ANNOTATION

to the Doctoral Thesis for the degree of Doctor of Philosophy (PhD) in the specialty “6D050800 - Accounting and Auditing”

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“Improving management accounting methodology for predicting probability of bankruptcy’”

Relevance of the research topic Assessing the probability of bankruptcy of business entities is a procedure that is the basis for monitoring the state and stability of development of companies. Tracking this indicator allows the company to timely respond and adjust its plans and actions. After all, the costs of predicting bankruptcy are significantly less than the damage that may occur as a result of bankruptcy. The damage from bankruptcy, in the case of large industrial enterprises, is not limited to damage to its direct stakeholders, but can also cause significant damage to the economy, both the region and the country as a whole.

Bankruptcy and financial stability are concepts that are polar to each other. But this polarity connects them together, as they are two states of one activity of the organization. If the company is financially stable, then bankruptcy does not threaten it, and if it is not financially stable, then this instability can lead to bankruptcy. Consequently, the stakeholders of the organization are interested in constant monitoring of this characteristic and timely prevention of the occurrence of the probability of bankruptcy and loss of financial stability. Accordingly, the main task of the company's management is to achieve financial stability and its maintenance, that is, to keep the probability of bankruptcy at a very low level or absent. The solution of this task is achieved by creating and using systems for monitoring and early warning of bankruptcy and assessment of financial stability. These systems should use the most up-to-date information and provide an opportunity to assess the probability of bankruptcy for both external and internal users. For these purposes, management accounting and analysis provide the information base for making informed management decisions. Management accounting allows to provide information for the selection of areas to reduce the probability of bankruptcy and improve the financial stability of the company.

In recent years, a large number of methods for monitoring and assessing the probability of bankruptcy have been created and used, but there are still no unambiguous universal solutions in this area. All methods for assessing the probability of bankruptcy use financial stability indicators, however, the indicators currently used do not fully meet the requirements of reliability and, as a rule, use financial reporting data, which allows assessing the existing

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situation. However, there is a constantly growing need for prospective diagnostics and assessment of the probability of bankruptcy based on the up-to-date data, considering the influence of both external and internal data.

It can be argued that there is a need to develop advanced management accounting methods that will allow collecting data and assessing the probability of bankruptcy and making prompt and informed management decisions based on the information received. This sets clear and urgent tasks for management accounting to provide management with prompt and quality information on this issue.

The purpose and objectives of the study. The purpose of this study is to develop a methodology of management accounting and to develop a methodological tool for predicting the probability of bankruptcy based on digital technologies.

Within this goal, the following tasks were set for the work

– to study the concept of "... the probability of loss of financial stability";

– to establish the relationship between the definition of *financial stability* and the concepts of *bankruptcy, default and distress*, in order to predict them;

– to develop a methodology for diagnosing financial stability on the basis of cluster analysis, for the purpose of integrating it into the methodology of management accounting;

– to develop a step-by-step procedure for management accounting for monitoring and determining the probability of loss of financial stability;

– to develop a methodology for diagnosing the financial stability of organizations for the future and predicting, using statistical methods in the methodology of management accounting.

The subject of the study was a set of theoretical, methodological and practical issues of organizing management accounting.

The object of the study was digital technologies and the possibility of their integration into the management accounting system for predicting the probability of loss of financial stability and bankruptcy of organizations.

We also highlighted the *Object of Observation*, which were industrial organizations of the Republic of Kazakhstan.

The main scientific provisions submitted for defense: the definition of the concept of financial stability has been clarified, which most fully reflects all aspects of financial stability for the purpose of assessing and predicting the probability of bankruptcy of a company by the management accounting system;

- interrelation of such concepts as bankruptcy, distress, default and financial stability has been established as indicators of the degree of loss of financial stability of the organization;

- methodology for diagnosing financial stability using methods of factor and cluster analysis has been developed for the purpose of integrating it into the methodology of management accounting;

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- a step-by-step procedure of management accounting for monitoring and determining the probability of loss of financial stability is proposed;

- for this purpose, several popular statistical models for predicting financial stability and the probability of bankruptcy have been calculated on the data of Kazakhstan industrial enterprises and their effectiveness has been compared;

- a methodology for diagnosing the financial stability of organizations for the perspective and predicting, using statistical methods in the methodology of management accounting has been offered.

The theoretical and methodological basis of the study is formed by scientific works and works of domestic researchers, as well as those from near and far abroad.

Regulatory and legal acts of the Republic of Kazakhstan and the EC were used as the legal framework. Data of the Statistics Agency of the Republic of Kazakhstan and published financial statements of industrial organizations were used for the analysis.

The methods of observation, comparison, financial analysis, grouping, economic and mathematical modeling were applied in the process of the study; data processing was carried out using MS Excel and SPSS 24.0.

Approbation and implementation of the research results. The results of this research and the provisions submitted for defence were reported at the following international conferences:

- 15th international scientific-practical conference “Current Issues of socio-economic research”, held by the Scientific-Publishing Centre ‘Approbation’ on May 22, 2017

The proposed methods were tested on the materials of a JSC or LLP and were included in the management accounting methodology of this organization, an Act of Implementation dated Oktober 15, 2024 was received (Appendix A).

All the obtained results and materials of the s research itself can be used in teaching the discipline Management Accounting of the specialty Accounting and Auditing in higher educational institutions.

Publications

1.Alimbekova G.A., Kantarbayeva Sh., Abdildin S., Yerzhanova A., Kydyrbayeva Sh. Audit as a Tool for Preventing Bankruptcy Risks and Evaluating Development Prospects for Tourism Industry Companies // Journal of Environmental Management and Tourism. Volume XII, Issue 6(54) 2021 – 1617-1626p

2Baidildina A.M., Alimbekova G.A. Problem of Predicting of Bankruptcy // Вестник КазНУ. Economic Series. - 2015. - No. 3 (109). - C.30-36.

3 Baidildina A.M., Alimbekova G. Quantitative Methods of Bankruptcy Prediction // Вестник КазНУ. Economic Series. - 2016. - No. 1 (113). - C. 64-70.

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4 Alimbekova G.A. World and Domestic Experience of Bankruptcy // Current Issues of Social and Economic Research - Makhachkala, May 22, 2017 - C. 98-101.

5 A Baidildina, P. Hajek, G. Alimbekova. Analysis and management of business value in crisis conditions // The Journal of Economic Research & Business Administration. – 2018. – №3(125).

5 Alimbekova G.A., Yespergenova L.R., Dosmanbetova A.S. Impact of external audit on predicting of bankruptcy on the basis of using Artificial Intelligence// State Audit. No. 4 (61) 2023. – C.184-193

The structure of the thesis. The thesis consists of an introduction, three sections, a conclusion, a list of references, and three appendix.

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