.

All taken action in a company is used to achieve the established objectives. In financial literature it is determined as the essential purpose for the maximization of the wealth of a company owner. Taken decisions should so include business of owners. Owners expect the high base of the return of invested capital by the minimal level of the risk. From the management they just expect such an achievement of purpose, considered in the perspective of the short and long time. The lower rate of the turnabout in a short stretch sometimes leads to increasing possibilities of the effect of a company in the longer period.

Investors in taken decisions are guided by their financial business. They are thinking about their benefits which they could get if took other decision. Evaluated benefits are lost as the difference between real benefits achieved as a result of the completion of action but theoretical. Such costs aren't moving to financial reports, however it is necessary to take them into account in of all kind economic decisions.

Financial reports are performing the very significant role in the finances management system in the enterprise. Financial reports are providing recipients with the information concerning the financial, material situation and the financial result. The entrepreneur which wants to achieve success should systematically measure economic effects of the conducted business activity, to register and to evaluate had property stores, amounts due and obligations, calculating costs and the income, using procedures and technical principles of accounting to this purpose.

Numerical data resulting directly from the register doesn't constitute the accountant and the calculation, in itself, of ground being enough for making a decision. Only tidying up them, the recognition in the appropriate diameter, and juxtaposing with other elements of finances management

Toruński & Wyrębek

system are giving enterprises an appropriate view on the wealth situation and activity.

With other elements of finances management system an appropriate view is giving only tidying up them, the recognition in the appropriate diameter, as well as the balance sheet for the material situation and the operations of the enterprise. Systematizing this information is creating bases for their analysis and the evaluation, enabling to take decisions concerning current and next periods.

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