

IMPACT ANALYSIS OF EQUITY VARIATION ON THE FINANCIAL POSITION OF THE ECONOMIC ENTITY

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Abstract:

The analysis of equity and their variation during a financial year is an old custom in Anglo-Saxon accounting. In its simple form, such an analysis can be found in the interpretation of the structure „accumulated and retained situation” from North-American practices. Changes in the company's equity occurred between two dates of the balance sheet reflect the increase or decrease of net assets or of the wealth during the exercise. With the exception of changes resulting from transactions with the owners, such as contributions/withdrawals of capital and the distribution of dividends, the global modification of equity is represented by total earnings and losses generated by the activities carried out by the company during the entire reference period.

Keywords: equity, physical capital, financial capital, maintaining the capital.

JEL codes:: G30, G32