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THE «CURRENT TIME» FACTOR INFLUENCE ON THE MAINTENANCE OF THE COMPANY'S FINANCIAL CAPITAL DURING THE FINANCIAL INSTRUMENTS EVALUATION

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Abstract. This article reveals the relationship between the financial instruments' valuation and the maintenance of the organization's own financial capital. A study of the economic literature showed that financial instruments are closely related to cash flows, and their reliable assessment directly depends on the time factor, since their value is reflected in accounting either at the reporting date or at the date of transaction completion. Fundamental differences between national and international accounting standards in the field of accounting for financial instruments and the value at which they are recorded are noted. The maintaining financial capital concept definition is given, on the basis of which it is concluded that maintaining financial capital is equivalent to maintaining the organization's net assets. A modified balance equation is presented in accounting estimates corresponding to the current point in time and compared with its data at the beginning of the year, which is defined through the maintaining financial capital concept. The findings are the first step towards identifying, analyzing and subsequently adjusting financial statement items that reflect financial instruments and their revaluation, which is necessary to generate reliable information about the organization at the reporting date and eliminate risks associated with the current time factor affecting the maintenance of financial capital as net assets.

Keywords: financial instruments; maintain financial capital concept; current time factor; equity; accounting financial statements; IFRS; balance equation; net assets.

JEL codes: M42; G32.

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