ANALYSIS OF FOREIGN TRADE ACTIVITY OF BULGARIAN ENTERPRISES IN MODERN CONDITIONS OF GLOBALIZATION – CONTEMPORARY REQUIREMENTS AND ACCOUNTING INFORMATION PROVISION

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Abstract: In modern conditions of continuously increasing globalization increasingly expanding are also the opportunities for Bulgarian enterprises to carry out various foreign trade transactions. This in turn makes particularly topical and important the analysis of foreign trade activity and its information provision.
The purpose of this paper is to examine the main guidelines for detailed analysis of foreign trade activity of Bulgarian enterprises in the context of globalization and the problems related to its accounting information provision. It discusses the significance, specific characteristics, main purpose, basic tasks and information requirements of such analysis in modern conditions.
The research of the issues in the paper is based on the application of the systematic approach. The methodology of research also involves the methods of observation, comparison, analogy, analysis and synthesis, induction and deduction, etc. The application of the systematic approach allows the system for analytical accounting of the foreign trade activity to be presented as a constituent element of the accounting information system of the enterprise. In accordance with this approach, the detailed analysis of foreign trade activity is considered as an integral part of the overall business analysis system of the enterprise.
The paper justifies the increasing importance of accounting information for the analytical studies of the foreign trade activity of the enterprise, for the proper development of its strategy and tactics, as well as for its overall effective management in the modern global economy. Special attention is paid to the possibilities for introducing improvements in the organization of the processes of creating and using the accounting information for the foreign trade activity of Bulgarian enterprises.
As a result of the research made, it is concluded that the effective use of accounting information sources and their proper selection and matching are crucial to achieving complete, truthful, profound and reliable analytical studies of the foreign trade activity of Bulgarian enterprises in the contemporary dynamic, hyper competitive, and highly risky international business environment.
To achieve its goals and tasks in the modern global business environment, the detailed analysis of foreign trade activity requires a modern approach on providing information. This, in turn, determines the need to improve the organization of accounting information processes in those Bulgarian enterprises engaged in foreign trade in order to cover in details and reflect in a complete and accurate manner the objects accounted for. The processes of creating, transmitting and using accounting information for the foreign trade activity must be organized in such a way as to meet the contemporary requirements of the analysis and provide the opportunity for sound management decisions. The accounting information used in the analytical studies of the foreign trade activity should be detailed enough to allow for a comprehensive and thorough examination of the individual components of the complex objects of analysis and the behavior of the different factors.
Keywords: analysis, foreign trade activity, accounting information, information provision, globalization.

1. INTRODUCTION

In modern conditions of continuously increasing globalization increasingly expanding are also the opportunities for Bulgarian enterprises to carry out various foreign trade transactions. This in turn makes particularly topical and important the analysis of foreign trade activity and its information provision.
The purpose of this paper is to examine the main guidelines for detailed analysis of foreign trade activity of Bulgarian enterprises in the context of globalization and the problems related to its accounting information provision. It discusses the significance, specific characteristics, main purpose, basic tasks and information requirements of such analysis in modern conditions.
The dynamic globalization processes open new horizons before Bulgarian enterprises but also sets numerous requirements, problems and challenges before them. The participation in the global market involves adaptation to the effective requirements and strong competition. Achieving greater competitiveness is one of the biggest challenges before Bulgarian enterprises in the circumstances of nowadays. They cannot survive their competitors and develop their activities successfully without efficient management adequate in terms of the nature, complexity and dynamics of the modern global business environment. Under such conditions, the role of crucial factor and resource is played by economic information, including such generated by accounting. The essential premise for the

successful management and prosperity of every enterprise is its ability to organize information as its main resource and use it as an important advantage in competition. All this shows clearly that the role and significance of accounting information should be reevaluated in the context of the challenges of modern global environment. There is no doubt as to the need to make sufficient improvements in the organization of processes for generating and using accounting information for the foreign trade activity. It is crucial for the accounting information system of the enterprises engaged in foreign trade to be in compliance with the information needs inherent to the modern management processes.

2. MATERIALS AND METHODS

The research of the issues in the paper is based on the application of the systematic approach. The methodology of research also involves the methods of observation, comparison, analogy, analysis and synthesis, induction and deduction, etc. The application of the systematic approach allows the system for analytical accounting of the foreign trade activity to be presented as a constituent element of the accounting information system of the enterprise. In accordance with this approach, the detailed analysis of foreign trade activity is considered as an integral part of the overall business analysis system of the enterprise.

In the contemporary dynamic, hyper competitive, and highly risky international business environment, a key prerequisite for the efficient management of foreign trade activity is its detailed analysis in various aspects and sections of importance for the enterprise. A successful detailed analysis of foreign trade activity needs to be based on the achievements of contemporary theory and practice and contemporary research methods. It is also especially important that such analysis is objective, in-depth and based on reliable information that truly reflects the foreign trade activity. Such analysis has its own specificity deriving from the specific characteristics of foreign trade activity that give rise to a number of difficulties when analyzed. They are mostly related to the provision of the necessary information and to the quality of the analytical research results as a condition to achieve competitiveness guarantying the success of the enterprise on the international markets. The analysis of foreign trade transactions of the enterprise "is immanently linked to the accounting process and is a natural continuation thereof" (Staneva, Petrova et al., 2018, p.610). Accounting information is necessary for making efficient management decisions related to shifting the foreign trade activity in specific directions. More specifically, it is necessary for making forecasts depicting the main directions for the future activity of the enterprise. During their implementation, positive and negative deviations occur which can be assessed and analyzed through the accounting information collected. Thus, accounting information is used both as the basis for making decisions and for assessing the degree to which forecasts were realized and identifying the reasons for the deviations. Accounting allows for investigating the past foreign trade activity of the enterprise, for assessing its present activity and making forecasts for the future. In-depth, precise analyses of past events are an excellent basis for planning future activities and through control in the management process it can be checked whether the actions planned were carried out and if any correction actions will be necessary. Without accounting information, the initiation and normal operation of processes such as analysis, planning and control in decision-making for foreign trade activity would be impossible.

3. RESULTS AND DISCUSSIONS

As the main purpose of the analysis of foreign trade activity we can point to the study of trends in foreign trade through the behavior of the different factors determining its past, current and future development. When performed the main theoretical characteristics of the analysis are shown as a method of knowledge. Its essence, as it is known, consists mainly in studying by way of dismemberment and decomposition of the studied complex object into its constituent elements and studying each one of them as an integral part of the whole. It is important to note that the analytical dismemberment of the whole is not arbitrarily but it is done according to its specific features, in particular certain traits, in order to reveal its essence and nature. It is also necessary for the constituent parts of the whole to come together and be examined in unity, to study the interrelationship between them, i.e. the analysis suggests a synthesis. Otherwise, it cannot fulfill its intended purpose of providing a thorough and comprehensive study of the object concerned.

The main tasks that need to be accomplished in order to achieve the main purpose of the analysis of foreign trade activity can be summarized as follows:

- evaluating the results achieved in the foreign trade activity of the enterprise;
- determining the factors affecting the foreign trade activity;
- examining the extent and direction of impact of individual factors;
- analyzing the use of resources engaged in the foreign trade activity, including financial, material, labor, etc.;
- identifying the significant trends in the past and current development of foreign trade activity;

- using the results of the analysis as a basis for forecasting and planning foreign trade activity;
- outlining guidelines for improvements and increasing efficiency of foreign trade activity.

It is essential to note that it is extremely important that the analysis actively contributes to the improvement of foreign trade activities and to making effective decisions related to their management.
Depending on the time it is made, the analysis of foreign trade activity could be:

- preliminary;
- current (operational);
- follow-up.

The preliminary analysis is related to the preparation for the decision-making on prospects management with regard to foreign trade activity, along with development of forecasts, plans, programs, etc.
The current (operational) analysis allows for changes in the guidelines on how to carry out the foreign trade activities in the course of their operational management.
The follow-up analysis is disclosing the results of the foreign trade activity performed for a certain period of time, outlining the unused reserves and formulating recommendations for the future foreign trade activity.
It is a well-known fact that in market conditions the marketing policies of the enterprise are crucial for its management**.** In order to succeed on the global market where customers have greater requirements for the goods offered, Bulgarian enterprises should invest in developing efficient marketing strategies to be updated in accordance with the changing market conditions. The formation of marketing policies requires precise, in-depth analyses of the marketing mix components. They are connected with analyzing customers, competitors and other external factors and their interaction with internal factors for the enterprise – material, financial, labor and other resources. A different strategy is necessary for each separate element of the marketing mix, such as marketing concept for managing the activity of the enterprise, more specifically its commodity, pricing, distribution and promotion policies. For this purpose, specific instruments and a wide variety of sources of information are used in marketing. Making preliminary marketing analyses necessary for marketing planning and forecasts requires certain economic information – about the markets, from reports, scientific sources, etc. A large portion of such analytical research is based on the richness of accounting information. It makes it possible to analyze the present activity and plan future actions and make clear the financial aspects of marketing.
A successful analysis of foreign trade activity would be impossible without adequate and detailed enough accounting information. The increasing importance of accounting information for the analytical study of foreign trade activity, for the proper development of its strategy and tactics, for its overall effective management in the modern global economy, is an undisputed fact. To achieve its goals and tasks in the modern global business environment, the detailed analysis of foreign trade activity requires a modern approach on providing information. This, in turn, determines the need to improve the organization of accounting information processes in those enterprises engaged in foreign trade in order to cover in details and reflect in a complete and accurate manner the objects accounted for. The complexity of foreign trade activity entails the need for greater analyticity in accounting in order to effective information provision of its management. The processes of creating, transmitting, and using accounting information about the foreign trade activity of the enterprise must be organized in such a way as to meet the contemporary requirements of the analysis and provide the opportunity for sound management decisions. Detailed business analysis is a key prerequisite for the successful management of the enterprises engaged in foreign trade and therefore it is imperative that it be provided with information through an effectively functioning system of analytical accounting.
The accounting information used in the analytical studies of foreign trade activity should be detailed enough to allow for a comprehensive and thorough examination of the individual components of the complex objects of analysis and the behavior of the different factors. A key role is played by the analysis of the current accounting information over the year, which allows for a thorough study of some or other reasons impacting the course of activity, in order to prevent and eliminate in due time the difficulties and shortcomings that arise during the reporting period. It is essential to provide additional sources of systematized accounting information in the enterprise in the form of internal reports and accounting references, such as reports and references on sales and financial results by groups of goods and by individual types of goods, by type of transaction, by individual markets, by groups of clients, etc.
An especially important element of the provision of information for the analysis of foreign trade activity is the system of synthetic and analytical accounts. The information derived from them makes it possible to conduct a variety of detailed analyses of foreign trade activity in specific areas, in various aspects and sections of importance for the enterprise. A problem of exceptional importance in the provision of accounting information for the foreign trade transactions is the rational organization of the structure of the system for analytical accounting by introducing appropriate sub-accounts and analytical accounts in accordance with the specific information needs of the enterprise

related to the detailed analysis and overall management of these operations. It is of substantial significance to ensure organizational unity between the creation of analytical accounting information for the foreign trade activity and the subsequent detailed analysis in different perspectives. For this purpose, it is necessary to organize the accounting based on analytical indicators, which correspond to the specific aspects for detailing the analysis of foreign trade activity. The type, nature and volume of information needed for such detailed analysis of foreign trade activity is determined by the specific objectives and tasks that are pursued with it.

For the successful management of Bulgarian enterprises which sell goods on the international markets in the conditions of globalization, the detailed analysis of the sales of goods is of priority significance. In order to achieve its goals in the modern dynamic global environment, such analysis needs sufficient up-to-date information resources. This in turn necessitates the introduction of far-reaching improvements to generating and using accounting information on the sales of goods. It is especially important that accounting of the sales of goods is organized in a way which enables it to fully meet analysis-related requirements so that the resulting information allows analysis to be further detailed into specific segments and sections.

The analysis of the sales of goods can be undertaken in a number of different ways depending on the specific objectives pursued. This would determine the actual selection of methods of analysis to be applied over the course of the analytical exercise. In terms of feasibility the analysis should first and foremost concentrate on evaluation of actual sales figures and comparison with objectives set in advance. This analysis is required when within the context of overall management of the foreign trade activity attempts are made to determine whether the enterprise has achieved sales objectives determined at the planning stage. It further allows checking the extent to which decisions made are adequate to the implementation of sales plans and whether any modifications are needed in order to identify unfavorable trends in sales and, equally, overcome these. If material differences are found between the actual results and the sales objectives set in advance, adequate corrective actions need to be taken. This analysis of the sales is extremely important in the realization of the so-called “management by objectives” (Kotler, 2000b, p.396) which includes four main steps:

1) the management sets monthly and quarterly objectives;
2) the management monitors their realization on the market;
3) the management determines the reasons for any material deviations;
4) the management takes the necessary measures to overcome the differences between the objectives and results.

In the analysis process, first the general deviation of the actual sales of goods from the objectives is determined as an absolute amount and as a percentage and then the impact of the different factors leading to such deviation is examined. The enterprise should study in detail the reasons for not achieving the objectives, therefore the sales should be analyzed in detail. Such analysis is crucial for successful management of the foreign trade activity due to the fact that the different types of sales of different goods on different markets are subject to different factors. The general analysis of the sales of goods performed by the enterprise is insufficient for taking the right management decisions and it may even prove to be misleading and lead to the wrong conclusions. Much more detailed analyses are needed so that the total sales of goods of the enterprise can be disaggregated according to certain criteria and indications in different aspects such as: by geographical areas and markets, by types or groups of goods, by groups of clients, etc.

The detailed analysis of the sales of goods is impossible without accounting information in sufficient detail. The analysis values should be supported by an efficient system for analytical accounting of the sales of goods on the international markets. It is crucial that analytical accounting is organized by principles corresponding to the ways in which analysis is being detailed and the generalized values for the sales of goods of the enterprise are disaggregated.

In addition to the comparison of the actual sales and the objectives set in advance, there are other intracompany and intercompany comparisons important for the analysis of the sales of goods. Monitoring the changes in sales in time based on the comparison of accounting information for different periods is extremely important. Using the detailed information about sales, intracompany comparisons can be made, such as comparisons between the sales in different geographical areas, between the different types of goods, comparison with the average values for the enterprise, etc. For intercompany comparisons the sales values of the enterprise on the different markets can be compared to the respective values of other enterprises, including the main competitors in the field or the average level for a certain field. Such comparative analyses are crucial in determining the competitive power of the enterprise, its market share and place. The main problems arising in relation to the information necessary for all of these comparisons are in terms of the comparability, juxtaposability and completeness of the accounting information used.

In the management of Bulgarian enterprises engaged in foreign trade in contemporary conditions, in addition to the detailed analysis of the sales of goods, priority is also given to analytical studies of profitability. Profitability is “a summary indicator that characterizes the efficiency of the overall business of an enterprise” (Ivanova, 2019, p.27). “The achievement of good profitability on the basis of resources, revenue and expenses, as well as the achievement of high rate of return of the capital invested by the owners, is considered a competitive advantage of the enterprise" (Ivanova, 2016, p.225).

For the purposes of analysis of foreign trade activity is crucial to examine the profitability of the sales of goods which necessitates the comparison between the financial results from the sale of goods and the income from the sale of goods. In the global economy environment profitability of the sales of goods is the main indicator uniting the complex and diverse market realities in which the business of the enterprise is done. It depends on the specifics of the different markets, goods and their specific convertibility. The analysis of the profitability of the sales "in its different aspects contributes to its profoundness and to the more directing nature of the results obtained and conclusions made" (Chukov, 2017, p.69).

It is clear that in order to increase the profitability of the sales, the enterprise should sell goods which bring more profit per unit sale. Making the right decision in this aspect requires a detailed analysis of the profitability of the sale of different goods since it is generally different from the total profitability of the sales of the enterprise. In the same time, considering the leading role of the market policy of the enterprise and the fact that building a structure of goods depends on the market orientation and the market adaptability of goods, it is crucial to analyze the market goals of the enterprise, i.e. the market /territorial/ structure of sales. Since in doing its business the enterprise operates on different markets, the profitability of sales should be analyzed in terms of territory, i.e. by geographical areas. Another aspect of detailed analysis which is crucial for modern marketing and management is the study of profitability of the sales by clients. The renowned marketing theorist Philip Kotler says that "companies should measure the profitability of their different products, territories, groups of clients, trade channels and amounts of order. This information will help the management in determining whether some products or marketing activities should be expanded, decreased or eliminated" (Kotler, 2000b, p.404-405). He also notes the following: "After all, marketing means the art of attracting and keeping profitable clients." (Kotler, 2000a, p.62). This is a crucial element in substantiating the need for detailed analyses of the profitability of the sales by clients in the modern global economy.

Considering the above, we can conclude that the detailed analysis of the profitability of the sales of goods can be made in the following directions:

- sale territory (geographical area) – country, city, territory of a sales agent, etc.;
- goods and groups of goods;
- clients and groups of clients.

Clients can also be described in terms of the following important aspects:

- type of client – wholesale traders, retail traders, end users, government institutions, etc.;
- size /amount/ and frequency of purchases;
- relative size of clients determined by the average amount of their purchases for a given period.

In order to make all of these detailed analyses of the profitability of the sales, there should be sufficient information available. This causes a number of accounting problems related to the generation of voluminous detailed accounting information. There should be a well-organized system for analytical accounting in strict compliance with the information needs for the purposes of such analysis. In the creation of such a system we should observe the important requirement for the optimum balance between the benefit from accounting information and the costs for its generation. The most important goal in this field is to avoid the overlapping of the efforts related both to the initial input of information into the accounting system and the subsequent use of such information for the purposes of analysis. In other words, accounting information should be generated in such a way as to be usable for analyses of foreign trade activity without the need for considerable additional efforts. The problems arising in this relation can be solved with the help of modern computer equipment and accounting software. The system for analytical accounting must be organized in such a way as to enable the enterprise to perform various detailed analyses of the sales, profitability and clients by rational and quick access to the necessary accounting information. Of substantial significance for analytical accounting of foreign trade transactions "is that it should allow for the generation of multi-variant references and internal reports based on preset criteria by the information users, as well as selecting of parts of the information in view of justifying the adoption of specific management decision" (Petrova, 2018a, p.16).

It is essential for the processes of management of sales of goods for export to compile, for example, the following internal reports (Petrova, 2018b, p.17):

- a sales report grouped by clients and then by groups of goods;
- a sales report grouped by groups of goods and then by countries;
- a sales report grouped by sales territories and then by groups of goods.

4. CONCLUSIONS

All the foregoing provides grounds to conclude that the efficient use of accounting information sources and their proper selection and matching are crucial to achieving complete, truthful, profound and reliable analytical studies of the foreign trade activity of Bulgarian enterprises in the contemporary conditions of constantly increasing globalization of the world economic area. The ability of these enterprises to organize their information as their basic resource and use it as a strong competitive advantage is a key prerequisite for their long-term success in international markets and stable prospective development. The organization of the system for analytical accounting should provide for the generation of the optimum information in quality and quantity terms which will be used for the successful management of the foreign trade activity. In contemporary global economy "the question is not whether there is information available or not, but the skill of those solving a particular problem to deliver the information and the expenses for its receiving" (Boeva, 2014, p.323). It is a fact that "in this electronic century modern information and communication technologies allow for generation of information that is wide-ranging and enormous in volume, as well as for its rapid transfer across remote distances" (Milanova, Petrova, et al., 2018, p.365). And yet the fundamental problem is, by using these opportunities to achieve efficient management of the accounting information processes running within the enterprises engaged in foreign trade, to identify properly the specific information needs at the individual management levels and the information provided by the accounting system to be maximally complied therewith.

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