

MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE
Pavlo Tychyna Uman State Pedagogical University
Department of Finance, Accounting and Economic Security
Public Organisation “Association of Ukrainian Educators and Researchers”

ACCOUNTING AND ANALYTICAL SUPPORT OF ENTREPRENEURS’ BUSINESS ACTIVITIES

ISBN: 978-80-88618-03-4 (e-book)

Collective monograph

Edited by Maksym Slatvinskyi

OKTAN PRINT
Praha
2022

UDC 657.3:334.7.012.61-022.51

JEL Classification: H84, L26, M21, M41

A18

Authors:

Olena Arepieva, Inna Berzhanir, Tetyana Demchenko, Olesia Demianyshyna, Volodymyr Savchenko, Serhii Stoika, Vitalii Stoika, Maksym Slatvinskyi (Editor).

Reviewers:

Ivan Balaniuk, Doctor of Sciences (Economics), Professor, Vasyl Stefanyk Precarpathian National University, Ivano-Frankivsk, Ukraine;

Oleksandr Kirdan, Doctor of Sciences (Economics), Associate Professor, Pavlo Tychyna Uman State Pedagogical University, Uman, Ukraine;

Liudmyla Melnyk, Doctor of Sciences (Economics), Professor, Uman National University of Horticulture, Uman, Ukraine.

Recommended for publication by the Academic Council of Pavlo Tychyna Uman State Pedagogical University (Protocol No. 7 of December 20, 2022)

Accounting and analytical support of entrepreneurs' business activities =
A18 Обліково-аналітичне забезпечення господарської діяльності суб'єктів підприємництва : collective monograph / Olena Arepieva, Inna Berzhanir et al. ; MES Ukraine, Pavlo Tychyna Uman State Pedagogical University, Department of Finance, Accounting and Economic Security, Public Organisation "Association of Ukrainian Educators and Researchers" ; edited by Maksym Slatvinskyi. – Praha : OKTAN PRINT, 2022. – 171 p.

ISBN: 978-80-88618-03-4 (e-book)

The publication is assigned with a DOI number: <https://doi.org/10.46489/aaasueb23-07>

This monograph represents the results of research of the scientific and pedagogical staff of the Department of Finance, Accounting and Economic Security of Pavlo Tychyna Uman State Pedagogical University on the research topic "Problems of financial support of economic and social sphere" (state registration number 0116U000117).

This monograph is considered: the problems and prospects of the organization of accounting of settlements with economic entities in the modern conditions, current problems and innovative methods to optimize cost accounting, especially accounting for the results of the enterprise, the specifics of accounting and analysis of the factors of economic security in Ukraine.

Recommended for readers interested in economic issues, academics, professionals, postgraduates, educators and students.

UDC 657.3:334.7.012.61-022.51

JEL Classification: H84, L26, M21, M41

ISBN 978-80-88618-03-4 (e-Book)

© Copyright by authors, 2022

© Copyright by Pavlo Tychyna Uman State Pedagogical University, 2022

© Copyright by OKTAN PRINT s.r.o., 2022

CONTENTS

INTRODUCTION	4
Chapter I Organization of Accounting of Settlements with Business Entities in Modern Conditions: Problems and Prospects ...	6
<i>Inna Berzhanir</i>	
Chapter II Cost Accounting: Current Problems and Innovative Optimization Methods	42
<i>Olesia Demianyshyna, Olena Arepieva</i>	
Chapter III Features of Accounting for the Results of Enterprise's Activities	87
<i>Tetyana Demchenko</i>	
Chapter IV Accounting and Analysis of Factors Ensuring Economic Security in Ukraine	125
<i>Volodymyr Savchenko, Serhiy Stoika, Vitalii Stoika, Maksym Slatvinskyi</i>	
CONCLUSIONS	167

INTRODUCTION

In modern business conditions, the accounting system is the basis of information support for the management process of any business entity. Timely acquisition of reliable data, their processing, summarization and storage are prerequisites for making sound management decisions and organizing effective enterprise activities.

The basis of information provision of economic activity of any economic entity in modern conditions is the accounting system. It is a system of information about the state and movement of the company's resources, about the nature and results of economic activity. The set of information provided by accounting and information created using the methods of economic analysis acts as accounting and analytical support for the activities of enterprises.

Accounting and analytical support should be understood as a set of measures, tools and methods of accounting and analysis that contribute to the formation of an information resource in the development of financial forecasts to establish cause-and-effect relationships that will arise in the process of supporting stable financial and economic activity and its separate parties in the future.

The essence of the accounting and analytical system consists in combining accounting and analytical operations into one process, conducting an operational microanalysis, ensuring the continuity of this process and using its results when making recommendations for making management decisions. At the same time, the general methodology and regulatory provisions of accounting and analysis are improved for rational use in a single accounting and analytical system.

Accounting and analytical support for the activities of business entities necessitates the development of appropriate methodological support to create favorable conditions for the formation of accounting and analytical information adequate to management goals. Modern enterprises independently develop an accounting system in order to provide themselves with the necessary accounting information for drawing up financial and tax reports, for developing their own production programs, determining the price policy and determining the strategy of the enterprise's development. The analytical support system, operating continuously, increases the quality and expands the scope of practical application of information, positively influencing the quality of reporting in the process of its preparation and

compilation, that is, the effectiveness of management information for third-party users

The system of accounting and analytical support of economic activity is an integral element of management, as it covers detection, registration, generalization, preservation and transfer of information, as well as quantitative and qualitative assessment and analysis of all economic transactions. The quality of information service for managers of different levels depends on the coherence and organization of accounting and analytical support, and therefore the effectiveness of the functioning of economic entities in general.

This monograph is devoted to the solution of current problems regarding the imperfection of accounting and analytical support for the activities of economic entities in the conditions of martial law.

The monograph includes four chapters, which are structured so that each of them contains the results of scientific and practical research on certain aspects of accounting and analytical support in the conditions of martial law.

Authors of monograph:

Maksym Slatdinskyi, Editor, Candidate of Sciences (Economics), Associate Professor (leader of the author's team, scientific editor) – Chapter IV; *Olena Arepieva*, Lecturer – Chapter II; *Inna Berzhanir*, Candidate of Sciences (Economics), Associate Professor – Introduction, Conclusions and Chapter I; *Olesia Demianyshyna*, Candidate of Sciences (Economics), Associate Professor – Chapter II; *Tetyana Demchenko*, Candidate of Sciences (Economics), Associate Professor – Chapter III; *Volodymyr Savchenko*, Doctor of Sciences (Economics), Professor – Chapter IV; *Serhii Stoika*, Candidate of Sciences (Economics), Associate Professor – Chapter IV; *Vitalii Stoika*, Candidate of Sciences (Economics), Associate Professor – Chapter IV.

Chapter I

ORGANIZATION OF ACCOUNTING OF SETTLEMENTS WITH BUSINESS ENTITIES IN MODERN CONDITIONS: PROBLEMS AND PROSPECTS

Inna Berzhanir

Candidate of Sciences (Economics), Associate Professor
Associate Professor at the Department of Finance,
Accounting and Economic Security
Pavlo Tychyna Uman State Pedagogical University, Uman, Ukraine
E-mail: berzhanir.i@udpu.edu.ua

ORCID ID: 0000-0001-7035-1170

Introduction. In the conditions of market management, the functioning of enterprises, institutions, organizations of various forms of ownership and the implementation of economic activities by enterprises is accompanied by the emergence of settlement relations between them in both cash and non-cash forms. However, when carrying out calculations, both enterprises and credit institutions are obliged to strictly comply with current legislation, banking rules, improve the system of settlement relations in Ukraine, promote the acceleration of payments and strengthen settlement discipline. Therefore, the issue of accounting for settlements with entities of economic activity is quite relevant in modern conditions.

Literature review. Domestic and foreign scientists, including: I. Alyoshina, T. Baranovska, I. Belova, S. Bereza, M. Vasylyuk, G. Vlasyuk, O. Gavrylenko, T. Didorenko, O. Dobrovolska, T. Dugar, V. Yevdokimov, T. Znamerovska, S. Kotsur, O. Melnychenko, Yu. Moroz, L. Napadovska, O. Petruk, I. Suprunova, K. Surnina, Yu. Tsal-Tsalko, O. Shatokhina, V. Shesterikova, V. Yasishena and other scientists.

Results. Under the conditions of market transformation in Ukraine (the exit of domestic enterprises into international markets of capital, goods, services, openness of domestic markets for non-residents, formation from the borrower's credit rating, from its capabilities in the market.

Cash lack, insolvency of a large number of enterprises in Ukraine necessitate control of the state and movement of obligations. This requires detailed credentials for each type of amount, maturity, etc. Therefore, proper organization and construction of accounting and analysis of obligations in the structure of internal control significantly affect the success of enterprises.

A critical analysis of modern economic literature in accounting gives reason to state that today there is no single approach to defining the concept of “obligation”. Due to the fact that scientists apply different categories, concepts and terms, namely: obligations, debt, calculations; Short-term and current obligations, etc [1], [2], we propose to distinguish categories, “obligation”, “debt”, “calculations” and consider them from three points of view – by legal, economic, accounting.

Firstly, from a legal point of view: an obligation – a civil legal relationship, where one party (debtor) is obliged to perform for the benefit of the other party (the creditor) a certain action or to refrain from this action, and the creditor has the right to demand from the debtor to perform its execution obligations; debt – debt, calculations are a kind of civil relations that arise as a result of committing actions aimed at making payment in favor of another person [1].

Secondly, in terms of economic essence: obligations the obligation of the organization to counterparties should be considered as articles of its income, and the obligations of counterparties to the organization – as an article of its expenses; arrears – cash payable but not paid; calculations – monetary relationships that arise between organizations on commodity and non-commodity operations [3].

Thirdly, by accounting essence: obligation – the debt of the enterprise that has arisen as a result of past events and the repayment of which in the future is expected to lead to a decrease in the resources of the enterprise that embodies economic benefits; debt – the amount of debts belonging to the firm (society, companies, etc.) from individuals or legal entities that have arisen during economic relationships with them; calculations – calculations for commodity transactions – non-cash payments for inventory, works performed and services rendered by checks, letters of credit or other settlement documents; and calculations for non-commodity operations – non-cash payments related to the budget and social, state insurance, etc [4].

The current practice shows that obligations may arise under concluded contracts (contractual obligations: one-sided – one party assumes a duty to the other party to take certain actions or to refrain from them, and the other party is granted only the right without the oncoming claim the obligation of the first; bilateral – rights and obligations are endowed with both parties to the contract) or regulatory documents.

In accounting as an information system of management of an entity, obligations arise not at the time of the conclusion of the contract, but after

the implementation of one of the parties stipulated in the contract (or omission), which results in a receivable of one party to the other – the obligation to repay this debt, called creditorship [2].

In a broad sense of obligations arise as a management legal act of an order or state contract, in a narrow sense – obligations arise from an economic contract concluded by simple consent of the parties, on other grounds that do not contradict the law, on the results public auction [5].

The legal fact of the emergence of economic obligations is an economic contract. The Civil Code of Ukraine calls an economic agreement one of the most common grounds for obligations.

As an economic category, the obligation is the debt of the enterprise that has arisen as a result of past events and the repayment of which in the future, as expected, will reduce the resources of the enterprise that embodies economic benefits. Financial commitment involves the exchange of resources that have a monetary dimension. In addition, the obligation must be localized in time, that is, the moment of occurrence of the obligation and the period of time in accounting during which it operates [1].

In accounting, the concept of “obligation” is narrower than in civil law (Fig. 1.1).

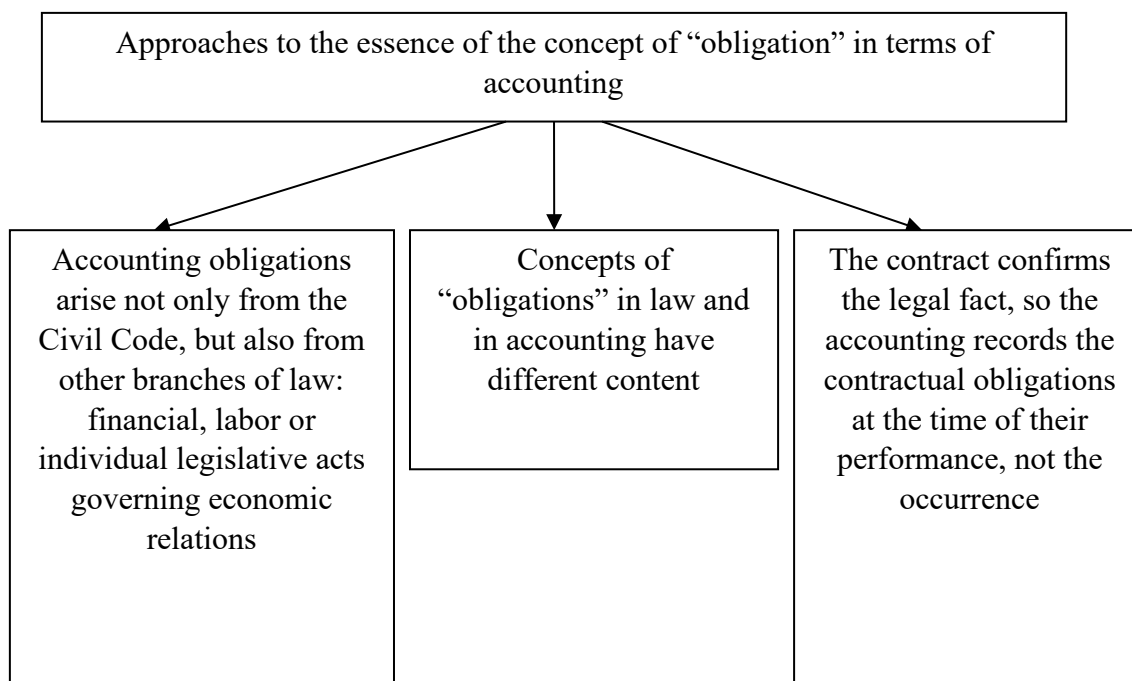


Figure 1.1. Concepts “Liability” in accounting [6]

Therefore, obligations arise through existing (through past transactions or events) debts of the enterprise or to transfer certain assets or the provision of services to another enterprise in the future.

Current obligations are characterized by the following features:

- specific economic resources – resources or their monetary equivalent are returned depending on the terms of the contract;
- targeting – resources are returned to the lender or other third person on behalf of the lender;
- the term of repayment of debt;
- remuneration for the use of resources;
- sanctions and violations of contractual obligations on the terms and amounts of debt repayment [7].

Summarizing the essence of the characteristics of obligations, we believe that the scientifically substantiated classification of the obligations of the enterprise by individual types is necessary to understand how to manage them in the accounting information system, so it should be provided to users of financial statements for decision-making and forming a strategy of enterprise development in the future.

In accordance with the requirements of the basic regulatory document, which regulates the procedure for accounting and classification of obligations in Ukraine – NAR(S) – National Accounting Regulation (Standard) No. 11 “Financial instruments” [8], the correct selection of classification features ensures complete coverage of debt information for management and analysis purposes. However, there is no uniqueness in the criteria for the distribution of obligations, since most enterprises are classified only for reflection in reporting, and therefore the specificity of debt remains not taken into account. As a result, management staff does not receive the necessary analytical information. That is why in Fig. 1.1 provides a group of the main characteristics of the obligation as an accounting object and financial statements.

The variety of settlement operations of the business entity necessitates them to classify them by the following grounds:

1. Depending on the orientation of the calculations:
 - internal;
 - External.
2. Depending on the counterparty of the calculations:
 - payments with suppliers and contractors;
 - payments with buyers and customers;

- payments with different debtors and creditors;
- payments with the budget and extrabudgetary funds;
- payments on loans;
- payments with staff (for remuneration and for other operations);
- payments with accountable persons;
- payments with participants and founders;
- internal calculations.

3. Depending on the form of calculations:

- cash;
- non-cash.

4. Depending on the nature of the operations on which the calculations are made:

- calculations for commodity operations;
- calculations for non-commodity operations.

Calculations for commodity transactions related to the movement of goods are payments with suppliers and contractors, buyers, incl. Scheduled payments, which are made by means of payment orders, payment requirements, letters of credit, checks, promissory notes. Claims of mutual requirements and cash payments are also possible.

Calculations for non-commodity transactions are payments with the budget and extrabudgetary funds, founders of the firm, accountable persons. In this case, the calculations for non-commodity operations in non-cash payments are issued only by payment order.

Relations between enterprises, organizations and institutions, as well as between them and the population due to the market, have the nature of cash payments. These relationships are based on the use of money in their functions – turnover and payment. At the same time, the company is a supplier for one and the buyer for others.

In modern conditions, the mechanism of calculations cannot be considered as a system of communication structures, methodological and technological techniques intended for their implementation. In general, understanding the category of “mechanisms” in economic science requires a broader view of economic actions and events, including processes that occur at all stages of reproduction. The calculations are completed by the circulation of the finished product of the assets of the enterprise and the conditions are created to start a new economic circulation. Cash obtained as a result of this circulation allow in a timely manner, on a new information, technical and technological basis to form and use in the new production

cycle factors of production, to pay for obligations with the state, suppliers, banks, enterprise employees, shareholders.

The components of the mechanism of calculations are also organizational and technical factors and relevant communication and other structures, whose activities are related to the provision of calculations and are regulated by certain legal norms. Calculations are based on the movement of household funds between different entities. We summarize the concept of calculations in different literary sources (Table 1.1).

Table 1.1. Definition of the term “calculations” in accounting and economic literature

No.	Author	Definition
1.	Bezrukikh P. S.	Calculations are monetary relationships that arise between organizations on commodity and non-commodity operation
2.	Chazzidi E. D., Lysyuk A. N., Mikhailova T. P.	Settlements are a system of relationships between enterprises and persons based on the monetary return of the value of inventory, works, services
3.	Count. authors ed. I. Sukhareva	Calculations – Payments on monetary liabilities
4.	Parashutin N. V., Kozlova E. P.	The settlement relationship means the buyer’s obligations to pay the cost of tangible assets, services and other debt, after fulfilling the supplier his contractual obligations or the right of the supplier to demand payment from the buyer for the products shipped to him or services rendered

As an object of accounting, obligation is one of the main factors that affects the liquidity, creditworthiness and stability of the enterprise. The rational organization of accounting of obligations helps to strengthen the contractual and settlement discipline, to accelerate the turnover of working capital, and therefore, to improve the financial condition of the enterprise, and a properly developed strategy of managing obligations contributes to the formation of a reputation of a reliable and responsible firm.

Proper organization of accounting of settlement operations of enterprises depends, first of all, on the regulatory regulation of this activity.

In the organization of accounting of payments with economic entities are guided by the following regulations:

- Law of Ukraine “On Accounting and Financial Reporting” of 05.10.2017 [9];
- NAR(S) No. 10 “Receivables” [8];
- NAR(S) No. 15 “Income” [8];

– Instruction “On non-cash payments in Ukraine in national currency”, approved by the Resolution of the NBU dated 31.01.2019 [10];

– Instruction on the application of the accounting plan of accounting of assets, capital, liabilities and business operations of enterprises and organizations dated 05.01.2018 [11].

One of the most important and important is the Law of Ukraine “On Accounting and Financial Reporting in Ukraine” of 05.10.2017. According to the provisions of the Law, all legal entities created in the country, regardless of organizational and legal forms and forms of ownership, as well as representation of foreign Organizations are obliged to keep accounting and submit financial statements. Accounting is maintained continuously from the beginning of registration of the enterprise until its liquidation. The law lays the basics of accounting system, which are specified in the relevant provisions (standards) [9].

Any business entity must keep accounting for NAR(S) and take as a basis the principles defined by the Law of Ukraine “On Accounting and Financial Reporting in Ukraine” [9].

The Law of Ukraine “On Liability for Delayed Monetary Obligations” of 11.07.2013 regulate the contractual legal relations between payers and recipients of cash concerning responsibility for late fulfillment of monetary obligations [12].

In the process of supply or sale of products, the enterprise pays certain tax payments, namely income tax, which regulates NAR(S) No. 17 “Income tax”. This provision defines the methodological principles of accounting information, income, assets and liabilities on income tax and their disclosure in the financial statements [8].

In the course of economic activity, the sale or purchase of excise goods can be carried out. Therefore, enterprises should be guided by the Tax Code of Ukraine. According to its rules, excise tax is an indirect tax on the consumption of individual goods defined as excise dizes, which are levied on them during the turnover on the sale of these goods.

As for the methodology for the formation of information on the classification of debt, it is disclosed in accounting standards, in particular NAR(S) No. 10 “Receivables” and NAR(S) No. 11 “Liabilities” that set the rules for displaying amounts in financial statements [8].

Methodological principles of formation in domestic accounting and financial statements information on receivables are regulated, first of all, by the Law of Ukraine “On Accounting and Financial Reporting” and the

provision (standard) Reporting should also take into account the requirements of other NAR(S), in particular:

- NAR(S) No. 1 “General requirements for financial statements”;
- NAR(S) No. 2 “Balance”;
- NAR(S) No. 14 “Rent”;
- NAR(S) No. 19 “Association of Enterprises”;
- NAR(S) No. 21 “Impact of changes in exchange rates”;
- NAR(S) No. 23 “Disclosure of related parties” [8].

In terms of payments with suppliers and contractors, buyers and customers in non-cash form, the instruction “On non-cash payments in Ukraine in national currency” is guided [10].

An important condition for doing business and business is to conduct an audit. The Law of Ukraine “On Auditing Financial Reporting and Auditing” of 21.12.2017 is directed to the creation of an independent financial control system in order to protect the interests of the owner in order to protect the interests of the owner.

The procedure for maintaining primary and consolidated documentation defines the order of the Ministry of Finance of Ukraine dated 11.04.17 No. 427 “On approval of changes to the Regulations on documentation of records in accounting” [13].

Since the enterprise sells products in the course of supply and sales activity, it has obligations to pay VAT at the time of its implementation. The accrual and payment of tax is determined by the Tax Code of Ukraine. It defines value added taxpayers, objects, base and tax rates, list of non-tax and taxable transactions, peculiarities of taxation of export and import transactions, the concept of tax invoice, accounting procedure, change and tax in the budget [14].

Taxpayers are:

- any person who conducts or plans to carry out business activities and is registered by his voluntary decision as a taxpayer;
- any person registered or subject to registration as a taxpayer;
- any person who imports goods into the customs territory of Ukraine to the volumes to be taxable and is responsible for the payment of taxes in the event of the movement of goods across the customs border of Ukraine in accordance with the Customs Code of Ukraine;
- the person who is responsible for compliance with the requirements of customs regimes, which provide for complete or partial conditional

exemption from taxation, in case of violation of such customs regimes established by customs legislation;

- a person who uses, including when importing goods into the customs territory of Ukraine, the tax benefit is not for the intended purpose and/or contrary to the conditions or goals of its provision in accordance with this Code, as well as any other persons using the tax benefit, which is not intended for them;

- a person who keeps records of the results of activity under the joint venture without the formation of a legal entity;

- person – property manager who maintains a separate tax accounting on value added tax on business transactions related to the use of property received in the management under property management contracts;

- the person conducting the operations on the supply of confiscated property, findings, treasures, property recognized as homeless, property, which was not approached by the owner by the end of the storage period, and property that, under the right of inheritance or on other legal grounds, becomes the property of the state;

- a person authorized to make a tax on taxation objects that arise as a result of the supply of services by railway transport from their main activities, which are under the control of the taxpayer in the manner established by the Cabinet of Ministers of Ukraine;

- the person – investor (operator) who maintains a separate tax accounting related to the implementation of the product distribution agreement [14].

It should be noted that the objects of tax are transactions from: sale of goods in the customs territory of Ukraine, import into the customs territory of Ukraine and obtaining works provided to non-residents for their use or consumption in the customs territory of Ukraine; export of goods outside the customs territory of Ukraine and provision of services for their consumption outside the customs territory of Ukraine.

The objects of taxation determined by the Tax Code of Ukraine, with the exception of transactions exempt from taxation and transactions to which zero rate is applied, is taxed at the rate of 20%. 0% is also used in taxation of the following transactions: sale of goods that were exported by the taxpayer outside the customs territory of Ukraine, the sale customs control, provision of services with transportation of passengers and goods outside the customs border of Ukraine.

The taxpayer is obliged to provide the buyer with a tax invoice. The tax invoice is drawn up at the time of the seller's tax liabilities in two copies. They are a reporting tax document and at the same time a settlement document. Taxpayers must keep tax invoices for the period provided by law for taxes.

The amount of VAT tax payable to the budget is defined as the difference between the amount of tax liabilities and the amount of tax credit.

Delivery of goods-any transactions carried out in accordance with the contracts of sale, delivery and other civil contracts, which provide for the transfer of ownership rights to such goods for compensation, regardless of the terms of its provision, as well as transactions for free delivery of goods (results works) and transactions for the transfer of property by the landlord (lessor) to the balance of the tenant (lessee) in accordance with the contracts of financial lease (leasing) or the delivery date of the last payment [15].

The instruction on inventory of fixed assets, intangible assets, inventory, cash and documents, payments and other balance sheet items establishes uniform requirements for the procedure for inventory, other central executive bodies, institutions and organizations that are held at the expense of budgets of all levels.

When the inventory of calculations:

- all debtors of the creditors must transfer statements about their debt, which transfer the inventory commission to confirm the reality of the debt. Debtors are obliged to confirm the debt or declare their objections within ten days from the date of receipt;

- the amount of suppliers from the unfavoable deliveries after their verification should require the accounting department from the suppliers of settlement and payment documents. Suppliers are obliged to submit such documents to buyers or to inform the reasons for failure to fail or lack such debt;

- the accounts of payments with buyers and customers, suppliers and contractors, other debtors and creditors should remain exclusively agreed on the amounts [16].

In the process of payments with suppliers and buyers, businesses have obligations. According to NAR(S) No. 2 “Balance”, the obligation is the debt of the emerging enterprise, as a result of past events and repayment of which in the future is expected to lead to a decrease in the resources of the enterprise that embody economic benefits.

Liabilities arise through existing (through past operations or events) business debts to transfer certain assets or services to another enterprise in the future. Therefore, the debt of the enterprise, which arises mainly in connection with the purchase of goods and services, on credit, or loans that the enterprise receives for its financing.

NAR(S) No. 2 “Balance” determines the content and forms of the balance sheet and the general requirements for the disclosure of its articles. According to NAR(S) No. 2, debt to buyers for their products, goods, works, services is reflected in the article, the receivables for goods, works, services “in the second section of the balance sheet asset”. The article “payables for goods, works, services” reflects the amount of debt to suppliers and contractors for tangible assets, work performed and services received [8].

In the course of activity, the enterprise does not always calculate with other enterprises or individuals at the same time as the transfer of property, performance of works, provision of services. In this regard, he has receivables. Receivables are defined as the amount of debt of receivables to the enterprise on a certain date.

Methodological principles of accounting of information on accounts receivable and its disclosure in financial reports study the NAR(S) No. 10 “Receivables”. The rules of this NAR(S) are applied by enterprises, organizations and other legal entities, regardless of ownership (except budgetary institutions) [8].

Receivables are classified according to:

- the term of its repayment – short-term receivables, and for more than one year – long-term;
- the likelihood of its repayment;
- from evaluating its display in the balance sheet.

Long-term receivables are reflected in the balance sheet of the enterprise in section 1 “Non-current assets” under the article “Long-term receivables” and in section 2 “Receivables for goods, works, services”, “Receivables”, “Other current receivables”.

According to NAR(S) No. 10, debtors are legal and natural persons who, as a result of past events, owed the enterprise certain amounts of cash, their equivalents or other assets. Accordingly, receivables are the amount of debt debtors to the enterprise on a certain date.

Non-commodity (or non-operating) receivables arises from other activities of the enterprise (ie transactions other than the sale of goods, performance of works or provision of services). Non-commodity

receivables are recorded in accounting under the corresponding names and is not included in the receivables.

Thus, regulatory acts regulate the basics of accounting with suppliers and buyers.

Organization and accounting of obligations and proper reflection in the financial statements depends on how well the classification of liabilities is carried out and the classification features are selected. In terms of balance sheet, there are four groups of liabilities: long-term liabilities, current liabilities, providing subsequent expenses and payments, future income [18].

The procedure for classifying obligations in accordance with NAR(S) No. 11 “Liability” [8] is shown in Table 1.2.

Table 1.2. Classification of obligations for accounting, control and analysis purposes

Type of obligation	Characteristics of the obligation
Current liabilities	Obligations that will be repaid during the operating cycle or must be repaid within 12 months, starting from the balance date: <ul style="list-style-type: none"> – Short-term bank credits; – current debt on long-term liabilities; – short -term promissory notes issued; – accounts payable for goods, services, work; – current debt on payments received, with budget and extra-budgetary payments, remuneration, with participants, internal payments, other current obligations
Long-term liabilities	All obligations that are not current: <ul style="list-style-type: none"> – long-term bank credits; – other long-term financial obligations; – deferred tax liabilities.
Software	Obligation with an indefinite amount or time of repayment at the balance sheet date: <ul style="list-style-type: none"> – additional pension; – fulfillment of guarantee obligations; – restructuring; – fulfillment of obligations on burdensome contracts.
Unforeseen obligations	<ul style="list-style-type: none"> – an obligation that can arise as a result of past events and the existence of which will be confirmed only when (not) one or more uncertain future events will occur over which the enterprise has no full control; – The current obligation arising from past events, but is not recognized, since it is unlikely that the obligation will need to use resources that embody economic benefits, or the amount of the obligation cannot be determined.
future revenues	The income received by the enterprise in the reporting period, but those belonging to the following periods.

Long-term liabilities include: long-term banks; other long-term financial obligations; deferred tax liabilities; Other long-term liabilities. They are the main source of capital investment formation. Determining long-term liabilities in NAR(S) No. 2 “Balance” is inherently too general. In practice, long-term liabilities are liabilities exceeding twelve months from the balance sheet date.

Current liabilities include: short-term banks; current debt on long-term liabilities; short-term promissory notes issued; payables for goods, works, services; current debt on payments (from advances received, with a budget, from extrabudgetary payments, on insurance, from remuneration, with participants, from internal calculations); other current commitments.

Provision is created for compensation for future operating expenses for: payment of vacations to employees; additional pension; fulfillment of warranty obligations; restructuring, fulfillment of obligations in the termination of activity; fulfillment of burdensome contracts and more.

Therefore, the amounts created are recognized as costs (except for the amount of security, which is included in the original value of fixed assets in accordance with NAR(S) No. 7 “Fixed assets”). It is forbidden to create security to cover future losses from the activity of the enterprise. In some countries, security is not attributed to obligations at all, since they need to apply a preliminary assessment, which contradicts the order of recognition of obligations under the actual operation.

A special group of obligations is those categories that are accounted for by balance, but are very important positions in terms of assessing the impact of potential consequences of certain events on the prospects of enterprise development. These include, first and foremost, unforeseen obligations.

The income of future periods includes income in the form of advance payments received for leased fixed assets and other non-current assets (advance rental payments), subscriptions for newspapers, magazines, periodicals and reference publications, revenue for freight, subscription fee for use puppies and more.

In addition, the structure of the enterprise’s obligations is supplemented by NAR(S) No. 13 “Financial Instruments”, which states that the financial obligation is a contractual obligation:

- transfer cash or other financial asset to another enterprise;
- exchange financial instruments with another enterprise on potentially disadvantageous conditions [8].

Financial obligations include payables for trade transactions, promissory notes issued, loans received, bonds issued, financial lease obligations.

According to the requirements of international accounting and financial statements, the following types of obligations are defined: short-term, long-term, standard (legal and accrued), backup and conditional [18].

It is advisable to note that in the regulations on accounting the issue of accounting assessment should be more specific to prevent inaccuracies when reporting. Obligations in international practice are estimated at one of four types of value: historical, current, cost of implementation and present. However, most often the basis for the assessment adopted by economic entities for the preparation of financial statements is the historical cost. According to NAR(S) No. 11, current liabilities are displayed in the balance sheet. Long-term interest liabilities are displayed in the balance sheet at their present value. Determining the current value depends on the conditions and type of obligation. Unforeseen liabilities are reflected in the off-balance sheet accounts of the enterprise.

In practice, other classifications of obligations are used. For example, N. I. Tsegelnyk, according to the grounds from which economic obligations arise, divide them into contractual and unquestionable. Contractual obligations are such obligations that arise from contracts, and the faithless are those that arise as a result of harm, unjustified purchase or preservation of property. Such a division, in her opinion, is required for legislative regulation of obligations [19].

T. V. Asmolova believes that the obligation, if possible, is divided into real and potential (conditional). Real obligations arise on the basis of the contract, the contract received by the account. The amount of debt on these obligations is known, specified in the relevant documents or calculated at the set rates, standards, tariffs. Long-term and current obligations are real. Concerning potential liabilities, the amount and time of future payments are not determined (vacation payment, warranty repair). These include security and unforeseen obligations [20].

The most extensive classification of obligations on different grounds is offered by FF Butinets, namely:

- complexity: simple, complex;
- in time in time: limited in time, indefinite;
- on the fulfillment of obligations: secured, partially provided, unsecured;

- depending on the basis of the obligation: contractual, non- contractual;
- by method of repayment: monetary, non-monetary;
- in time of occurrence: present, future;
- for maturity: long-term, short-term;
- if possible: actual, evaluative, conditional [16].

V. M. Rasenko holds the same opinion and notes that “the classification of accounting liabilities is created on the basis of economic processes, and therefore is reduced to a simple list that regulates NAR(S). Because of this, it is advisable to consider the classification of accounting obligations on different grounds” [21]. The author emphasizes that NAR(S) No. 11 “Obligations” does not give a detailed characteristic of classification features of specific types of obligations, compared to the features given in the Civil and Commercial Codes. Such characteristics of classification features will clearly comment on the general accounting provisions of liabilities (accounts payable) [22].

Usually, accounting does not reflect all economic obligations, but only those arising from the execution of contracts concluded by the enterprise or actions taken. Therefore, in the conditions of IFRS-transformation for accounting needs, it will be sufficient to divide obligations into current (short-term) and long-term. This classification will facilitate and, in turn, actualize the work of the accounting service.

Also, on the basis of practical need, for the needs of management (shareholders, management, other economic entities), it would be appropriate to distinguish from the general classification the amount of overdue payables, which is formed as a result of violation of the order and terms of payment of settlement documents by buyers. The separation of this type of liabilities is necessary for controlling the amounts of overdue accounts payable, establishing the reality of its repayment, calculating partial indicators of financial stability and solvency of the enterprise, and on the debt, the statute of limitations of which has expired – timely reflection in the declaration of income.

The study found that a detailed classification of obligations makes it possible to understand their essence more deeply, and helps internal and external users to receive versatile information about their optimization.

In the process of carrying out its financial and economic activity, the enterprise establishes certain partnerships with buyers and customers. Shipping manufactured products, goods or services; the company does not receive money in most cases immediately. That is, economic transactions

do not coincide in time: first, one of the parties fulfills its obligations, and it has the right to claim compensation for this debt, and in the other part – the obligation to repay that debt. For effective management of payments with buyers and customers, there is a need for objective information, especially in detailing the credentials with buyers and customers for the purpose of their control.

The main tasks of accounting for payments with buyers are:

- timely and correct documentation of cash and payments;
- control over the use of funds in calculations solely for the intended purpose;
- control over compliance with the forms of payments established in contracts with buyers;
- timely reconciliation of payments with debtors for writing off overdue receivables [23].

The economy in modern conditions is built in such a way that any enterprise must constantly pay with different legal entities and individuals. Agriculture has the peculiarity that much of the products produced here remains for domestic consumption – food is also needed for producers themselves, and seeds and feeds are consumed in the next production cycle.

From the production of LLC “Agro-Astra” receives finished products that are sold to buyers, with which also calculations arise.

The principles of formation and accounting of information on receivables and requirements for its disclosure in the financial statements are defined in NAR(S) No. 10 “Receivables” [8].

According to NAR(S) No. 10 receivables are the amount of debt debtors of the enterprise on a certain date. Accordingly, debtors are legal and natural persons who, as a result of past events, owed the enterprise certain amounts of cash, equivalents or other assets [8].

In NAR(S) No. 10 it is stated that receivables may be included in the asset if there is a likelihood of receiving future economic benefits by the enterprise and its amount may be reliably determined.

Future economic benefit is a potential that can (directly or indirect) contribute to the receipt of cash and their equivalents to the enterprise.

As already mentioned, one of the tasks of accounting organization with debtors is the right choice of features of the classification of receivables, which must comply with the current legislation. According to NAR(S) No. 10, receivables are divided into:

– long-term receivables are the amount of receivables of individuals and legal entities, which does not occur during the normal operating cycle and will be repaid after twelve months from the balance sheet date;

– Current receivables are the amount of receivables that occurs during a normal operating cycle or repaid within twelve months from the balance sheet date. Current receivables are determined by the asset at the same time as determining the income from the sale of products, goods, works and services and is estimated at their original cost [8].

More precisely the moment of receivables for products, goods, works, services are described by NAR(S) No. 15 “Income”. According to this standard, this type of receivables is an asset if the following conditions are met:

– the buyer transferred the risks and benefits related to the ownership of products;

– the enterprise does not continue management and control over the sale of products;

– the amount of income can be reliably determined;

– There is a confidence that the operations will increase the economic benefits of the enterprise, and the costs associated with this operation can be reliably determined [8].

In the process of sales of products of LLC “Agro-Astra” enters into economic relations with buyers, employees and other legal entities and individuals. The company sells mainly to buyers and customers a large part of the products. They can also be calculated with the supplier for products before receiving it (prepayment), at the time of receipt (cash calculation) and after shipment (postpay).

An enterprise that produces large volumes and is interested in its rapid sale or expansion of markets can make concessions to its buyers on the payment period. During the period, the beginning of which is considered to be the date of release of products, and the end – the date of payment by the buyer of previously received products, at the enterprise – the supplier for the amount of sales will exist receivables.

In accounting for grouping information on receivables for goods, works, services, an active account is assigned 36 “Payments with buyers and customers”.

According to the order of the Ministry of Finance of 09.12.2016 No. 1591, subaccounts into synthetic accounts are introduced by enterprises independently, based on the needs of management, control, analysis and

reporting. However, the enterprises that apply the Instruction on the application of the accounting plan of accounting of assets, capital, liabilities and business operations of enterprises and organizations dated 05.01.2018, use the subaccounts determined by this instruction [24]. Therefore, the following subaccounts are opened to the account 36 “Payments with buyers and customers” in LLC “Agro-Astra”:

- 361 “Payments with domestic buyers”;
- 362 “Calculations with foreign buyers”;
- 363 “Payments with PFG participants”;
- 364 “Guarantee Calculations”.

The debit account 36 “Payments with buyers and customers” reflects the selling value of sales, goods, works performed, services rendered (including for barter contracts), which includes value added tax, excise duties and other taxes, fees (obligation, payments) to be transferred to budgets and extrabudgetary funds and included in the cost of sales, on the loan – the amount of payments received to the accounts of the enterprise in banking institutions, to the CASU, and other types of payments. The account balance reflects the debt of buyers and customers for the products received (works, services).

On subaccount 362 “Settlements with foreign buyers” analytical accounting is conducted in UAH and currency stipulated by the contract.

Subaccount 364 “Guarantee Calculations” reflects the calculations for warranty support related to derivative operations.

The stages and procedure for accounting for payments with buyers and customers are presented in Fig. 1.2.

Accounting of receivables is carried out on the basis of economic contracts and primary documents, which certify the facts of economic transactions. The task of organizing the documentation of these operations is to draw up a document management schedule from the specified specific executors, data of the statement and transfer of documents to the archive [25].

The main primary documents used in Agro-Astra LLC regarding the occurrence and repayment of customers’ debt are: invoices, invoices, accounts, acts of acceptance of works and services, tax invoices, freight invoices, invoices, invoices, bank statements, statements profitable cash orders [26].

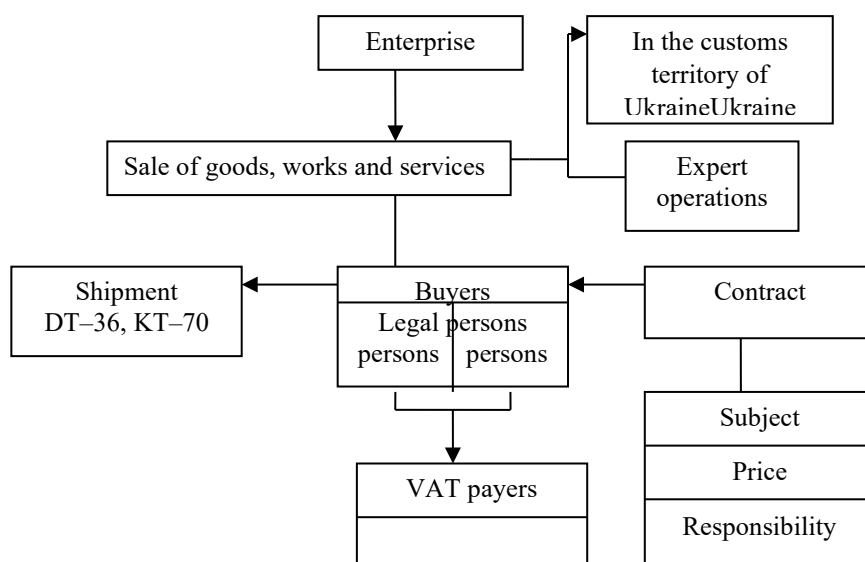


Figure 1.2. The stages and procedure for accounting for payments with buyers and customers

The most common operations for the sale of products to buyers of Agro-Astra LLC are given in the Table 1.3.

Table 1.3. Displaying accounting of payments with buyers and customers in at Agro-Astra LLC

No.	The content of an economic operation	Sum, UAH	Account correspondence	
			Debit	Credit
1.	Reflection from winter wheat sales (30 t * 550 UAH) + (16500 * 20%)	19800	361	701
2.	VAT is accrued (10500 x 20%)	3300	701	641
3.	The cost of sales is written off (30 t * 300 UAH)	9000	90	27
4.	Received funds from the elevator	19800	311	361
5.	Attributed income from realization to financial results	16500	701	791
6.	The cost of wheat is assigned to financial results	9000	791	901

To date, receivables remain one of the most negative phenomena in the economic activity of agricultural enterprises. The large amount of debt that exists between Ukrainian enterprises leads to a crisis of non-payment, which, in turn, hinders the development of markets on which the data of the enterprise work, and is a significant problem in the national economy as a whole. Therefore, it can be said that accounting with buyers and customers is one of the most important and most researched areas of accounting, since at this stage the main part of the income and cash receipts of enterprises is

formed. However, there are a number of problems about accounting with buyers and customers today, namely:

- insufficient development of the accounting plan and the instructions for its application for accounting of payments with buyers and customers, namely: reflection in the accounting and estimation of long-term and current receivables for products, goods, services (including the contract provided for;

- inability to obtain information about receivables in the amount and form sufficient to analyze payments with debtors and make management decisions.

- almost complete lack of control over the condition and volume of doubtful and hopeless receivables at domestic enterprises;

- obsolescence of accounting registers of analytical and synthetic accounting of receivables (in the journal-order form of accounting);

- inconsistencies and discrepancies of accounting accounting between NAR(S) No. 10 and IFRS provisions;

- the complexity of displaying payments with buyers and customers who are the founders or participants of the company, in the consolidated financial statements and an explanatory note on affiliates to the annual financial report; insufficiently developed legal regulation of the issue of displaying operations with affiliates;

- difficulty in VAT taxation when concluding contracts with foreign companies for the transfer of intellectual property rights and rights for their use.

- underdevelopment of settlement accounting, namely the use of factoring for effective management of receivables [27].

Therefore, having examined the existing state of accounting with buyers and customers of Agro-Astra LLC, it can be argued that in modern economic conditions there are many problems related to accounting and control of the following payments, in particular: imperfect legislative support of the procedure of payments, crisis of non-payment and growth of receivables and credentials in calculations between business entities.

An important step in accounting for enterprise settlements is payments with suppliers and contractors. Suppliers (contractors) are enterprises that ship products (perform works, provide services) to buyers. In relation to suppliers of consumer companies, they always act as buyers of their inventory, various services, including the receipt of electricity, gas, water,

auto services, communications services, material processing services, etc. [28].

The main tasks of accounting for payments with suppliers are:

- timely documentation of settlement operations;
- maintaining analytical and synthetic accounting of payments with suppliers in compliance with the principles of accounting;
- timely and reliable reflection of settlements in tax accounting;
- timely mutual verification of payments with creditors and debtors;
- prevention of unrealistic payable and receivables;
- prevention of violations of payment of export goods by non-residents, terms of receipt of paid imported goods, as well as the terms of receipt of imported goods by barter operations;
- timely and qualitative conduct of annual inventory of calculations with suppliers;
- compliance with the terms of delivery provided in the contract or consent of the sale, which must contain the written consent of the parties for the delivery of goods, as well as the obligation to pay for it the amount of money [29].

The settlement relationships between suppliers and buyers arise in the process of economic activity of enterprises, and these relations, as a rule, should precede the conclusion of contracts (contracts) of the purchase and sale of inventory, contracts of contract for performance of various works, provision of services, etc.

Payments to Agro-Astra LLC with suppliers and contractors are made on the basis of concluded contracts. It is the most common and important basis for the emergence of obligations, the main form of realization of commodity-money relations in a market economy.

The contract (contract) of sale is a commercial document under which the trade agreement is issued. It contains a written agreement of the parties on the delivery of goods – the obligation of the seller to transfer certain property to the buyer's property and the obligation of the buyer to accept the property and pay for him a certain amount of money [30]. The prerequisite for concluding contracts should be the most accurate display of the obligations of both parties.

It is recommended to place responsible for the preparation and registration of contractual relations in accordance with the functions assigned to it (logistical, sales, commercial, marketing for timely and qualitative preparation of the necessary materials and qualitative preparation

of contractual relations, as well as accounting, registration, storage of contracts, management, technical control, advertising, capital construction, finance, transport, other services in accordance with their functions in the manner determined at the enterprise).

The contract is considered to be drawn up after agreeing with all responsible persons. If the parties want to change certain initial terms of the contract over time, an additional agreement must be signed.

The general scheme of purchase of inventory has the following form:

1. The supplier's enterprise is sent to the trustee of the buyer enterprise, who inspects the goods and makes the decision on its purchase.
2. A contract is concluded between the supplier and the buyer.
3. On the basis of the message of the buyer, the authorized person of the supplier enterprise shall write out the bill for payment.
4. The issued account is transferred to the accounting department by the head of the buyer enterprise.
5. The buyer-buyer shall submit to the servicing bank the order for transfer of funds from his account to the supplier's account in accordance with the issued invoice.
6. Obtained by the bank statement, which confirms the receipt of funds into its bank account.

After these transactions, depending on the terms of the contract, the following options for developments are possible:

- receiving the contract after full payment of its value;
- obtaining the entire consignment of goods after its partial payment;
- receipt of the entire batch of goods before payment;
- payment by a check with a check from the calculated checkbook and receiving the entire batch of goods at the same time as the check;
- obtaining part of a batch of goods as they pay them. In this case, from time to time there should be reconciliation between the enterprises (the terms are set in the contract).

It should be noted that the delivery of tangible assets to the enterprise can be carried out:

- 1) an employee of the entity enterprise;
- 2) the supplier (which according to the concluded contract delivers the goods to the warehouse of the buyer);
- 3) the obligation to deliver the goods to the buyer is borne by the transport organization (carrier).

The procedure for passing the documentation related to the conclusion of contracts in LLC “Agro-Astra” must be established by order or regulation, depending on the number of contracts.

The main sources of information for the control of settlement relations on commodity transactions on the studied economy are the primary documents on accounting of payments with suppliers and contractors.

Settlements with domestic suppliers and contractors are made on the basis of the supplier documents: invoices, invoices, accounts, acts of accepted works, services, tax invoices, freight invoices, if in the section “Transport information” it is impossible to list all the names of the goods.

The basis for posting and payment of the purchased goods is a document confirming its quality. In case of inconsistency of the TMCs received by the terms of the contract, a claim is imposed.

The basis for accounting of imported goods and their movement are documents of a foreign firm-supplier, freight forwarding companies on loading and unloading and transport services, documents confirming the costs of storage of goods, settlement documents on payment of duties, fees and taxes.

The posting of imported goods in the warehouse of the buyer is carried out on the basis of a foreign economic contract of sale, cargo customs declaration, acceptance act and act of examination of the trade and industrial chamber, commercial documents, transport invoices.

When buying a foreign currency goods, the accounting certificate must be availability of exchange differences when transferring debt.

Since LLC “Agro-Astra” does not pay with foreign suppliers and contractors, so such documents are not used by the economy in supply.

Thus, if the enterprise decides to buy certain inventory, then such an event is evidenced by two different documents: banking (cash) document on payment of their value and invoice for receipt from the supplier. The banking document on payment, though contains information about a specific product, in no way indicates the physical receipt of these goods, as well as the invoice can not indicate the payment of their value.

Settlements with suppliers and contractors are made after shipment of inventory, performance of works and provision of services, or at the same time with them with the consent (acceptance) of the enterprise or after receiving it.

Payment facts are reflected on the basis of bank statements and primary documents attached in accordance with the current rules and regulations.

The main documents on settlement relationships with suppliers are the invoice, which is the basis for the issuance of relevant bank payment documents for the transfer of debt, the freight invoice, acceptance receipt.

In accounting, payments with suppliers and contractors for the received inventory, work performed and services rendered are kept in account 63 “Payments with suppliers and contractors”. This account is balance sheet, settlement, passive, designed to account for current liabilities [16].

According to the account of account 63 “Payments with suppliers and contractors” on the basis of invoices, freight invoices, acts for acceptance of completed works, payment requirements-printing, receptions and other documents reflect the debt for the purchase of fixed assets, intangible assets and others capital investments, actually received inventory, accepted work and services, such as the cost of repair of fixed assets performed by the contracting organization, etc. By debit – repayment or write-off of these amounts. Analytical accounts are introduced for each individual supplier.

Account 63 “Payments with Suppliers and Contractors” in accounting used for the following purposes:

- to display the payments for the received inventory, settlement documents that are payable through the bank;
- to display payments for work and services performed;
- to display payments for inventory, works and services for which the calculation documents were not received from suppliers;
- to display the payments for transportation, as well as for all types of communication services [5].

The accounts payable can occur in two cases:

- upon receipt of subscription for non-shipped products (works, services);
- upon receipt of goods and if no payments are made with suppliers.

After the statute of limitations, the accounts payable of the enterprise is written off on the income of the enterprise.

Construction of analytical accounting of payments with suppliers should ensure the possibility of obtaining the necessary data on:

- acceptance and other settlement documents, the term of payment of which has not come;

- non-payment within the period of settlement documents of the supplier for non-informed deliveries;
- issued promissory notes whose payment is not;
- overdue payments of promissory notes;
- received commercial loans.

Analytical accounting at the enterprise under study is maintained separately for each supplier and contractor in the context of each document (account) for payment.

Correspondence of the most common transactions for payments with suppliers is shown in Table 1.4.

Table 1.4. Business transactions for accounting with suppliers and contractors at Agro-Astra LLC

No.	The content of an economic operation	Sum, UAH	Account correspondence	
			Debit	Credit
1	2	3	4	5
1.	Suppliers and contractors have been paid for:			
	– cash from the cashier;	5600	631	301
	– from the current account in national currency;	8420	631	311
	– letter of credit and checks from accounting checkbooks;	1260	631	313
	– short-term promissory notes;	7800	631	621
	– accountable persons;	862	631	372
	– at the expense of bank loans (short-term, medium-term, long-term)	6325	631	50, 60
2.	Claims the amount of debt reduction to the supplier by pre-issued advances	3564	631	371
3.	The payables have been written off, for which the statute of limitations has expired	2540	631	717
4.	Promoted inventory values that have been received: materials, fuel, building materials, spare parts, young animals, IBE – without VAT	4160	20, 21, 22	631
	– for the amount of value added tax;	1040	641	631
5.	Accounts of the transport organization for the delivery of purchased inventory: – without VAT;	520	20, 21, 22	631
	– for the amount of value added tax	130	641	631
6.	Accounts for services and work have been accepted: – without VAT for repair of fixed assets (current and capital);	1000	23	631
	– consumption for production costs of water, gas, electricity, heat;	2345	23	631

Continued Table 1.4

1	2	3	4	5
	– for the amount of value added tax	814	641	631
7.	Purchased animals for the formation of the main herd: – without VAT;	10080	155	631
	– for the amount of value added tax	2520	641	631
8.	Purchased fixed assets: – without VAT;	10280	152	631
	– for the amount of value added tax	2570	641	631
9.	Claimed to Suppliers for damages	2430	374	631
10.	Return sumy of suppliers and contractors	2430	311	631
11.	Accepted to pay contractors account for services related to elimination of natural disasters	3500	991	631

Analytical accounting of import transactions can be carried out in terms of countries, and inside them – by suppliers or contract numbers. In any case, clear control of the timely payments for each delivery of goods should be ensured. Analytical accounting is maintained at storage sites and accounting (commodity) batches, in determining the features of which is taken into account: the nature of the goods, the possibility of storage of batches in the process of transportation, storage of cargo.

The register of synthetic accounting on account 63 “Settlements with suppliers and contractors” is the journal-warrant No. 3 p.

The procedure for recording in registers from accounting for payments with suppliers and contractors is shown in Figure 1.3.

Proper organization of the calculation of economic entities is ensured by compliance with the relevant principles of calculations. The study found that one of the negative consequences of market transformations in Ukraine is the emergence and existence of conditions that contribute to violation of such principles in the modern economic environment, namely:

- violation of the principle of independence occurs if the possibility of economic entities in the choice of more efficient (depending on the situation) forms of calculations by other counterparties at the expense of the monopoly position of the latter;

- violation of the principle of term is confirmed by the fact of the existence and growth of unjustified receivable and accounts payable;

- non-compliance with the principle of liquidity is due to the action of two previous factors, as well as insufficient level of planning at enterprises for the receipt of funds into accounts, their write-off, planning the need for loans;

– lack of a system of control over the fulfillment of contractual obligations of enterprises by state and banking institutions. All this requires the development of appropriate measures to improve the efficiency of the internal control system at enterprises. The effectiveness of the introduction of such measures is determined by the level of accounting organization at each individual enterprise [1].

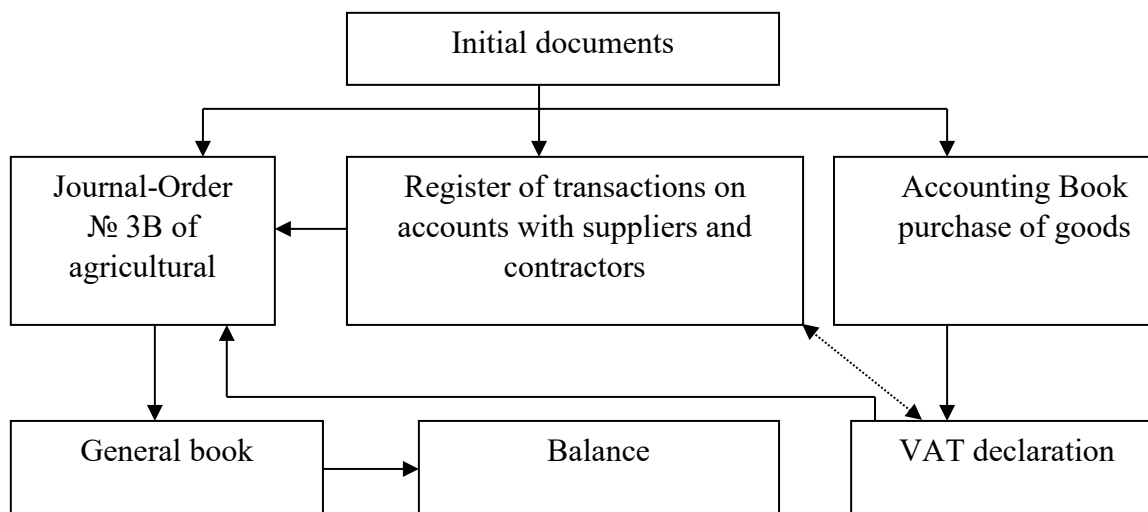


Figure 1.3. Record scheme in registers for accounting of payments with suppliers and contractors in LLC “Agro-Astra”

Settlement operations in the business environment are carried out by using certain forms of calculation. When studying the properties of existing forms of calculations in Ukraine, the following features were revealed:

– forms of calculations that guarantee the timeliness of payment (payment order, check, letter of credit) are characterized by the withdrawal), increase in workflow;

– the form of payments with the use of payment orders is used in the case of forced debiting of funds on the basis of executive documents issued by the courts, as well as in the contractual write-off of funds from the payer’s account on his instructions to the recipient’s account. Accordingly, the peculiarities of accounting methods using payment requirements are determined by the subject of calculations;

– the calculations in the order of planned payments minimize the time between the shipment of products and the receipt of funds for it, but require a high close connection between the participants of the calculations;

– the emergence of specific forms of calculations (credit of mutual liabilities, barter exchange) is related to the formation of counter-flows of

movement of inventory. Excessive promotion of this method of calculations by economic entities is characterized by the formation of a payment crisis and indicates the negative state of the economy as a whole [2].

The peculiarity of agricultural production is the rupture of the working period and the period of costs. However, in the process of production activity of the agricultural enterprise there is a constant and continuous need for the purchase of raw materials and materials of industrial industries.

In such circumstances, there is a situation that suppliers of raw materials, materials and services for agriculture simultaneously became buyers of agricultural products and sellers of industrial reserves. They became active spreaders of disadvantages (and sometimes unprofitable for the agricultural manufacturer) commodity exchange operations.

Therefore, the use of traditional forms of calculations by economic agents in the exchange process does not solve the problems of payment deformation.

The use of financial instruments in calculations provides companies more opportunities in making decisions to ensure timely fulfillment of obligations.

The industry of the agro-industrial complex is the only one where when the buyer is transferred in the primary documents does not record quality indicators. This gives rise to a situation where the buyer is not transferred to the risks, but the benefits related to the ownership of the products. Subject to lower quality indicators there is a concealment of "robbed" income of agricultural enterprises. Such operations are the reason for the non-producer of the relevant amounts of payment means and require the development of new approaches to documenting metabolic processes.

The existence of the possibility of increasing the risk of loss of economic benefits due to inflation confirms the high relevance and the need to solve theoretical and methodological problems of accounting.

The peer-based features inherent in the system of calculations in the business environment are not exhaustive, but sufficient, in our opinion, by the number of negative characteristics, to prove the fact of the problem.

From the point of view of accounting, the problem of establishing settlement and payment relations should be solved by improving and rational construction of the accounting and control system.

Delayed or incomplete fulfillment of payment obligations by economic entities leads to a violation of the principle of term non-cash

payments and requires improvement of methods for ensuring the fulfillment of contractual obligations.

The presence of overdue debt at the enterprise creates the preconditions for the formation of bad receivables. Therefore, in order to clarify the amount of expenses in the current financial year, it is necessary to take into account the number of projected losses on dubious debts [39].

The process of determining the value of the reserve of doubtful debts governed by NAR(S) No. 10 “Receivables” is laborious. Usually, if there is a choice, preference is given to the simplest of the proposed methods. With amendments to NAR(S) No. 10 “Receivables” this method appeared (determining the amount of the reserve of doubtful debts, based on the share of bad debts in the net income from the sale).

In order to facilitate accounting of accounts payable under specific contracts, GV Vlasyuk proposes to introduce an additional off -balance sheet account 10 “Accounts”:

- 101 “Accounts payable for goods, works, services, the term of payment of which has not yet come with domestic suppliers”;
- 102 “Accounts payable for goods, works, services, the term of payment of which has not yet come with foreign suppliers”;
- 103 “Accounts payable for goods, works, services, overdue with domestic suppliers”;
- 104 “Accounts payable for goods, works, services, overdue with foreign suppliers” [31].

When paying for accounts at enterprises, there are problems on control over accounts payable on accounts, as payment can be complete or partial. The balances of previously paid accounts are lost, which makes it impossible to control the debt.

In order to improve accounting with suppliers and contractors, GV Vlasyuk also proposes to introduce a document – a register of documents for payment. The consolidated “Register of Documents for Payment”, in her opinion, is very effective because she shows the register of accounts for each supplier and contractor and has information about what the enterprise pays, what terms of payment and most importantly – shows the balance for each account at the end of the day and has cumulative information at the end of the month. In addition, this document allows you to control accounts payable on a specific account from the supplier and the contractor.

Awareness of the importance of accounting policy as a component of a successful activity of the enterprise encourages a number of tasks focused on improving it.

Therefore, further research is aimed at identifying the methods of accounting and controlling the calculations as part of the elements of accounting policy of the enterprise in order to improve the quality of information and its compliance with management requirements.

Accounting policy is considered by us as the main document, which should take into account the requirements of state regulation, methodological principles of accounting, as well as the positions of business entities in compliance.

In modern conditions, the degree of freedom of the enterprise in the formation of accounting policy is limited by state regulation of accounting, which is provided by a list of methods and accounting procedures.

The practical use of accounting methods that do not meet the standards, but do not contradict them, is a sign of creative accounting in their best manifestations and can contribute to the emergence of accounting regulation in Ukraine – the level of regulation of accounting – actually entities.

The main elements of enterprise accounting policy are displayed in Figure 1.4.

Therefore, an important element of accounting organization in Agro-Astra LLC is the creation of accounting policy as an effective management tool that ensures the flexibility and effectiveness of decisions. Directions for improving the accounting policy of the enterprise regarding the methods of accounting and control of calculations can be:

- generalization of information on the state of contractual relations in off-balance sheet accounts 031 “Contractual obligations”, 032 “Contractual rights”;

- supplement of primary documents on the basis of which products are released by the buyer with a requisite “quality criteria”, which, in fact, is a justification of the selling price of such products;

- clarification of the rules of documentation of the facts of the sale of agricultural products in connection with the use of specified primary documents for the sale of products to buyers.

Increasing the requirements for the quality of financial statements requires constant improvement of the process of accounting automation, since when providing information in the form of “outdated” forms and

methods of display there is no way to achieve the necessary analyticality, timeliness, completeness and flexibility of accounting information. Therefore, the process of automation of accounting of agricultural enterprises requires constant improvement.



Figure 4. Elements of enterprise accounting policy [30]

In order to improve the process of automation of calculations, the mechanism of transformation of input data into output, which has a certain functional purpose for accounting and management of the enterprise, is proposed. Including:

- scheme of automation of accounting of economic contracts of commodity content (executed subject to recognition of the economic agreement with the object of accounting);
- scheme of automation of calculation of the value of the reserve of doubtful debts.

One of the ways to improve accounting for payments with buyers and debtors in Agro-Astra LLC is accounting automation.

According to the Law of Ukraine “On Accounting and Financial Reporting in Ukraine”, the enterprise independently selects the form of accounting as a certain system of accounting registers, the order and method of registration and generalization of information in them [12].

The construction of the process of accounting registration of the facts of economic life at the enterprise occurs depending on the form of accounting and the level of use of electronic computers (computers).

For a long time, the use of computers in accounting and economic work made only the visibility of improving the efficiency of processing of accounting information, and solving problems of accounting methodology in this connection was delayed.

The automated accounting system develops on the basis of “manual” forms of accounting. In doing so, it has its own specificity and features, which is in connection with which it is recognized as a separate form of accounting.

Today, the information technology market offers a large number of software products capable of solving complex problems for accounting, management, creation of databases and their protection, etc. The market of accounting programs is saturated and represented by complex (universal), functional, as well as corporate information systems.

Unlike universal, functional accounting programs are a collection of automated accounting solutions, such as accounting of fixed assets and intangible assets, accounting of inventory, accounting of calculations, as well as a separate special module for erection of the main book and balance.

The existence of different forms of ownership, different sectors of the economy excludes the possibility of creating a single accounting program for displaying information in the registers of synthetic and analytical accounting using a set of standard primary documents, information, and magazines. This explains the emergence of specific accounting methods in the conditions of electronic accounting information such as settings, service tools and programming tools.

The general purpose of automation of accounting processes of an agricultural enterprise is formed in accordance with the features of accounting in the industry, which are not provided by the standard configuration of information systems of accounting.

The use of measures to improve the automation of accounting of calculations will facilitate the implementation of functions of intra -firm

financial forecasting and planning as the most important tools for regulating financial flows of enterprises [32].

An important point in improving the process of accounting automation is the expansion of information systems by creating a regulatory and reference fund for the internal management needs of the enterprise. The components of the regulatory and reference fund on operational accounting of financial and settlement operations of the enterprise can be:

- indicators of solvency of buyers;
- indicators of quality of agricultural products in accordance with the requirements of the State Standard;
- calculation of the amount of losses of receivables due to ignoring contractual obligations by buyers;
- calculation of compensation for losses under the overdue contract.

Prompt receipt of such data will facilitate current and promising planning at the enterprise, timely and more accurate calculation of losses in the case of judicial settlement of economic disputes, justification of the amount of insurance indemnity, etc.

The practical implementation of these methods is possible even in the absence of automated accounting systems at the enterprise and is confirmed by the personal calculations of the author. An example of this is the use of Microsoft Excel electronic table processor to calculate the financial and economic activity of enterprises, calculate the amount of losses of receivables for goods, works (services).

Modern automated systems are created on the principle of development (openness), which provides the possibility of replenishment and updating of their functions. This confirms the likelihood of practical implementation of the proposed mechanism for improving the accounting of calculations.

The use of automated systems, differentiation of types of accounting and taking into account the need for different elements of the management system will lead in the future to the formation of new types of accounting, for example, prognostic (expected), as it happened in a time with the advent of financial, domestic (management), tax accounting

Conclusion. Increasing the requirements for the quality of financial statements requires constant improvement of the process of accounting automation, since when providing information in the form of “outdated” forms and methods of display there is no way to achieve the necessary

analyticality, timeliness, completeness and flexibility of accounting information. Therefore, the process of automation of accounting of agricultural enterprises requires constant improvement. One of the ways to improve accounting for payments with buyers and debtors at Agro-Astra LLC is the automation of accounting using M.E.Doc. The study revealed new directions in the development of an automated form of accounting of payments, taking into account the basic technological operations of processing documents and tasks arising from the need to ensure the completeness, timeliness and optimality of decision-making. An important aspect is to expand the capabilities of information systems by creating a regulatory fund for internal management needs of the enterprise.

References

1. Ohiichuk, M. F., Utenkova, K. O., Kovalova, O. V., & Tredit, V. Ye. (2015). *Bukhhalterskyi oblik* [Accounting]. Kharkiv, Ukraine: 334 p. (in Ukrainian)
2. Ohiichuk, M. F., Plaksiienko, V. Ya, & Panchenko, L. H. (2007). *Bukhhalterskyi oblik na silskohospodarskyk pidpriemstvakh* [Accounting at agricultural enterprises]. Kyiv, 947 p. (in Ukrainian)
3. Dorosh, N. I. (2015). Teoretychni aspekty orhanizatsii bukhhalterskoho obliku [Theoretical aspects of accounting organization]. *Economy. Management. Business*, (1), 93–97 (in Ukrainian)
4. Koblianska, I. O. (2007). *Finansovyi oblik* [Financial accounting]. Kyiv, Ukraine: Znannia, 473 p. (in Ukrainian)
5. Suk, L. K. (2016). *Finansovyi oblik* [Financial accounting]. Kyiv, Ukraine: Znannia, 626 p. (in Ukrainian)
6. Vizerenko, S. V. (2014). Udoskonalennia orhanizatsii obliku na pidpriemstvakh [Improvement of accounting organization at enterprises]. *Investments: practice and experience*, (16), 73–76 (in Ukrainian)
7. Kruhliak, I. O. (2017). Sut potochnykh zoboviazan pidpriemstva v rynkovykh umovakh hospodariuvannia [The essence of the company's current obligations in market conditions of business]. *Bulletin of the student scientific society "VATRA" of the Vinnytsia Trade and Economic Institute of KNTEU*, (44), 228–235 (in Ukrainian)
8. Polozhennia (standarty) bukhhalterskoho obliku № 1 – 35 (zi zminamy i dopovnenniamy) [Provisions (standards) of accounting No. 1 – 35 (with changes and additions)]. *Accounting in agriculture*, (15–16), 1–92 (in Ukrainian)
9. On accounting and financial reporting in Ukraine: the law of Ukraine dated October 5, 2017. Retrieved from: https://ligazakon.ua/l_doc2.nsf/link1/T990996.html (Last accessed: 20.10.2022)
10. Instruction "On non-cash payments in Ukraine in national currency", approved by the Resolution of the NBU dated 31.01.2019. Retrieved from: <https://zakon.rada.gov.ua/laws/show/z0377-04> (Last accessed: 20.10.2022)

11. Instruction on the application of the accounting plan of accounting of assets, capital, liabilities and business operations of enterprises and organizations dated 05.01.2018. Retrieved from: <https://zakon.rada.gov.ua/laws/show/z0893-99> (Last accessed: 21.10.2022)
12. The Law of Ukraine “On Liability for Delayed Monetary Obligations” of 11.07.2013. Retrieved from: <https://zakon.rada.gov.ua/laws/show/543/96-%D0%B2%D1%80> (Last accessed: 21.10.2022)
13. Pro zatverdzhennia zmin do Polozhennia pro dokumentalne zabezpechennia zapysiv u bukhhalterskomu obliku [On the approval of the Amendments to the Regulations on Documentary Support of Accounting Records]. Retrieved from: <http://vobu.ua/ukr/documents/item/nakaz-minfinu-ukrainy-vid-110417-r-427> (Last accessed: 21.10.2022)
14. Podatkovy kodeks Ukrainy vid 02.12.10 r., № 2755–VI zi zminamy, vneskamy zghidno z Zakonom № 4014–VI (4014–17) vid 04.11.2011 [Tax Code of Ukraine dated 02.12.10, No. 2755–VI with amendments, contributions in accordance with Law No. 4014–VI (4014–17) dated 04.11.2011. Retrieved from: <http://zakon1.rada.gov.ua/cgi-bin/laws/main.cgi?nreg=2755-17> (Last accessed: 21.10.2022)
15. Popovych, O. V. (2012). Zmist i sutnist poniattia “zoboviazannia” [The content and essence of the concept of “obligation”]. *Development of Ukraine’s economy in the post-crisis period: risks and problems of development*, (2), 101–105.
16. Butynets, F. F., Voinolovych, O. P., & Tomashevskaya, I. L. (2005). Orhanizatsiia bukhhalterskoho obliku [Accounting organization]. Zhytomyr, Ukraine: PP “Ruta”, 528 p. (in Ukrainian)
17. Maliuha, N. M., & Parkhomenko, V. M. (2017). Obiekty bukhhalterskoho obliku za Planom rakhunkiv bukhhalterskoho obliku aktyviv, kapitalu, zoboviazan i hospodarskykh operatsii pidpriumstv i orhanizatsii. Abo shcho oblikovuietsia na rakhunkakh [Objects of accounting according to the Plan of accounts of accounting of assets, capital, liabilities and economic operations of enterprises and organizations. Or what is accounted for]. Kyiv, 92 p. (in Ukrainian)
18. Tsal-Tsalko, Yu. S., Kirieitsev, H. H., & Lukanov, I. V. (2011). Mizhnarodni standarty bukhhalterskoho obliku ta finansovoi zvitnosti [International accounting and financial reporting standards]. Zhytomyr, Ukraine: Ruta, 707 p. (in Ukrainian)
19. Tsehelnik, N. I. (2012). Rozrakhunky silskohospodarskykh pidpriumstv z pokuptsiamy i naseleнням: optymalni formy, oblikovi aspekty [Calculations of agricultural enterprises with buyers and the population: optimal forms, accounting aspects]. *Accounting and finance of agriculture*, (3), 76–80 (in Ukrainian)
20. Asmolova, T. V. (2015). Osoblyvosti obliku zoboviazan za natsionalnymy ta mizhnarodnymy standartamy bukhhalterskoho obliku: porivnialnyi aspekt [Peculiarities of accounting for liabilities according to national and international accounting standards: a comparative aspect]. *Economic sciences, “Accounting and Finance”*, (1), 15–21 (in Ukrainian)
21. Rasenko, V. M. (2012). Osoblyvosti klasyfikatsii zoboviazan pidpriumstva [Peculiarities of the classification of the company’s liabilities]. *Herald of socio-economic research*, 2(45), 163–170 (in Ukrainian)

22. Berzhanir, I. A., Berzhanir, A. L., & Yashchuk, T. A. (2020). Ekonomichna sutnist zoboviazan i rozrakhunkiv pidpriumstva [The economic essence of the company's obligations and calculations]. *Pryazovsky Economic Bulletin*, 2(19), 2020, 240–244 (in Ukrainian)
23. Tsehelnik, N. I. (2016). Okremi aspekty upravlinskoho obliku rozrakhunkiv z pokuptsiamy [Certain aspects of management accounting of settlements with buyers]. *The current state and prospects for the development of accounting and economic analysis of enterprises in Ukraine*, 139–145 (in Ukrainian)
24. Instructions on the application of the Plan of accounts for the accounting of assets, capital, liabilities and economic operations of enterprises and organizations. Retrieved from: <https://zakon.rada.gov.ua/laws/show/z0893-99> (Last accessed: 21.10.2022)
25. Berzhanir Inna (October 16 2019). Information and analytical support of management accounting. *Materials of the IX International scientific and practical conference* [Modern problems of economy]. K.: NAU, pp. 45–47.
26. Butynets, F. F., Vlasiuk, H. V., & Kozoriz, M. A. (2015). Shliakhy udoskonalennia obliku rozrakhunkiv z kontrahentamy [Ways to improve the accounting of settlements with counterparties]. *Economic theory and history of economic thought*, (2), 72–75 (in Ukrainian)
27. Belova I. M. (2015). Zavdannia ta pryntsypy pobudovy obliku rozrakhunkiv z pokuptsiamy i zamovnykamy [Tasks and principles of accounting for settlements with buyers and customers]. *Sustainable economic development*, 3(28), 217–220 (in Ukrainian)
28. Berzhanir, I. A. (2019). Napriamy udoskonalennia obliku rozrakhunkiv z kontrahentamy [Directions for improving the accounting of settlements with counterparties]. *Materials of the VI International Scientific and Practical Conference* [Ukraine's development strategy: financial, economic and humanitarian aspects]. Kyiv, pp. 25–27 (in Ukrainian)
29. Bondarenko, O. S. (2008). Suchasni pidkhody do obliku debitorskoi zaborhovanosti [Modern approaches to accounts receivable]. *Investment policy and experience*, (18), 36–39 (in Ukrainian)
30. Kyian, A. V., & Yarmoliuk, O. F. (2015). Oblik i kontrol rozrakhunkiv z postachalnykamy ta pidriadnykamy [Accounting and control of payments with suppliers and contractors]. *Young scientist*, 9(24), 1, 77–80 (in Ukrainian)
31. Vlasiuk, H. V. (2012). Shliakhy vdoskonalennia bukhhalterskoho obliku rozrakhunkiv z postachalnykamy [Ways to improve the accounting of settlements with suppliers]. *State and regions. Series: Economy and entrepreneurship*, (5), 40–44.
32. Shevchuk, O. A. (2013). Avtomatyzatsiia finansovoho obliku dokhodiv, vytrat i finansovykh rezultativ [Automation of financial accounting of income, expenses and financial results]. Ternopil: TNEU, 294 p. Retrieved from: <http://surl.li/epxip> (Last accessed: 21.10.2022)

Chapter II

COST ACCOUNTING: CURRENT PROBLEMS AND INNOVATIVE OPTIMIZATION METHODS

Olesia Demianyshyna

Candidate of Sciences (Economics), Associate Professor
Associate Professor at the Department of Finance,
Accounting and Economic Security
Pavlo Tychyna Uman State Pedagogical University, Uman, Ukraine
E-mail: demianyshyna.o@udpu.edu.ua

ORCID ID: 0000-0001-9820-8878

Olena Arepieva

Lecturer at the Department of Finance, Accounting and Economic Security
Pavlo Tychyna Uman State Pedagogical University, Uman, Ukraine
E-mail: lenaumn@gmail.com

ORCID ID: 0000-0003-4744-930X

Introduction. In the course of obtaining effective indicators based on the results of the economic activity of the enterprise, a regularity arises in the regular consideration of the process of forming the costs of operating activities. Its goal is to minimize costs and maximize profits. The economic growth of any enterprise is impossible without making a profit, which in subsequent reporting periods will lead to its receipt. Sometimes there are types of income on which no expenses have yet been made, they are called deferred income.

The main financial result of the organization's activities is profit, which is the basis and source of funds for further development. There are two ways to solve the problem of profit maximization: increase production volumes or prices for manufactured products, but this is not always possible and expedient, or reduce costs. Given the fierce competition in the market and limited demand, the main condition for increasing the profit of the enterprise is to reduce the cost of products, in particular, to reduce production costs.

Modern business conditions and the role of the latest technologies in the world put forward new requirements for the cost management system. Increasingly, the need to reduce the cost of products (or services) and strengthen the competitive position of the enterprise in the market, forcing enterprises to look for new ways and methods to optimize current costs and save resources.

For cost optimization problems, the possibility of ensuring an adequate choice of the best alternative in practical situations is also complicated by the presence of a significant number of unforeseen costs. An equally important problem is that most enterprises are exposed to internal and external threats and risks. Therefore, the support of positive development dynamics should be based on comprehensive studies of the problems of optimization of production and organizational costs.

Literature review. A significant contribution to the formation of the theory, organization and methodology of cost accounting was made by domestic scientists with their fruitful work, namely: P. Atamas, A. Alekseeva, A. Blazhko, I. Blank, F. Butynets, V. Vasylieva, T. Vilkhova, E. Zavyalova, V. Zagorodniy, O. Karpenko, V. Kerimov, U. Kohut, M. Kravchenko, O. Kuzmin, I. Lazaryshyn, Ya. Ostapenko, V. Panasiuk, T. Pankratova, A. Podderyogin, V. Sopko, M. Suk, etc.

Among the important questions that are repeatedly raised regarding the costs of enterprises, a well-founded systematization of operating costs for the purposes of accounting and management accounting is of paramount importance for understanding the accounting opinion. This will ensure effective accounting and analytical improvement of enterprise activity.

The issue of economic analysis of income and expenses of future periods was considered in the works of such domestic and foreign scientists as E. Britton, K. Waterston, R. Weitzman, V. Saprykin, Ya. Sokolov, G. Sukov. In general, quite a few foreign and domestic scientists, such as E. Basovska, M. Bolyukh, T. Vechorka, G. Hall, N. Grishko, L. Dukhnovska, V. Ivakhnenko, V. Tereshchenko, L. Yuzkovets, have studied the analysis of costs. V. Byba, O. Varchenko, N. Vernyhora, O. Domozhirova, O. Drobysheva, L. Ivanova, M. Nesmeyanova, E. Rudnichenko, I. Svinous, S. Sopina, K. Tkachenko, L. Chernyshova, S. AND. Yadukha, C. Harrison, H. Emerson, J. Clark, J. Nicholson and J. Rohrbach, J. Harris, J. Higgins, C. Horngren.

Quite a lot of attention is currently being paid to the issue of reducing production costs, in Ukraine. But today, issues directly related to accounting methods, formation and innovative methods of cost optimization at the enterprise, in our opinion, remain open and require separate attention.

Results. An important component of the activity of any enterprise is the process of cost calculation, accounting and management. Today, there is a wide variety of cost management methods that can be used and adjusted by enterprises in relation to the specifics of their economic activity. A properly developed cost management system allows you to reduce production costs and predict the emergence of threats and risks to the

organization, as well as it allows you to get more profit without changing the cost of sales.

A manufacturing enterprise is a separate economic entity, the effectiveness of which directly depends on qualified management, which must have timely, reliable, complete economic information, which is formed in the process of management accounting. Information that is formed due to the systematization, measurement and calculation of incurred costs on an ongoing basis is the basis for making management decisions and is reflected in financial and management reporting.

The effectiveness of the production cost accounting system depends on a significant number of external and internal factors that have a direct and indirect influence on the formation of its elements. These factors include the following: compliance with legislative and regulatory requirements, determination and assessment of production costs, selection of synthetic and analytical accounts, summarization of information in reporting for a specific date, conducting analytical procedures [1].

Scientists A. Alekseeva, V. Vasylieva note that in modern economic conditions, the value of management accounting is especially important in the justification of management decisions [2]. I. Ostapenko, E. Rudnichenko and S. Yadukha emphasize the role of management accounting in the conditions of crisis phenomena in the economy [3]; [4], when building a cost management system optimizes such types of costs that depend on the internal factors of the organization and can be influenced by managers.

There is a need to form a relevant information base in the accounting system. The cost management system includes three interrelated areas [5]: provision of cost accounting; cost management; development of measures for their optimization.

Business participants have an influence on the effective management of the enterprise in modern conditions. First of all, it concerns the control of operating costs that form the cost of production. Expenses of the reporting period are recognized as either a decrease in assets or an increase in liabilities, which leads to a decrease in the company's equity (with the exception of a decrease in capital due to its withdrawal or distribution by owners), provided that these expenses can be reliably estimated. The object of costs is products, works, services or a type of enterprise activity that require the determination of costs associated with their production (execution) [6].

When organizing cost accounting in accordance with organizational and technological features of the enterprise, first of all, cost objects are determined. Information grouped according to the place of incurring costs,

the nature of their occurrence, etc., at different levels of management is required. Therefore, cost objects, based on the needs of managers, are allocated according to various criteria, according to elements of operating costs, costing items, according to the place of origin, according to groups of finished products, according to the nature of inclusion in the cost of products.

The modern market economy creates significant problems not so much in determining costs, their distribution by objects and ensuring minimization, but in managing them in conditions of competition and recognizing the expediency and achieving the necessary profitability.

Each business entity faces a challenge not to minimize them, but to reach such a level that they are recognized by consumers and that bring a corresponding profit to producers.

Supporting the opinion of A. Pascalova, we will consider that cost accounting is a management subsystem that methodically and informationally supports the process of cost management due to planning, accounting, analysis and control of costs in general, individual centers of responsibility and business processes, which ensures profitability and economic development of business entities in the long term [7].

National accounting standards treat operating expenses as one of the elements related to the determination of profit, that is, assets that are disposed of or depreciated: cost of goods sold, losses, damages and other asset disposals. According to NAR(S) No. 1 “General requirements for financial reporting”, expenses are a decrease in economic benefits in the form of the disposal of assets or an increase in liabilities that lead to a decrease in equity (with the exception of a decrease in capital due to its withdrawal or distribution by owners) for the reporting period [8].

An important aspect of the implementation of a qualitative classification of the costs of operational activities, which will be used in the process of accounting, analysis, calculation, planning and control, will significantly influence the formation of the cost of production. Classification of costs occupies an important place in the analysis and evaluation. You can often find disputes between scientists regarding the allocation of classification features during the distribution of operating costs. At the state level, the cost accounting methodology is determined by NAR(S) No. 16 “Costs” at the enterprise level (management accounting) – in the Regulations on Accounting Policy. They provide methodological and logical principles for the formation of accounting information about expenses. In particular, the division of costs into elements of operational costs, into elements of cost of production, definition of objects of cost

accounting, organization of synthetic and analytical accounting of production costs.

The relationship between the cost management system and management accounting in production organizations is presented in fig. 2.1.

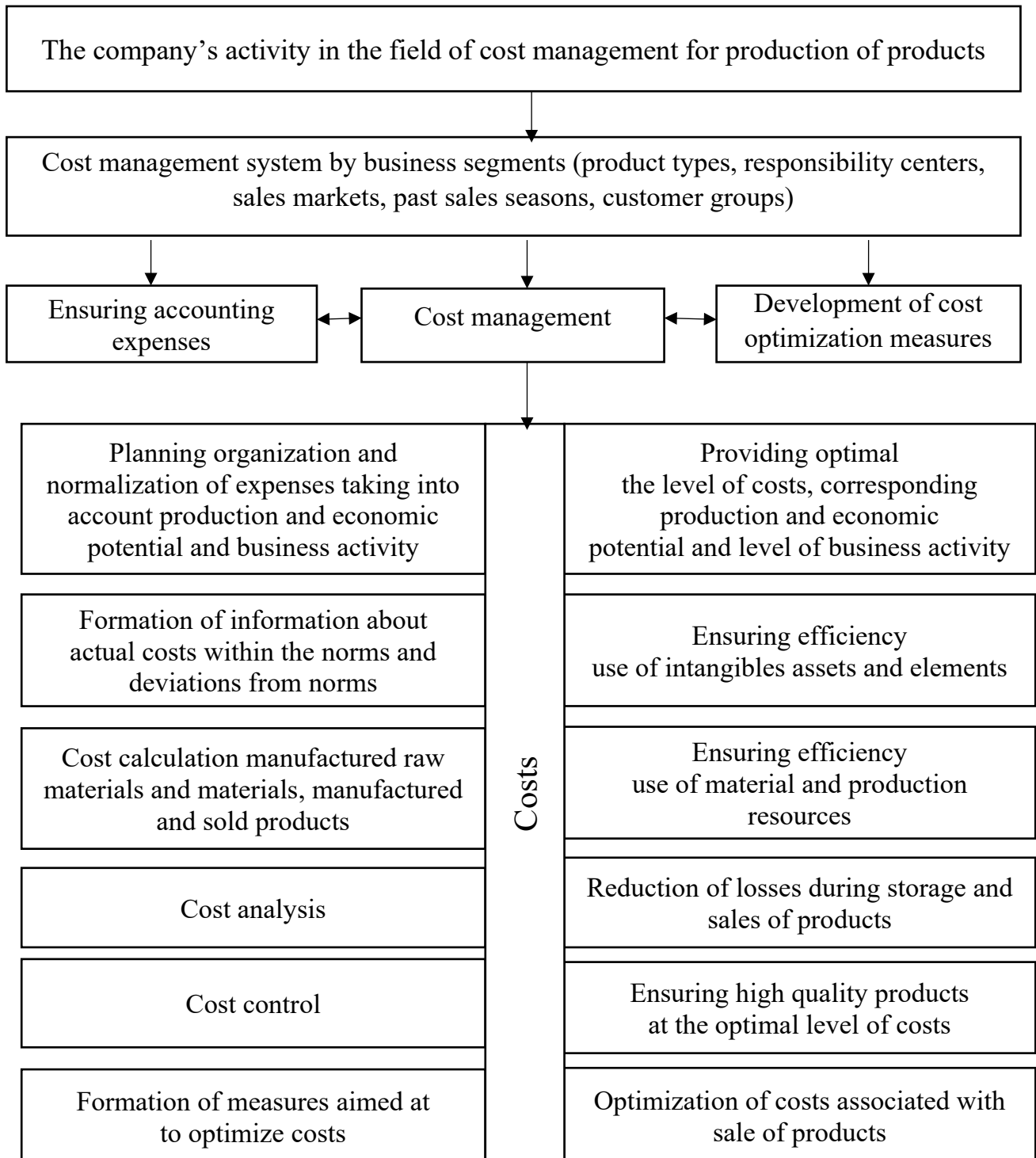


Figure 2.1. The relationship between the cost management system and accounting in production organizations [5]

We concluded that there is a close relationship between management accounting and management, as research shows. The management accounting methodology and organization are significantly influenced by the established management parameters: management levels, functions, processes, etc. The choice of management accounting methods and tools depends on the nature of management (traditional or innovative; strategic or tactical). The content and forms of presentation of information about the organization's expenses depend on the organizational structure of management, approaches to management and other factors. The technological process of accounting for production costs includes a number of elements that are interconnected and influence each other in the formation of a complete information system of cost accounting. Determining the elements of the technological process is important for the organization of accounting and management accounting. The diagram of the technological process and the relationship of its elements is shown in Fig. 2.2.

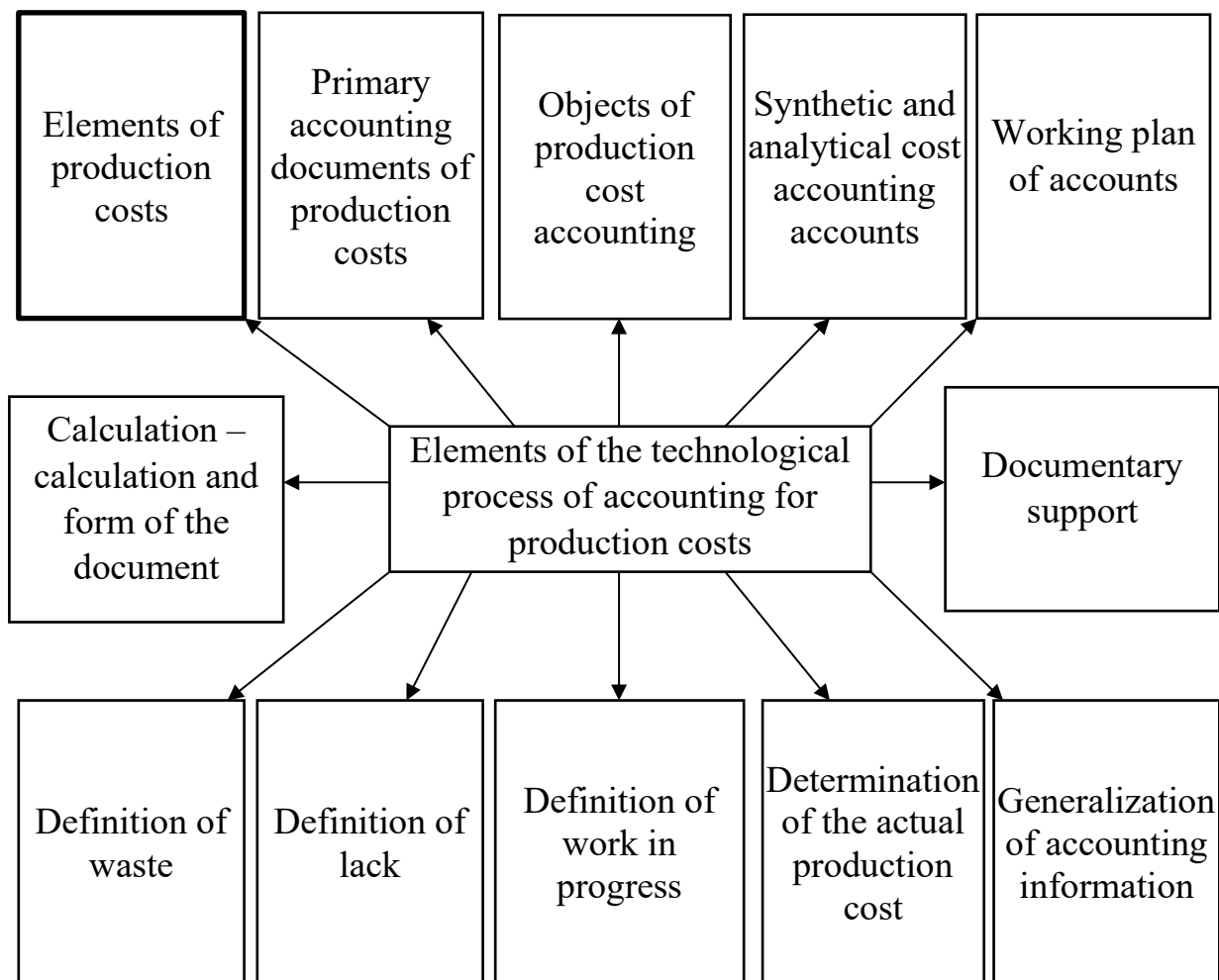


Figure 2.2. Scheme of elements of the technological process of accounting for production costs [1]

To control, analyze and plan costs, there is a need to collect, generalize, process and interpret information for the needs of enterprise management. For this, various forms of documents are used, starting from primary documents and ending with accounting registers and reporting forms. The development of document forms and their information load is decided independently by the management of the enterprise and depends on the qualifications of employees, their professional knowledge and practical experience. At the same time, the main requirement is the timeliness and reliability of determining the actual production costs for the reporting period.

The application of a systematic approach to cost accounting will allow the enterprise to timely analyze the theoretical and practical aspects of activity and determine the priority directions for improving both financial and managerial accounting.

After analyzing the works of scientists, they understand the concept of “operational costs” in different ways.

F. Butynets [9] sees costs in the following division: accounting and economic. Economic costs should be considered “costs of lost opportunities”, that is, the amount of money that can be obtained for the most profitable of all possible alternative options for the use of resources, and accounting costs mean only specific costs of resources.

In our opinion, these categories are connected only by the fact that the costs serve as the basis for calculating the cost price, and the cost price itself is a form of targeted spending. The difference between production costs and cost price also lies in the fact that cost price is expressed only in monetary form, and production costs can be both in monetary and in kind forms. In addition, the cost price also covers individual costs that are part of the added product.

Turylo A., Kravchuk Yu., Turylo A. consider costs as a value expression of the absolute amount of applied and consumed resources necessary for the enterprise to realize its set goal [10].

Yu. Petlenko [11] says that costs are a monetary expression of the use of production resources, which results in the production and sale of products.

Thus, from the above, we can see that most scientists interpret costs as a set of consumed resources, as well as funds that need to be paid for purchased assets.

It is also worth noting that the definition of the concept of “costs” is

complicated by the parallel existence and use in the economic sphere the literature of the term “expenses”. These concepts are the majority of domestic scientists identify, which actually led to the fact that the concept of “expenses” practically out of use. Not all scientists agree with this.

As a result of the analysis of different views of domestic and foreign economists on the essence of the concept of “costs” can be made the conclusion that expenses should be understood as a set of used the process of the main and other usual activities of resources expressed in cost meters, calculated according to the rules accepted in the industry and motivated by the goals of obtaining profit, as well as reducing liabilities enterprises before the budget, banks and other creditors.

Clause 177.4 of Art. 177 of the Tax Code of Ukraine Procedure defines the list of expenses directly related to the receipt of income by enterprises from conducting economic activities on the general taxation system, namely [12]:

- expenses, which include the cost of raw materials, materials, goods that form the basis for the manufacture (sale) of products or goods (provision of works, services), purchase of semi-finished products and components, fuel and energy, construction materials, spare parts, containers and containers materials, auxiliary and other materials that can be directly attributed to a specific object of expenditure (clause 177.4.1 clause 177.4 of article 177 of the TCU);

- labor costs of natural persons who are in labor relations with such a taxpayer (hereinafter – employees), which include costs for payment of basic and additional wages and other types of incentives and payments based on tariff rates, in the form of bonuses, incentives, reimbursements the cost of goods (works, services), the cost of payment for the performance of works, services in accordance with contracts of a civil law nature, any other payment in cash or in kind, established by agreement of the parties (except for the amounts of material assistance, which are exempt from taxation according to with the norms of Chapter IV of the PKU) (paragraph one of Clause 177.4.2 of Clause 177.4 of Article 177 of the Tax Code of Ukraine);

- mandatory payments, as well as compensation for the cost of services provided to employees in cases provided for by law, taxpayer contributions to mandatory life or health insurance of employees in cases provided for by law (paragraph two of Clause 177.4.2 of Clause 177.4 of Article 177 of the TCU);

- the amount of taxes, fees related to the economic activity of such an

individual entrepreneur (except for value added tax for an individual entrepreneur registered as a value added tax payer and excise tax, income tax of individuals from economic income activity, tax on real estate, other than land, on residential real estate objects); the amount of the single contribution to the mandatory state social insurance in the amounts and in the order established by law; payments paid for obtaining licenses for carrying out certain types of economic activity by an individual entrepreneur, royalties in favor of right holders, as a reward for the use of objects of copyright and (or) related rights or as a deduction in favor of right holders on the basis of contracts concluded by such a taxpayer with collective management organizations in accordance with the Law of Ukraine “On effective management of property rights of right holders in in the field of copyright and (or) related rights”, obtaining a permit, other document of a permissive nature, related to the economic activity of an individual entrepreneur (clause 177.4.3, clause 177.4, of article 177 of the Tax Code of Ukraine);

– other expenses, the composition of which includes expenses related to the conduct of economic activities, which are not specified in subparagraphs 177.4.1 – 177.4.3 of clause 177.4 of Article 177 of the PKU, which include expenses for the travel of hired employees, for communication services, advertising, fees for settlement and cash service, for rent payments, repair and operation of property used in economic activities, for transportation of finished products (goods), transport forwarding and other services related to the transportation of products (goods), the cost of purchased services directly related to the production of goods, performance of works, provision of services (clause 177.4.4, clause 177.4, of article 177 of the TCU).

Business entities under the general taxation system have the right (at their own request) to include in the expenses related to the conduct of their economic activity, depreciation deductions with the corresponding separate accounting of such expenses (clause 177.4.6 of clause 177.4 of Art. 177 of the Tax Code of Ukraine).

According to Ya. Ostapenko, cost accounting should be built in such a way that it is possible to determine and measure all factors of production that affect the cost level: material resources used for technological needs and forming the basis of the finished product, their volume and changes in structure; the main means used in production, their technical level, which affects the amount of costs associated with their functioning in production;

labor costs, their level, dynamics and value capacity in the cost price; costs associated with the organization and maintenance of production and production management costs [13].

The organization of accounting for production costs is based on the following principles (Fig. 2.3).

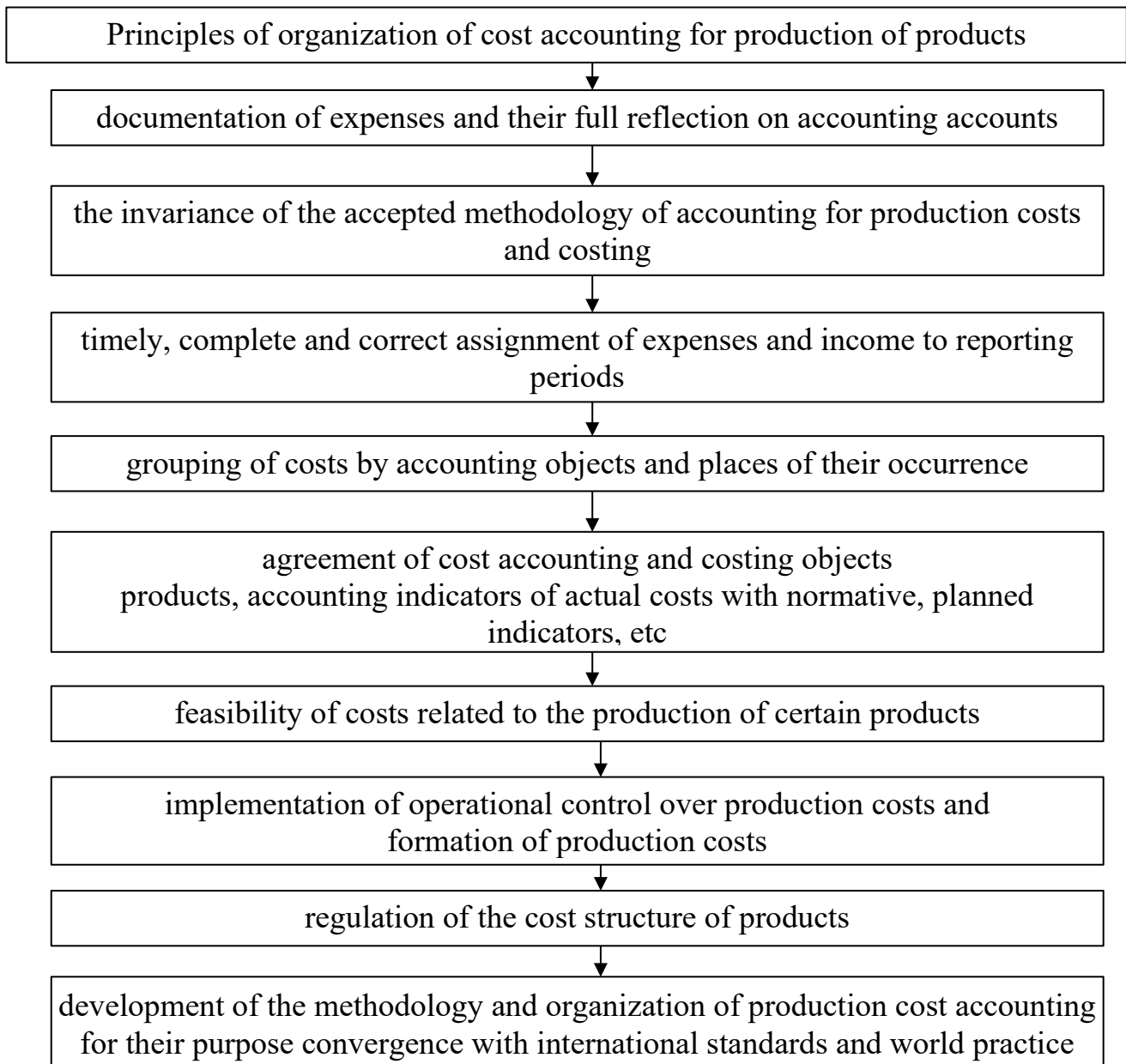


Figure 2.3. Principles of accounting for production costs [5]

From our point of view, defining the essence of accounting for production costs, in addition to the technical aspect, should include a variety of approaches to the organization of management accounting for production activities or the transformation of accounting for production costs. Thus,

defining the essence of cost accounting creates real prerequisites for modeling its organization at enterprises. It is the accounting as an information flow, turned into a management process, that will not only reflect reality, but also prepare information for modeling the economy of the enterprise in the future.

In every organization, a situation arises when income and expenses relate not to current periods, but to future ones. And then, expenses of future periods are expenses incurred by the enterprise in the reporting period, but not recognized as expenses of the given period and are considered in this connection as assets. These costs are usually subject to equal inclusion in the costs of production of products (works, services) in subsequent periods (months, a year or several years).

These costs include: paid rent for several reporting periods; advertising costs and subscription fees for several reporting periods, subscription for half a year in a period, production costs and repair work in the course of several periods.

Modern legislation is quite generalized, it does not cover all the peculiarities and specifics of the activity of a separate business entity, and does not take into account all possible options for reflecting in the accounting and the term of writing off operations related to the income of future periods.

Why it is necessary to recognize the costs of future periods, explains Art. 4 of the Law “On Accounting and Financial Reporting in Ukraine”. According to the accrual principle defined by this law, expenses are included in the accounting of expenses of future periods at the time of their occurrence without reference to their payment in cash.

For example, if an institution pays for the lease of a car for 2022 in December 2021, such expenses cannot be recognized in 2021 because:

- in fact, the rental service will be provided only during 2022;
- the income for which the car is rented will be received in 2022 [14].

When income is received for future services, then the customer (buyer) has income for future periods. Incomes received in the current period, but related to subsequent accounting periods, are shown in the balance sheet as a separate item as incomes of future periods.

Deferred income is income received in the reporting period, but related to subsequent reporting periods.

These include: rent received for several periods, income received free of charge, all types of income from subscription fees, subscriptions, future

income due to shortages discovered in past years, the difference between the amount to be recovered from guilty persons and the book value, in relation to which there are no values.

In general, different scientists distinguish between incomes according to different characteristics:

- according to the form of receiving income;
- by recognition (planned, received (actual));
- by type of activity;
- the structure of income under the construction contract;
- by geographic segment (this classification feature is typical for enterprises that include subsidiaries or separate divisions);
- by income centers (income center “Main production”, income center “Ancillary production”);
- relation to budget indicators;
- type of production;
- according to the degree of materiality (material, non-material);
- by different groups (income (revenue) from the sale of products (goods, works, services); net income from the sale of products (goods, works, services); other operating income; financial income; other income) [15].

The income of future periods includes: future receipts of debt due to deficiencies identified in the reporting period for past years; the difference between the amount to be recovered from the guilty parties and the value of the assets accepted for accounting when a deficiency and damage are detected.

There is no specific definition of the term of expenditure of future periods in regulatory acts. There is no separate regulatory act dedicated to these costs. The main thing is that the accumulated amounts are subject to expense not now, but in future accounting periods.

The disclosure of the essence of the concept of the cost of future periods is given in different ways by different Ukrainian authors. For example, O. Bondaryova interprets “costs of future periods are costs that are placed in an asset and ensure the receipt of economic benefits during several reporting periods” [16].

Some authors say that “costs of future periods are costs that are not included in the cost of realized assets, but are considered as costs of the period in which they were incurred” [14]; [15].

Deferred expenses are expenses incurred by the organization in the

reporting period, but not recognized as expenses of the given period and considered in this connection as assets. These costs are usually subject to equal inclusion in the costs of production of products (works, services) in subsequent periods (months, a year or several years).

These costs include:

- 1) expenses for preparation for production in seasonal branches of industry;
- 2) for the development of new productions, aggregates;
- 3) rent payments paid in advance;
- 4) insurance policy payment;
- 5) payment of a trade patent;
- 6) subscription to newspapers, magazines, periodicals, reference publications (but except for those publications that you intend to account for on subaccount 111 as library funds) etc.

Depending on the field of activity in which the company operates, O. Osadcha refers to costs of future periods:

- expenses related to mining preparatory work, as well as work in seasonal divisions of industry;
- costs associated with the development of new organizations, factories, workshops and units;
- expenses for unevenly performed repairs of fixed assets for production purpose during the year;
- expenses related to the payment of lease payments for the use of fixed assets;
- expenses for payment of telephone services and radio communication;
- expenses related to advertising products (works, services);
- costs for rebasing the organization's divisions;
- expenses related to the organization of recruitment of employees;
- expenses for the design of facilities, which are provided for in the construction plans of future years;
- expenses for conversion, adaptation of buildings and structures for maintenance of the main construction objects, which are included in the construction estimate;
- costs for purchasing licenses [17].

Signs of expenses for future periods are: incurred in the current (reporting) period (there is payment and documentary confirmation of expenditure); belong to future periods.

Revenues related to such expenses will arise in subsequent periods, or the payment of such payments is related to future periods.

Not every enterprise has future income. These are rather specific cases in some areas of business. Nevertheless, it is necessary to have some idea about them in order not to accidentally show them in the accounting before the required period.

A feature of account 69 “Income for future periods” is the lack of correspondence with account 64 “Tax settlements and payments”, this can be seen in the Table 2.1.

Table 2.1. Correspondence of account 69 “Income of future periods” with other accounting accounts on PjSC “Concern Khibprom”

According to the debit of the account 69 with the credit of the accounts	According to the credit of the account 69 with the debit of the accounts
30 “Cash”, 31 “Accounts in banks”, 70 “Proceeds from sale”, 74 “Other income”	18 “Long-term receivables and other non-current assets”, 30 “Cash”, 31 “Accounts in banks”, 37 “Settlements with various debtors”, 48 “Targeted financing and targeted revenues”

This difference is explained by the fact that advances, in their usual sense, can be returned to the person who issued them at any time. That is, there is a possibility that the received funds will have to be returned, this probability is very high. Therefore, it is desirable to take into account the amounts of ordinary advances on account 681 “Accounts for advances received” in the full amount of the payment received.

The return of income of future periods has a very low probability, so they can already be recognized as income today, but the principle of accrual and matching of income and expenses does not allow this.

The amount of received income of future periods is shown as a credit to account 69 “Income of future periods”, and as a debit – their write-off to the relevant accounting accounts.

The Instructions for the Application of the Plan of Accounting Accounts do not indicate what amount we debit to the income of the reporting period, so we can say that the correspondence of account 69 “Income of future periods” with the credit of accounts 30 “Cash” and 31 “Bank Accounts” provides for the possibility of return to pre-paid

customers.

Like future revenues, future expenses do not appear on the income statement. Instead, they are shown as an asset on the balance sheet until the expense is incurred. As expenses are incurred, the asset is reduced and the expenses are recorded in the income statement.

In accordance with the Chart of Accounts for Accounting of Assets, Capital, Liabilities and Business Operations of Enterprises and Organizations No. 291, account 39 “Expenses for Future Periods” is designated for accounting of costs of future periods.

This account summarizes information about expenses incurred in the reporting period, which are subject to attribution to expenses in future periods, and their write-off:

- the debit of the account reflects the accumulation of such expenses;
- on credit – writing off (distribution) of these costs, that is, including them in the composition of costs of the current reporting period.

To keep analytical records of such expenses, the directory “Expenses of future periods” is used (the “Directories” section, the “Income and expenses” group). An element of this directory must be created for each amount of such costs and it stores all the information necessary for the automated write-off of costs of future periods (CFP):

- dates specifying the time period for writing off expenses;
- distribution method: by the number of days in a month; in equal parts every month.

- expense account and corresponding analytics, which will reflect the expenses of future periods when written off. The item of expenses is indicated with the type of expenses “Other”.

All expenses at the time of their implementation are reflected in the debit of the “Expenses of future periods” account. From the credit of this account, the calculated costs are gradually debited in equal amounts to the corresponding cost accounts (production, general production, administrative costs, sales costs, etc.) to which they belong. The balance of the “Expenses of future periods” account can only be debit and shows the amount of expenses to be written off in the following accounting periods [7].

Information about the nature of the objects displayed in the article “Expenses of future periods” is necessary during the analysis of economic activity, since when calculating the coefficients, some of them are subject to inclusion in the calculation of some coefficients and exclusion from the calculation of other coefficients, where, accordingly, they are subject to

inclusion costs of future periods, or they are not taken into account at all during the calculation. Because of this, it becomes necessary to divide the accounting of costs of future periods into appropriate sub-accounts.

An example of displaying expenses of future periods in accounting (Table 2.2).

Table 2.2. Display of rent as an advance payment

No.	Contents of economic operation	Correspondence of accounts		Amount, UAH
		Debit	Credit	
1	Premises taken on balance			54 00 000
2	Rent paid for March – May 2021 (payment date – 03/25/2021)	371	311	120 000
3	The tax credit from the value added tax is displayed (the tax invoice is registered in the single register of tax invoices)	644/1	644	24 000
		641/VAT	644/1	24 000
4	The rent for March 2021 has been calculated.	92	685/631	32 000
5	The reflected VAT tax credit has been written off	644	685/631	8 000
6	Debt settlement is displayed	685/631	371	40 000
7	The rent for February – May 2021 has been expensed for future periods.	39	685/631	80 000
8	The reflected VAT tax credit has been written off	644	685/631	16 000
9	Debt settlement is displayed	685/631	371	96 000
10	The rent in February is included in the expenses	92	39	32 000
11	The rent in May 2021 is included in the expenses	92	39	32 000

Rent is recognized as an expense in accordance with NAR(S) No. 16 and is applied to the expenses of the reporting period or to the cost of production. However, if the rent is paid for several months, then the payments for the future periods are pre-recorded on account 39. And already in the months for which the rent was paid in advance, such amounts are debited from the expenses of the future periods to the expenses of the reporting period or to the cost of production.

In domestic accounting, accounts 424 “Non-current assets received free of charge” and 718 “Income from current assets received free of charge” are designated for displaying non-current assets received free of charge [7].

If the amounts paid in advance are considered as costs of future periods, account 39 “Expenses of future periods” is used in accounting. If they are considered as accounts receivable, account 37 “Settlements with various debtors” is used in accounting.

According to the Tax Code of Ukraine No. 2755–VI, the main task of any enterprise is to meet public needs and make a profit. It is thanks to the production and sale of finished products that the fulfillment of the above task is achieved. The Tax Code defines the object of taxation, the rules for keeping tax records, tax rates, as well as the procedure for calculating and payment terms for income tax [12].

Legislative norms do not cover the peculiarities and specifics of the activities of individual business entities and do not take into account all possible options for reflecting income and expenses of future periods in the accounting. The main normative acts and laws are presented in Table 2.3.

Table 2.3. Main normative acts and laws that regulate issues of accounting of income and expenses for future periods

Normative source	Concise content
Law of Ukraine “On accounting and financial reporting in Ukraine”	This Law is the main legislative, normative and instructive basis for accounting at the enterprise. It determines the legal principles of regulation, organization, and the main goals of accounting and financial reporting in Ukraine. The law specifies the concepts of accounting, income, expenses, liabilities, economic operations, and the compliance of income and expense accounting for financial reporting.
NAR(S) No. 1 “Requirements for financial reporting”	This standard defines the purpose, composition and rules of preparation of the enterprise’s financial statements and the basic requirements for determining its elements. It states that income and expenses of future periods must be reflected in the balance sheet of the enterprise.
NAR(S) No. 11 “Obligations”	According to the provision, the categories “income of future periods” and “expenses of future periods” are separated as a type of liabilities that arose in the reporting period and are subject to repayment in subsequent reporting periods.
NAR(S) No. 14 “Rent”	The regulation determines the methodological principles of forming in accounting information about the lease of non-current assets, which is one of the elements of income of future periods, and their disclosure in financial reporting.
NAR(S) No. 15 “Income”	This Regulation (standard) defines the methodological principles for the formation of information about the company’s income in accounting and its disclosure in financial reporting. The standard specifies the definition and classification of income and its assessment.
Resolution on the approval of the Instructions on the procedure for regulating the activities of banks	It is noted that expenses of future periods belong to the IV group of assets with a risk level of 50%. Issues related to the reflection of expenses of future periods on bank accounts are being regulated.
Resolution on the approval of the Property Valuation Methodology	It is noted that the property included in the total value of the entire property complex includes: current and non-current assets, and costs of future periods.
Tax Code of Ukraine	The object of taxation, the rules of tax accounting, tax rates, as well as the calculation procedure and terms for paying income tax are determined.

It can be concluded from this Table that the main legislative and regulatory basis of accounting is the Law of Ukraine “On Accounting and Financial Reporting in Ukraine” and the Tax Code of Ukraine with new amendments and additions.

There is no separate regulatory document that regulates the income and expenses of future periods, and the listed acts contain some components that can serve as a basis for further study of this topic.

According to this law, a liability is an enterprise’s debt that arose as a result of past events and the repayment of which in the future is expected to lead to a decrease in the enterprise’s resources, embodying economic benefits. That is, according to accounting rules and legislative norms and regulations, income and expenses of future periods are determined as a special type of liabilities.

Accordingly, the costs of future periods are the costs that were paid in the reporting or previous reporting periods, and are related to the cost of products sold in the following reporting periods through capitalization, which enables the enterprise to receive economic benefits in the future [20].

The procedure for recording income and expenses for future periods at each enterprise is established by administrative documents. The correct assignment of their value to expenses, as well as the reality of the assessment of work in progress and its reflection in reporting, depends on the correctness of the documentation of economic transactions. All this depends on the company’s accounting policy.

Deferred income is the profit that was received by the enterprise in a given period, but was not confirmed by certain expenses, and expenses are expenses that were incurred in the reporting period, but will bring income already during the following periods. All income must correspond to the corresponding expenses through which they were received.

The system of accounting for income and expenses of future periods should be regulated by various normative documents. However, if we consider separately the income and expenses of the enterprise, we will find quite a lot of legislative acts that regulate these economic objects, as well as where the expenses and income of future periods are analyzed as their component, and not as a separate system.

The object of the study is the public joint-stock company “Concern Khlibprom”. The company’s activities are regulated by the Economic Code of Ukraine, the Labor Code of Ukraine, and other applicable legislation. The founder of the Society is a natural person Averchenko Vladyslav

Anatoliyovych.

PjSC “Concern Khibprom” is one of the largest enterprises of the Ukrainian bread market, which daily produces more than 180 tons of products – bread, bakery, confectionery and dough semi-finished products. The Company’s structure includes 5 processing enterprises located in Lviv and Vinnytsia regions. The main types of economic activity of PjSC “Concern Khibprom” according to KVED are: production of bread and bakery products, production of crackers, cookies, pies and cakes for long-term storage, and production of products of the flour and grain industry.

The main goal with which the company was created is to make a profit by fully meeting the needs of citizens and enterprises in the goods and services provided by the company.

The company guarantees the quality of its products and for this purpose has developed its own system of protection against counterfeiting of products sold without packaging. Retail stores received certificates of authorized points of sale with holographic protection from the enterprise. These documents certify that products belong to the company’s factories, which allows consumers to avoid products of unknown origin, and, accordingly, without a guarantee of their quality [10]; [18].

Investigating the peculiarities of the production, economic and commercial activity of the , PjSC “Concern Khibprom”, it is worth noting the gradual increase in the net income from the sale of products during the period under study.

As one of the largest employers in the regions of its presence, “Concern Khibprom” provides jobs for 3,000 Ukrainians.

Today, the company’s structure includes 6 processing enterprises located in Lviv and Vinnytsia regions. The charter capital of the private joint-stock company remains unchanged and amounts to UAH 163,546,000. The company placed 16354578054 ordinary registered shares with a nominal value of 1 kopeck each in a non-documentary form of existence.

In 2021, PjSC “Concern Khibprom” received more than UAH 93 million in operating profit. The gross profit indicator for 2021 amounted to UAH 527 million, which is 15% more than in 2020, and since 2019 by 42%. This increase occurred due to the construction of an optimal structure of product sales based on marginality.

Let’s determine the level of the Gross margin indicator (the ratio of gross profit to revenue) over the last three years (Table 2.4).

Table 2.4. Dynamics of results of PjSC “Concern Khibprom”

Indicators	Period, year			Deviation of 2021 until 2019 (+, -)
	2019	2020	2021	
Net income from the sale of products (revenue), UAH million	1078	1267	1350	+272
Gross profit, UAH million	373	466	527	+154
Gross margin, %	35	37	39	+4

We will analyze the main indicators of the Company’s financial and economic activity for 2019–2021 according to the data of form 2 and form them in a Table 2.5.

Table 2.5. Main indicators of financial and economic activity, UAH thousand

Indicators	Period, year			Deviation of 2021 until 2019 (+, -)
	2019	2020	2021	
Net income from product sales	1078053	1267439	1350447	+83008
Gross profit	372797	466015	527667	+61652
Operating profit	47468	45242	93607	+48365
Net profit	2651	12784	98960	+86276
Gross profitability, %	34.6	36.8	39.1	+2.3
Operating profitability, %	4.4	3.6	7.3	+3.7
Profitability of activity, %	0.2	1.0	7.3	+6.3

From the analysis of the data in the Table 2.5, it can be seen that during 2019–2021, the revenue from the sale of products of PjSC “Concern Khibprom” increased from UAH 1,078,053 thousand to UAH 1,350,447 thousand (by UAH 272,394 thousand), which is due to both the increase of the Concern’s capacities and with the increase in prices for bakery products. Compared to 2019, in 2021 the net income from the sale of the company’s products increased by 25.3% due to higher prices for manufactured products and increased sales of other goods, such as coffee.

In 2021, the net income of the Concern amounted to UAH 98,960 thousand (37 times more than in 2019).

The constant growth of the company’s equity in 2021 also deserves a positive assessment: it amounted to UAH 212 million, which is UAH 99 million more than in 2020. The changes occurred due to a decrease

in the number of uncovered losses in the structure of equity capital (from UAH 265 million to UAH 166 million). This has a positive effect on its financial stability.

The financial condition of the enterprise and its stability largely depend on what property is at the disposal of the enterprise, in which assets the capital is invested and what income they bring to it.

Analysis of income and expenses of PJSC “Concern Khibprom” is used not only to evaluate the results of its activities for the reporting period, but also to make a forecast of future activities. The forecast of future results is quite significant for investors, as it means the possibility of profit in the future, for creditors, a positive forecast, first of all, means the possibility of paying the amount of debt with interest. If the enterprise continues to maintain the proper functioning of the state, expansion, renewal, rational use of assets and modernization will maintain their level of competitiveness.

After analyzing the balance sheet and its composition over the last 3 years, it can be seen that 2021 was unfavorable for the company due to the development of new production capacities. But there is also a positive side, compared to 2019, in 2021 the company’s net income from the sale of products increased by 25.3% due to higher prices for manufactured products and increased sales of other goods, such as coffee. In 2021, the net income of the Concern increased 37 times compared to 2019.

The state and dynamics of expenses of PJSC “Concern Khibprom” are shown in Table 2.6. Examining the indicators presented in the Table 2.6, we note the increase in the volume of expenses of the enterprise’s production and economic activities, in particular, in 2017, the value of the indicator was UAH 618,137 thousand, in 2018 – 827,694 thousand UAH, in 2019 1,140,686 thousand UAH, in 2020 – 1,147,950 thousand UAH, in the reporting year, 2021, the indicator increased to the level of 1,722,389 thousand UAH.

Examining the trends in the change in expenses at Concern Khibprom PJSC, we note their gradual growth (by 1,104,252 thousand hryvnias or by 178.64%), in particular:

– there are trends in the growth of the costs of raw materials and materials spent on the production of the company’s products, in particular, if in the base year 2017 the value of the indicator was UAH 116,952 thousand, then in the reporting year 2021 the indicator increases to the level of 290,050 thousand UAH. At the same time, the increase in the indicator was 148.01% for the entire studied period, and the largest increase

was 28.3% for the period 2019–2020;

Table 2.6. State and dynamics of expenses of the enterprise PjSC “Concern Khlibprom” for the period 2017–2021

Indicators	Years					Deviation (+; -)	
	2017	2018	2019	2020	2021	UAH ths	%
						2021/ 2017	2021/ 2017
Raw and materials	116952	138473	176350	226261	290050	+173099	+148.01
Auxiliary materials	11806	14071	15513	26288	43404	+31598	+267.63
Electricity	71828	83928	102776	95280	173100	+101273	+140.99
Expenses for payment of services used in production	32267	36501	58745	50395	86981	+54714	+169.57
Rent	62185	66712	207035	203646	291773	+229588	+369.20
Amortization	57116	72009	91711	82193	121084	+63968	+112.00
Payment costs labor	147055	268835	290761	278493	400800	+253745	+172.55
Deduction on social events	76834	100730	109392	110433	183434	+106600	+138.74
Taxes and fees	39375	43371	82358	68188	119534	+80158	+203.58
Other expenses	2720	3062	6046	6773	12229	+9509	+349.63
In total	618137	827694	1140686	1147950	1722389	+1104252	+178.64

– there is an increase in the use of auxiliary materials in the production process, while the increase in use over the studied period increases by 267.63%, in particular, in 2017, the cost indicator was 11,806 thousand UAH and will increase to the level of 43,404 thousand UAH in 2021. In general, in the structure of costs, the largest increase in auxiliary costs for the production of products is observed;

– the increase in the volume of production led to an increase in the use of electricity by 140.99%, in particular, in the base year, 2017, the value of the indicator was 71,828 thousand UAH, and in the reporting year, 2021, the indicator increases by 77,820 thousand UAH to the level of 173,100 thousand. UAH;

– growth of costs for payment of services used in production (performance by other enterprises and natural persons-entrepreneurs of certain production operations, production and processing of products; ongoing repair of buildings, structures, transmission devices, machines and equipment, transport; conducting research to determine the quality of raw materials and materials used in production; transport services included in

the technological process of production, etc.) for 54.714 thousand hryvnias. or by 169.57%, in particular, the indicator of the base period was UAH 32,267 thousand, and in the reporting year it increased to the level of UAH 86,981 thousand;

- in the course of 2017–2021, PjSC “Concern Khlibprom” in connection with the need to increase production space, the company rented additional premises, while paying rent in the amount of UAH 66,712,000 in 2018, UAH 207,035,000 in 2019, UAH 291,773 thousand in 2021;

- the enterprise PjSC “Concern Khlibprom” is a payer of national and local taxes. During the studied period, the tax burden increases from UAH 39,375,000 in 2017 to the level of UAH 119,534,000 in 2021, the growth rate was 203.58% for the entire studied period, the largest growth rate was 89.89% for the period 2018–2019;

- other expenses increase by 349.63%, in particular, the indicator of the base period was UAH 2,720,000, and in the reporting year, the value of the indicator was UAH 12,229,000.

The composition of expenses of future periods is quite diverse and has its own peculiarities of reflection in accounting. Therefore, it is necessary not only to know this list, but also to skillfully use it in accounting.

Information about the nature of the objects displayed in the article “Expenses of future periods” is necessary during the analysis of economic activity, since when calculating the coefficients, some of them are subject to inclusion in the calculation of some coefficients and exclusion from the calculation of other coefficients, where, accordingly, they are subject to inclusion costs of future periods, or they are not taken into account at all during the calculation. In this regard, it is necessary to divide the accounting of objects of costs of future periods into appropriate sub-accounts with the possibility of displaying the balance of account 39 “Expenses of future periods” by sub-accounts in the Balance Sheet.

In some cases, it is difficult to distinguish prepaid expenses (which are reflected on sub-account 371 “Settlements on issued advances”) and expenses of future periods (which are debited to account 39). In such a situation, you can:

- First, focus on the list of such expenses, which is given in official documents, in particular, in Instruction No. 291.

- In agriculture, some costs are specified in Method Recommendations No. 132.

- In particular, in PjSC “Concern Khlibprom” these are costs for

measures to increase land fertility (in particular, for plastering and liming of soils) – such costs are attributed to the cost of agricultural products in equal parts during the crop rotation.

Secondly, to establish in the accounting policy a list of costs of future periods that are not in official documents. Thus, the costs of future periods may include costs for: updating (maintenance) of software, if the fee for the update is transferred “in advance” several months in advance; technical inspection and maintenance of other non-current assets, again if the payment of such services is calculated for several periods.

The reflection of expenses of future periods in the accounting of PjSC “Concern Khibprom” is carried out according to a certain scheme.

Let’s suppose that at PjSC “Concern Khibprom” some expenses were classified as expenses of future periods. Then you need to analyze them in the following order:

1. The write-off period does not exceed 12 months from the balance sheet date, then the expenses are recorded as part of current assets on sub-account 39. If it exceeds – as part of long-term assets on sub-account 184.

2. Expenses belong to several periods, then the expenses are distributed evenly among the periods to which they belong, and are written off during these periods. If not, they are accounted for in the period to which they belong.

In PjSC “Concern Khibprom” the costs of future periods are reflected in the Notes to the financial statements. Let’s analyze the dynamics of their changes in 2020–2021 in the Table 2.7.

Table 2.7. Analysis of subscription and costs of future periods for PjSC “Concern Khibprom”, thousand UAH

Indicators	Period, years		Deviation (+; –)	
	2020	2021	UAH ths	%
Prepayment for spare parts	8001	3205	–4796	–60.0
Subscription for securities	4239	4239	–	–
Subscription for services	2034	2010	–24	–1.2
Expenses of future periods	587	678	+91	+15.5
Together	14861	10132	–4729	–31.8
Deduction of impairment reserve	(4741)	(4738)	(–3)	–
In total	10120	5394	–4726	–47.0

The analysis of the data given in the Table 2.7 showed that

subscriptions and costs of future periods in 2021 decreased by UAH 4,726,000 (by 47%) compared to 2020 data.

However, if we analyze only expenses in future periods, then there is an increase of UAH 91,000 or 15.5%.

Note that in the income tax accounting, all taxpayers (including those who make adjustments to the financial result for the amount of all differences provided for in Chapter III of the PKU) show marked expenses exclusively according to accounting rules. The reason is simple: no adjustments to the financial result for such operations are provided for in the PKU.

We will demonstrate accounting of costs in PjSC “Concern Khlibprom” for some business operations.

In June 2021, the company incurred the following costs of future periods:

1) paid rent for the lease of administrative premises for June – August 2021 in the amount of UAH 30,000 including VAT (including VAT – UAH 5,000), the monthly amount of rent was UAH 10,000;

2) subscription of periodicals for the 2nd half of 2019 in the amount of UAH 1,200 (without VAT) was made;

3) costs for updating the accounting program for the 2nd half of 2021 in the amount of UAH 1,800 have been paid (including VAT – UAH 300).

These operations were reflected in the accounting of PjSC “Concern Khlibprom” as shown in the Table 2.8.

We draw attention to the fact that the rent for June 2021, although paid in advance, does not belong to the costs of future periods. At the end of the month, on the basis of a document confirming the fact of the services provided, the rental expenses are reflected.

The amount of expenses is calculated as follows: $UAH\ 20,000 : 1.2 = UAH\ 16,666.67$. Then, this amount is prescribed monthly in the period August – December 2021.

The future income of PjSC “Concern Khlibprom” includes, in particular, income in the form of received advance payments for leased fixed assets and other non-current assets (advance lease payments), subscriptions to newspapers, magazines, periodicals and reference publications, proceeds from the sale of tickets transport and theater and entertainment enterprises, subscription fees for the use of means of communication, etc.

As you can see, all the above-mentioned incomes are advance payments, which really are not included in the income of the reporting

period. And as a rule, domestic accountants make postings Dt 30, 31 Kt 681, that is, they reflect prepayment and do not show income at all.

Account 69 is used to reflect the income of future periods at Concern Khibprom PjSC.

Table 2.8. Accounting for costs of future periods PjSC “Concern Khibprom”

Business transaction	Corresponding accounts		Amount, UAH
	debit	credit	
1. Rent			
1. Paid rent for June – August 2021	371	311	30000.00
2. The VAT tax credit is displayed (on the basis of a registered tax invoice)	641/VAT	644/1	5000.00
3. The rent for July – August is included in the costs of future periods	39	631	16666.67
4. The tax credit has been written off	644/1	631	3333.33
5. Debt settlement is displayed	631	371	20000.00
6. The rent for June 2021 is included in the expenses (on the basis of the act of services rendered)	92	631	8333.33
7. The tax credit has been written off	644/1	631	1666.67
8. Debt settlement is displayed	631	371	10000.00
9. The rent for July 2021 is included in the expenses (according to the results of July)	92	39	8333.33
10. The rent for August 2021 is included in the expenses (according to the results of August)	92	39	8333.34
2. Subscription to periodicals			
11. The subscription to periodicals for the 2nd half of 2021 has been paid.	371	311	1200.00
12. The subscription fee is included in the costs of future periods	39	631	1200.00
13. Debt settlement is displayed	631	371	1200.00
14. Included in the expenses is the subscription for July 2021 (according to the results of July)	92	39	200.00
3. Updating the accounting program			
15. The fee for updating the accounting program for the 2nd half of 2021 has been paid.	371	311	1800.00
16. The VAT tax credit is displayed (on the basis of a registered tax invoice)	641/VAT	644/1	300.00
17. The fee for the upgrade is included in the costs of future periods	39	631	1500.00
18. The tax credit has been written off	644/1	631	300.00
19. Debt settlement is displayed	631	371	1800.00
20. Included in the costs is the July 2021 upgrade fee (based on July results)	92	39	250.00

We will demonstrate one of the transactions using the example of Concern Khibprom PjSC, which received rent from the tenant in advance for 8 months in the amount of UAH 48,000, incl. VAT – UAH 8,000. The monthly rent is UAH 6,000, incl. VAT – UAH 1,000. The procedure for displaying the income of future periods and their write-off against the income of the reporting period is given in the Table 2.9.

Table 2.9. Reflection on the accounting accounts of the occurrence of revenues of future periods and their write-off against the revenues of the reporting period of PjSC “Concern Khibprom”

The content of the business transaction	Corresponding accounts		Amount, UAH
	Dt	Kt	
Bank account for rent received (8 months)	31	69	48000
Tax liability with VAT for the first event has been accrued	69	641/VAT	8000
The income of future periods is debited monthly to the income of the reporting period (within 8 months)	69	70	5000

Therefore, upon the receipt of cash belonging to the income of future periods, tax liabilities from the value added tax are immediately accrued to the enterprise, and in the future, the net income is already debited to the income of the reporting period.

The accounting feature that distinguishes the accounting of income of future periods from the advances received is the absence of value added tax on account 69 “Income of future periods”, while value added tax is necessarily present in the amount of ordinary subscriptions accounted for account 681 “Settlements for advances received”.

If, according to the terms of the contract, the receipt of funds for the goods depends on whether your buyer sells such goods to third parties (that is, will be resold), then, until the end of the possible period for returning the goods, income is usually not recognized. In this case, it has not been proven that such an operation will increase the economic benefits of the enterprise.

Let’s say that PjSC “Concern Khibprom” sold 40 boxes of cakes, the shelf life of which is 2 weeks, for sale under the sales contract. The terms of the contract provide that the buyer returns the products not sold to his buyers (third parties) to the seller. Previous practice shows that 40% of products are subject to return. This is assessed as a high probability of product return; therefore, it is not possible to reliably estimate the income at the date of sale.

Therefore, the company believes that on the date of transfer of products to the buyer, the criteria for recognition of income specified in clause 8 of NAR(S) No. 15 are not met. The accounting of transactions will be as in the Table 2.10.

Table 2.10. Accounting of income for future periods in Concern Khibprom PjSC with display of expenses at the time of receipt of income

Date	Content of the business transaction	Corresponding accounts		Amount, UAH
		Dt	Kt	
01.08.21	The shipment of products to the buyer is displayed	361	69	3600.00
01.08.21	VAT tax liabilities have been accrued on the value of the goods	643	641/VAT	600.00
01.08.21	The cost of goods sold is written off	262	261	1500.00
18.08.21	Returned finished products (cancellation)	262	261	600.00
18.08.21	The income of future periods has been adjusted for the selling price of the returned goods (reversed)	361	69	1440.00
18.08.21	Reduced VAT tax liability based on adjustment calculation (reversed)	643	641/VAT	240.0
18.08.21	Income from product sales is shown	69	701	2160.00
18.08.21	The VAT related to the sold products is displayed	701	643	360.00
18.08.21	Costs related to the sale of finished products are shown	901	262	900.00
18.08.21	Payment has been received from the buyer for the sold products	311	361	2160.00

The basis for recording the occurrence and write-off of revenues of future periods at PjSC “Concern Khibprom” are primary documents, and in some cases – registers of analytical accounting, the form and composition of which depends on the type of such revenues. The list of primary documents regarding the occurrence and write-off of income for future periods is given in Table 2.11.

Therefore, based on the analysis, it can be concluded that the income of future periods will arise when some income recognition criteria are not met.

Considering that the main purpose of allocating the costs of future periods into a separate article is the further correlation of these costs with income, then, in our opinion, it is more appropriate when writing off the

costs of future periods to focus not on the time factor, but on the results obtained and to write off costs in proportion to the received income. All the mentioned aspects, such as the composition of costs of future periods, features of documentation, display on accounting and reporting accounts, the order of write-off for current costs and costs of the period, must be specified in the Order on accounting policy and consistently applied throughout the entire activity of enterprises.

Table 2.11. List of primary documents regarding the occurrence and write-off of income for future periods

Type of future income	Document	
	Occurrence	Write-off
Received advance payments for leased fixed assets and other non-current assets	Lease agreement Profitable cash order, cash book, bank statement	Act of completed works, tax invoice, accounting calculation
Proceeds from the sales contract for the sale of cakes	Profitable cash order, cash book, bank statement	Invoice, tax invoice, accounting calculation

Today's conditions of economic transition require enterprises to have a flexible policy of activity and a quick response to any changes in it.

The main problem is the question of the composition of expenses and income of future periods. Since there are no clear explanations and recommendations in the legislation, each enterprise independently decides which expenses and income to attribute to future periods. It all depends on the type of economic activity of the business entity. The next problem is imperfect documentation of transactions, because they do not fully meet the requirements for economic information and a unified system of accounting registers. This problem also includes the uncertainty of terms and methods of writing off income and expenses of future periods. Therefore, enterprises can independently decide which expenses to include in the expenses of future periods, determine the terms of their write-off and inclusion in the income of the reporting period [11].

At the same time, one of the main selection criteria is a reliable assessment of the size and determination of the period of obtaining economic benefits, which affects the correct formation of the financial results of enterprises in the conditions of active economic reforms.

Today, there are various software products that provide the possibility of automated accounting and analysis of expenses for future periods. Accounting account 39 "Expenses of future periods" is designated for such expenses.

For keeping analytical records of costs of future periods in these configurations, the directory “Expenses of future periods” is assigned. Access mode: Directories – Income and expenses – Expenses of future periods (Fig. 2.4).

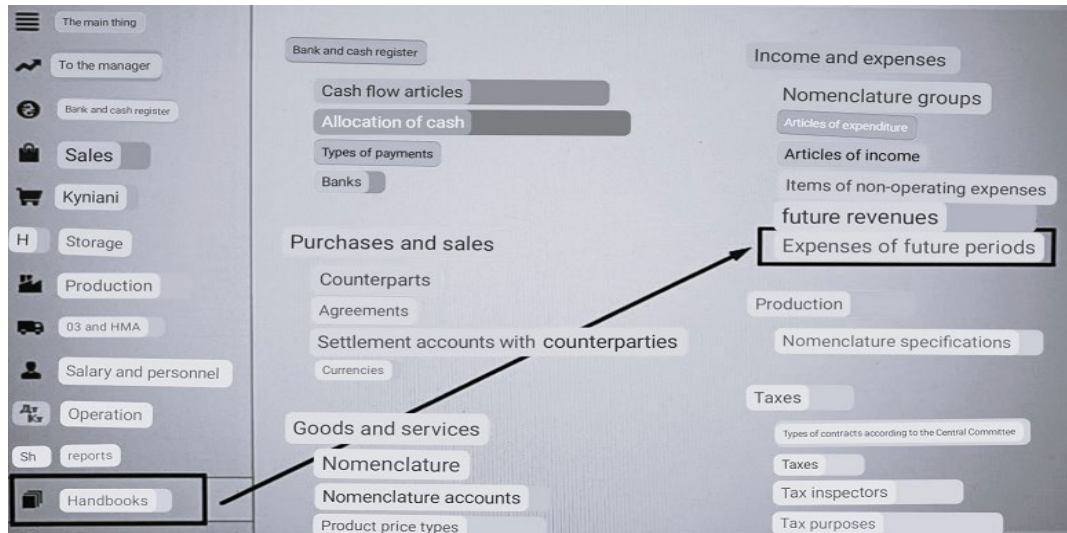


Figure 2.4. “Expenses of future periods” reference screen in PjSC “Concern Khibprom”

If the “Expenses of future periods” directory specifies the distribution method “In equal parts every month”, the receipt of such expenses must be displayed at least one day earlier than the date of the start of write-off (“Begin” requisites).

This directory contains information that is necessary for the automatic write-off of expenses for future periods. When filling out the guide, you must specify the following parameters regarding the write-off: start and end, cost account and its analysis, distribution method (Fig. 2.5).

Accumulation of costs of future periods (Dt 39 of the account) is reflected in the documents of all subsystems similarly to the accumulation of current costs. The difference is that the 39th account is indicated as an expense account in the documents. If the services of third-party organizations must be attributed to the expenses of future periods, such expenses are reflected in the documents “Receipt of goods and services” on the “Services” tab or “Advance report” on the “Other” tab. In our example, the receipt of a newspaper subscription is displayed by the document “Receipt of goods and services” on the “Services”. As an expense account, account 39 is indicated, the only analytics for which – (subaccount 1) is “Expenses of future periods” (Fig. 2.6).

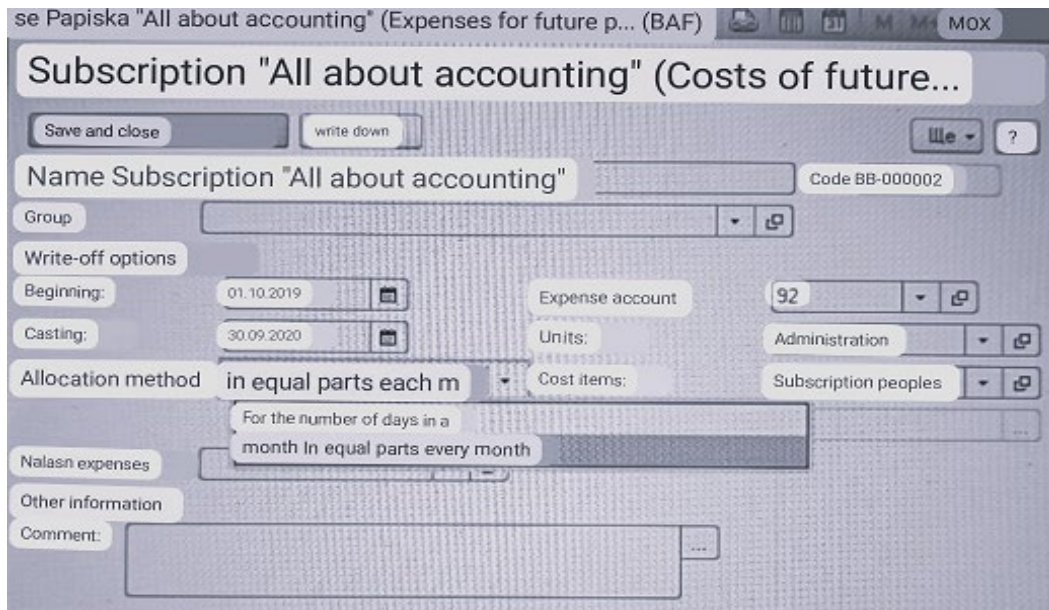


Figure 2.5. Write-off of magazine subscription expenses as expenses of future periods in PjSC “Concern Khibprom”

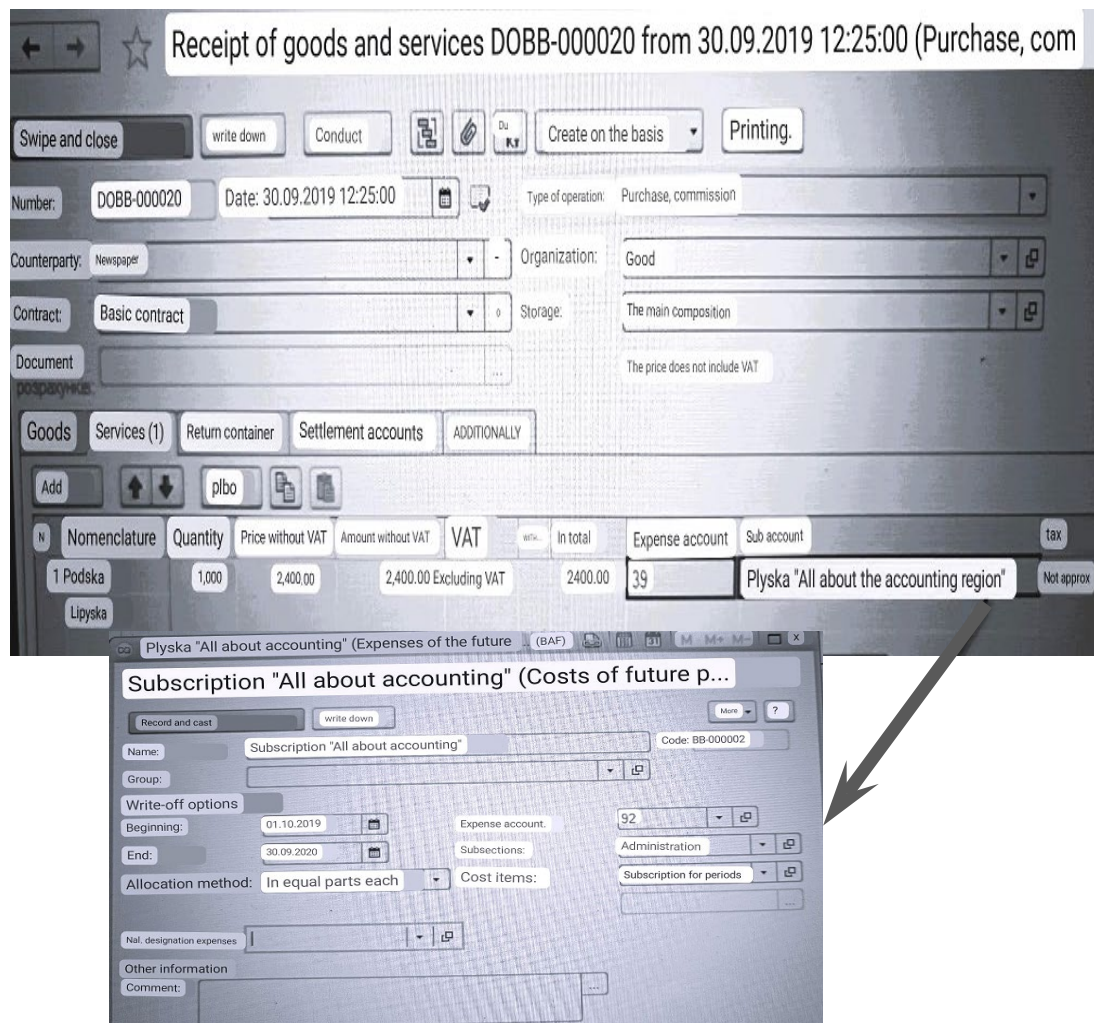


Figure 2.6. Screen of the completed document “Receipt of goods and services” in PjSC “Concern Khibprom”

After conducting the document “Receipt of goods and services”, the accumulation of costs of future periods will be displayed (Fig. 2.7).

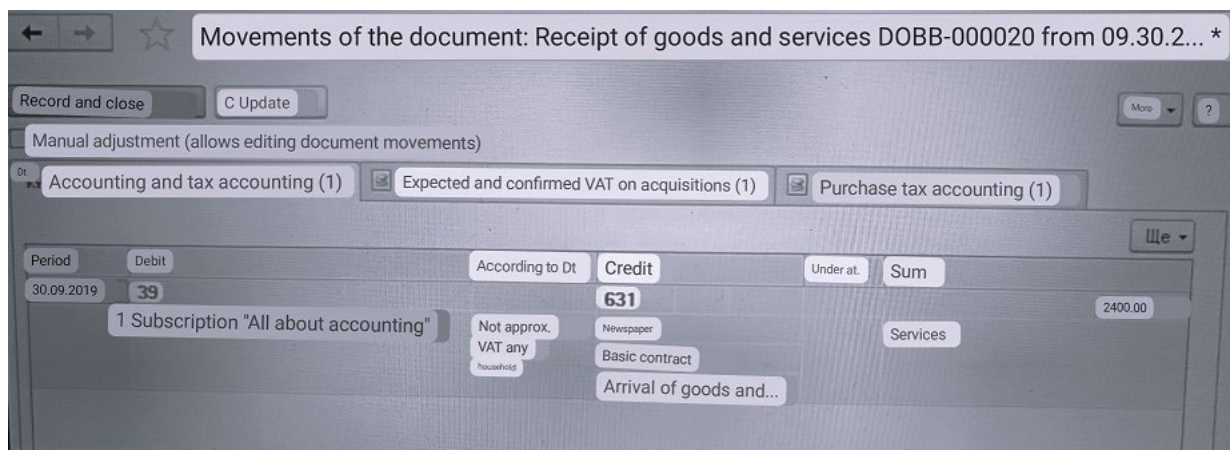


Figure 2.7. “Receipt of goods and services” document screen in PjSC “Concern Khibprom”

Automated write-off of costs of future periods, i.e., their inclusion in current costs, is performed monthly when the document “Closing of the month” (section “Operations”, group “Closing of the period”) is executed with the regular operation “Writing off costs of future periods” (Fig. 2.8).

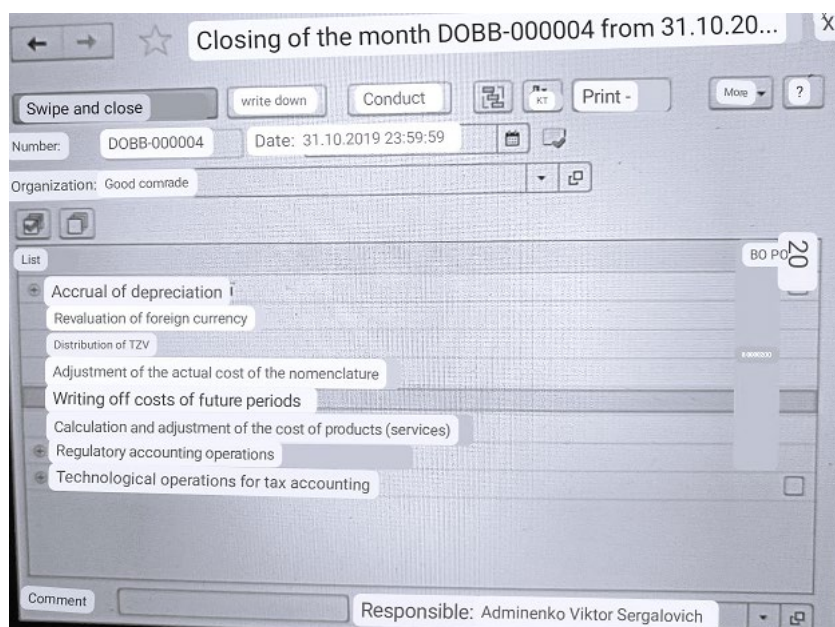


Figure 2.8. Regulatory operation “Writing off costs of future periods” of the “Month closing” document in Concern Khibprom

The document “Closing of the month” reflects the write-off of part of

the costs of future periods according to the parameters and method specified in the “Expenses of future periods” guide when accumulating CFP. Also displayed is the movement according to the register of information “Calculation of write-off of costs of future periods” (Fig. 2.9).

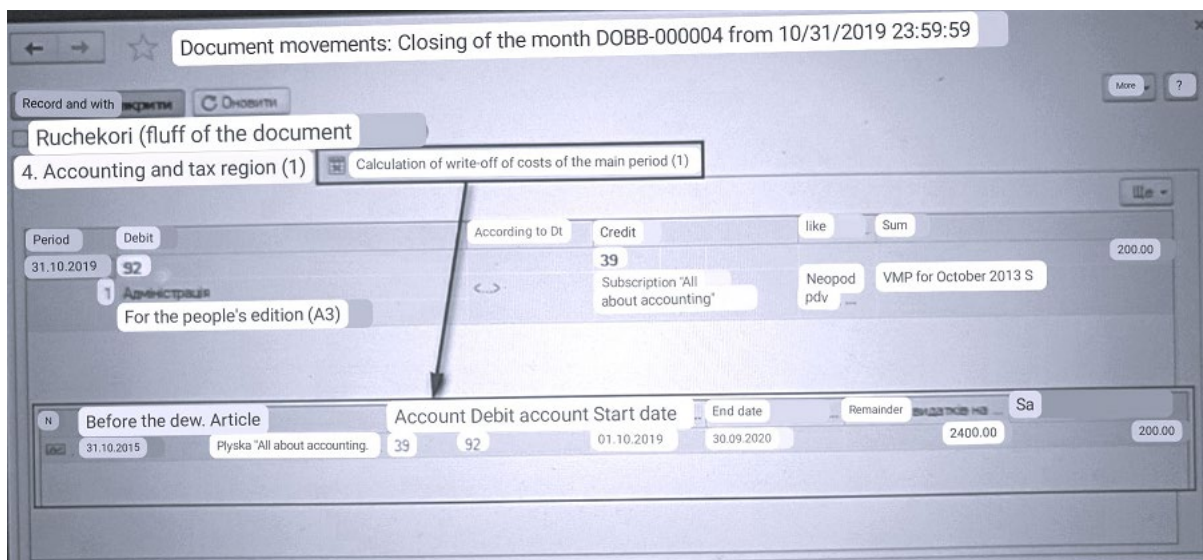


Figure 2.9. Movements according to the registers of the document “Closing of the month” with the regular operation “Writing off costs of future periods”

You can analyze data on the amount of accumulated and written-off costs of future periods, as well as write-off analytics (in addition to standard accounting reports) using the specialized report “Calculation help “Writing off costs of future periods” (section “Reports” – “Calculation help”) (Fig. 2.10).

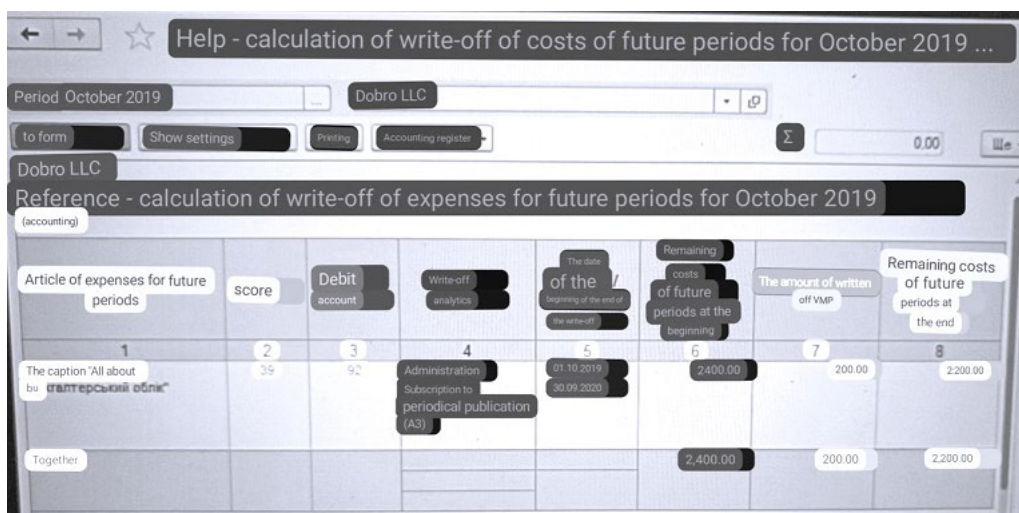


Figure 2.10. Report “Help-calculation “Writing off CFP” in PjSC “Concern Khibprom”

In order to form the necessary operational information about the income of future periods, there is a need to develop accounting information of income of future periods, the use of which will contribute to obtaining complete and reliable information and ensure the qualitative analysis of income of future periods in order to make operational effective management decisions.

Also, as a result of the research, it was found that there is no control over expenses and income, there are legislative conflicts, there is no clear legal regulation, there is no single method of accounting for expenses, etc. And this means that the incorrect reflection in the accounting of expenses and income, and especially the expenses of future periods, distorts the data of the financial statements. Accordingly, such a distortion of financial reporting affects the decisions of users regarding the company's activities and leads to its bankruptcy. At PjSC "Concern Khibprom", during the creation of a reserve for the warranty repair of experimental samples of products, provided that the serial and mass production of these products has not yet been established, it is advisable to carry out accounting: Dt 39 Kt 473. It is also acceptable to use account 39 "Expenses future periods" at the initial stage (during the creation) of the enterprise, but with an increase in production volumes, replace it with account 47 "Provision of future payments and payments" for operations that are carried out regularly.

We do not agree with this position and believe that the costs of future periods and the provision of future payments are completely different categories. Deferred expenses are recognized as a contingent asset to be amortized in the period in which the economic benefits will be received, while the provision of future expenses is a liability with an indefinite amount and maturity, and the costs of their formation are immediately recognized as expenses of the current period. Depending on the type of expenses of future periods, the method of estimated rates can also be applied to PjSC "Concern Khibprom", which consists in calculating certain coefficients based on production volumes. The need to carry out the analysis is that the efficiency of the enterprise, indicators of liquidity and financial stability are affected by the costs of future periods. If liquidity indicators are calculated, then the costs of future periods should be excluded from the calculation, as they increase the final amount of funds in the asset. But, guided by the principle of business continuity, the costs of future periods should be included in the calculation of financial stability coefficients. Also, one should be very careful when choosing the method of writing off costs of

future periods, since an unreasonable method of writing off such costs can overestimate the cost of products and worsen the financial result of the enterprise.

Based on the research conducted, in our opinion, the following method of economic analysis of the costs of future periods with the determination of successive stages is relevant:

- a) analysis of the dynamics and cost structure of future periods;
- b) analysis of the choice of the optimal method of write-off of costs of future periods in accordance with the volume of output;
- c) analysis of the impact of the article “Expenses of future periods” on the property status of the enterprise;
- d) analysis of the impact of changes in the volume and level of expenses of future periods on the performance indicators of the enterprise: liquidity, financial stability of the enterprise, profitability.

All the mentioned aspects, such as the composition of costs of future periods, the peculiarities of documentation, display on accounting and reporting accounts, the order of write-off for current costs and costs of the period, must be specified in the Order on accounting policy and applied consistently throughout the entire activity of the enterprise.

In our opinion, the accounting account for the costs of future periods should be intended for keeping records by cost items, that is, for the accumulation and formation of incurred costs, and for individual components to perform the function of temporary “storage” in terms of certain types of costs of future periods. The lack of a clear systematization of individual components of costs of future periods reduces the value of such information.

The stage of production, after which a finished product is formed, which is to be sent to the warehouse or for further production, is called redistribution.

In a typical configuration, there are two ways to determine the order of redistribution:

– By subdivisions – the method involves manual assignment of the order of closing subdivisions.

– By redistribution – the method involves automatic determination of the closing order of redistributions.

The method is selected in the “Accounting Policy” information register on the “Reassignments” tab.

General production costs are distributed only by nomenclature groups,

in the section of which direct costs are recorded, in proportion to the previously indicated distribution base.

The basis of distribution is established in the register of information “Methods of distribution of indirect costs of organizations” (Fig. 2.11).

Period	1 Opraxisaurus	Expenditure account...	cost item	The underdog	Method of distribution	List of articles in
01.01.2008	Good	91			Planned co-cost in	
01.11.2008	Good	91	Services of auxiliary subdivisions	Workshop 2	Direct costs	
01.11.2008	Good	91	Services of auxiliary units...	Workshop 1 (a plot of wicker furniture...	Direct costs	
01.11.2008	Good	91	Services of auxiliary subdivisions	Shop 1 (section of components)	Direct costs	
01.11.2008	Good	91	Salaries and tariffs (OP3)	Lex 2	Payment of works	
01.11.2008	Good	91	Salaries and tariffs (OP3)	Shop 1 (plot of wicker furniture...	Payment of works	
01.11.2008	Good	91	Salaries and tariffs (OP3)	Shop 1 (section of components)	Payment of works	
01.11.2008	Good	91	Amortization of others at OPZ)	Shop 1 (section of components)	Planned cost in	
01.11.2008	Good	91	Depreciation 03 (OPZ)	Lex 2	Planned cost in	
01.11.2008	Good	91	Depreciation 03 (OPZ)	Workshop 1 (a section of wicker furniture...	Planned cost in...	
01.11.2008	Good	91	Depreciation 03 (OPZ)	Workshop 1 (plot complete)	Planned cost in	
le 01.11.2008	Good	91	EUV (OPZ)	Workshop 2	Payment of works	
01.11.2008	Good	91	EUV (OPZ)	Workshop 1 (a section of wicker furniture...	Payment of works	
01.11.2008	Good	91	ECB (OPZ)	Shop 1 (component section)	Payment of works	
01.12.2018	Good	91	Services for production		Issue volume	

Figure 2.11. Register of information “Methods of distribution of indirect costs of organizations” in PjSC “Concern Khibprom”

The distribution method can be set both for all costs and for each cost item and department. At the same time, the following can act as a distribution base:

- “Volume of output” – the number of products and services provided in the current month is used as the distribution base;
- “Planned cost of production” – the planned cost of products produced in the current month; services provided is used as the basis of distribution;
- “Labor Pay” – the amount of expenses displayed under the “Labor Pay” item is used as the distribution base;
- “Material costs” – the amount of costs shown on the cost items with the type “Material costs” is used as the basis of distribution;
- “Direct costs” – the amount of costs reflected in the articles of direct production costs is used as the basis of distribution;
- “Individual items of direct costs” – the amount of costs reflected by the items of direct costs combined into an arbitrary list is used as the distribution base.

Lists of cost items included in the base of distribution of indirect costs are stored in the directory of the same name.

For general production costs, it is possible to set the method of distribution with accuracy to the unit and item of costs. This may be necessary in the case when different types of expenses require the use of different methods of distribution.

Calculation of the actual cost of finished products at PjSC “Concern Khibprom” is carried out taking into account the initial balance of work-in-progress, the actual production costs of the reporting period and the balance of work-in-progress at the end of the period. If not, all accumulated direct costs should be included in the cost of products (works/services) produced in the reporting period, the amount of work-in-progress at the end of the reporting period is fixed using the document “Inventory of work-in-progress” (section “Production” – group “Release of products”) (Fig. 2.12).

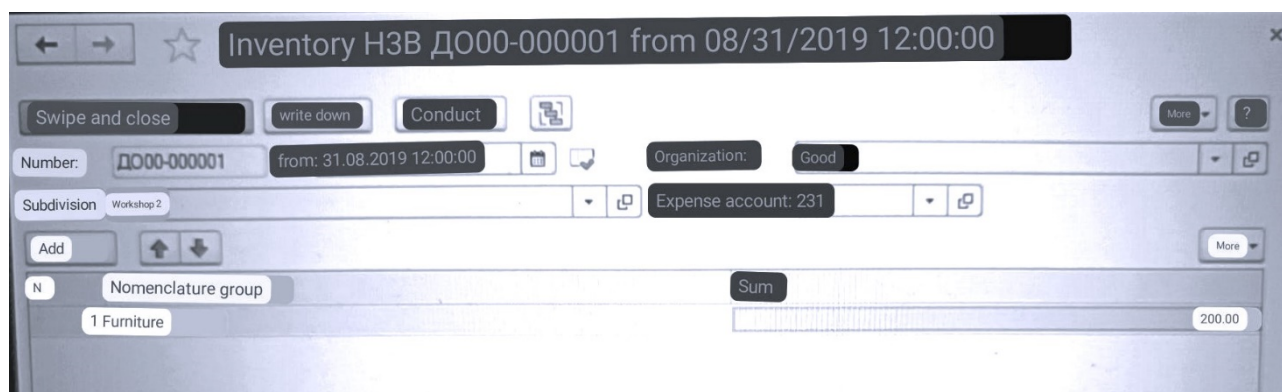


Figure 2.12. Document “Inventory of work-in-progress” in PjSC “Concern Khibprom”

This document is entered for each production unit in which there are balances of unfinished production at the end of the month. Depending on whether the production is the main or auxiliary, subaccount 231 “Main production” or account 232 “Ancillary production” is indicated in the “Expenditure account” details.

The value estimate of work-in-progress is calculated for each nomenclature group in accordance with regulatory documents and is indicated in the tabular part of the document.

The document “Inventory of work-in-progress” at PrJSC “Concern Khibprom” is entered into the information base before calculating the cost price. The document does not create any postings. The data specified in it are taken into account in the regular operation of calculating the cost of

products (semi-finished products, services).

When purchasing stocks and non-current assets, in addition to the amounts paid in accordance with the contract to the supplier or seller, the organization may incur additional costs. They are included in the initial cost of stocks in accordance with Clause 9 of NAR(S) No. 9 and Clause 8 of NAR(S) No. 7.

In order to competently manage expenses at the enterprise, it is necessary to adhere to a number of principles aimed at creating an economic base that ensures the competitiveness of the enterprise. The principles of cost management mean general rules and recommendations that must be taken into account and adopted in practical activities at all levels of the enterprise. Let's consider the main principles of cost management at the enterprise (Table 2.13).

Effective cost management of the enterprise is impossible without the systematization of initial data, which can be implemented using various calculation methods. Choosing the right method allows you to compare production costs with the number of products produced, determine the planned or actual cost, estimate the volume and level of costs. The next step is to define the tools for making management decisions. One of the modern and relevant concepts is the concept of "lean production". This approach applies to all aspects of activity and allows to reduce those actions that do not add value to the product throughout the entire production cycle.

In domestic enterprises, the concept of lean production is reflected in the application of target costing and kaizen costing systems as costing methods.

Therefore, the second method of cost management at the enterprise is the method of target costing or target costing, where, thanks to the given functionality, it is possible to achieve the desired level of profit at a given price.

The target costing method provides a new vision of the problem of cost management in contrast to conventional management systems. Thus, the traditional approach to calculating the target sales price involves calculating the price depending on the costs obtained as a result of production, but does not take into account the fact that these products may not be in demand among buyers due to the discrepancy between quality and price. Also, unlike the normative accounting system, which is usually focused on average values and is completely tied to the current capacity of the enterprise, based on the results of the target costing concept, a product

is obtained that maximally meets the expectations of the consumer and has the most likely sales price. The product cost is calculated based on the pre-set sales price. This price is determined using marketing research, that is, it is actually the expected market price of the product [6].

Table 2.13. Basic principles of cost management for production of products

Principles	Features
1. Systematics	The essence of this principle is the study of the management object and the management system. In everyone tools of system analysis and synthesis are used for managerial decision making. In this approach, indicators based on the efficiency of the weakest link are evaluated
2. Methodological unity	This principle consists in the formation of uniform requirements for planning, analysis of costs and their accounting. The main tool here is the unity of efficiency criteria
3. Life cycle of products	Cost management at the stages of the product life cycle is the process of creation, development, implementation, use, circulation and disposal of the manufactured product
4. Cost reduction is combined with high quality of manufactured products	As mentioned earlier, the competitiveness of the enterprise is inextricably linked with the competitiveness of products, namely with the ratio of price and quality. Most often, with an increase in the quality of products, there is an increase in costs, as a result of which the price increases. In this principle, it is very important to achieve an optimal balance between price and product quality, and this can only be done under the condition of competent cost management, which should be accompanied by research and economic calculations of all necessary indicators
5. Control over excess costs	It comes down to the complete elimination of the facts of mismanagement, existing losses from defects, downtimes, excessive costs and a significant reduction in the amount of non-productive costs
6. Implementation effective methods of reducing costs.	This principle can be achieved by using information technologies that allow reducing production costs
7. Benchmark of the company's divisions to reduce the level of costs	Not only the administration of the enterprise, i.e. the top management, but also all their structural subdivisions without exception and, first of all, production units, on which the total costs of the enterprise depend to the greatest extent, should be interested in reducing costs. It is expedient to provide for such interest of the workers of the production units in the developed special systems of material and moral encouragement, approved at the general meeting of the labor team and recorded in the collective agreement.

The target costing model provides for the calculation of the target cost, the maximum allowable in the current market conditions. The advantage of this method of accounting is that with its application it is possible to

determine target costs for new products and control costs even at the stage of product development. But the disadvantage may be the current level of technical equipment of the enterprise, which requires additional investments and time for implementation [3].

It is advisable to use this method in production with a large variety of products.

The third method is the continuous improvement costing method or the Kaizen Costing method. At enterprises, this method is used together with budgeting. The fundamental direction of this method is the measurement and analysis of costs necessary to ensure the quality of products. Kaizen Costing allows you to reduce the costs incurred in connection with a product defect [14].

Kaizen costing can be divided into two main categories. The first includes actions aimed at improving the performed work, within the framework of which a functional and cost analysis is carried out. The second involves continuous actions aimed at reducing any gap between the target and expected profit values, and thus allow the value of “allowable costs” to be reached.

The advantage of the method is operational management of costs, which allows you to complete the task in a short time, which can bring a significant result in conditions of continuous improvement. Kaizen costing does not involve achieving a certain amount of costs, but a constant, continuous, all-encompassing reduction. The method can be used in the process of product production, helps to identify inefficient products and ensure the profitability of production.

Thus, based on the information presented, it can be concluded that each method organizes cost management in a different way and each has its own weaknesses and strengths. To achieve the greatest efficiency of cost management and achieve great economic results, it is advisable to use mixed methods.

We should also note that the work on optimizing production costs should be carried out constantly in order to understand which parameters deviate from the established norms and are capable of bringing the enterprise to a crisis.

The optimization process can take from one month to several years – it all depends on the volume of work and the scale of the enterprise. Also, the term depends on the state of the enterprise.

Therefore, based on the urgency of the problem, it is possible to

identify specific ways to optimize production costs:

1. Restructuring of elements of manufactured goods. Sometimes with the help of the same “ingredients” it is possible to create different products without incurring costs for additional raw materials. It is necessary to control the possible seasonality of raw materials and prepare them in advance, taking into account the expiration date.

2. Control of rental costs. If the company rents land or premises for work, it is possible to resort to direct reduction of rental costs by changing the workplace, where the company can work as efficiently as possible (optimal logistics, sales market), agreement with the lessor to receive a discount or revision of the contract.

3. Optimization of personnel. A significant share in the cost structure of the enterprise is occupied by labor costs. It is necessary to optimize the rational work schedule of the company’s employees, revise the forms of payment, automate some production processes. Naturally, we should not forget about the motivation of personnel, the formation of professional personnel and the socially oriented system of the modern economy.

4. Settlements with counterparties in national currency. Modern enterprises pay rent and make some calculations in foreign currency (US dollars). Unforeseen exchange rate fluctuations can cause negative changes in the company’s cost structure.

5. Planning of marketing activities. This planning process for the year allows you to control the costs of marketing activities. At the same time, it is possible to predict the effectiveness of these measures.

Successful implementation of a cost reduction program and creation of a mechanism for their regular optimization will allow organizations to increase business efficiency or use low product prices as one of the key competitive advantages.

Conclusion. Considering the above, it can be concluded that the existing competition in the market requires ensuring the need to build an effective cost management system. Implementation of the assigned task is entrusted to a competently organized system of management accounting.

Modern business conditions require an increase in the efficiency of management of costs and revenues, which in future accounting periods will shape the financial results of enterprises. To implement management at a high level, the issue of methodical, organizational and information support arises, which, as you know, is the prerogative of the accounting, analysis and control system.

In the conducted research, a theoretical generalization of the definition of the essence of accounting and analysis of income and expenses of future periods in the management system was carried out and directions for their improvement were proposed. Therefore, the following conclusions can be drawn:

Expenses and income of future periods differ both in terms of the economic content of economic transactions and in terms of their recognition in expenses and income of the reporting period, that is, they can be both current and long-term, and therefore it is appropriate to reflect the expenses of future periods as part of non-current and current assets, revenues are part of long-term and current liabilities.

It was found that no regulatory document in Ukraine regulates such an economic category as income or expenses of future periods, but is only their component, due to which difficulties may arise in the accounting of these incomes and expenses at the enterprise. The composition and structure of this economic category are quite diverse and have their own peculiarities reflected in accounting. It was found that control over these incomes and expenses is quite important, because they serve as an economic lever for adjusting incomes, cost and financial results of the enterprise in the reporting period.

It was found that control over these incomes and expenses is quite important, because they serve as an economic lever for adjusting incomes, cost and financial results of the enterprise in the reporting period.

In the course of the study, it was established that, despite the legislative regulation of the inclusion of expenses of future periods in the composition of current assets, it is necessary to divide such expenses into short-term and long-term, and to reflect the latter in the composition of non-current assets. It is important to establish clear criteria at the enterprise for assigning costs to future or current and distinguishing costs of future periods and receivables. Given the lack of regulation of this issue at the legislative level, PjSC “Concern Khibprom” should choose or independently develop such a method that will most accurately correlate incurred expenses with received income.

In order to correctly allocate expenses and income of future periods, it is necessary to create a separate document in which to indicate justified terms and methods of their write-off or use components of accounting software with a module that reflects the movement of income and expenses of future periods in a certain period.

“Kaizen costing” is a modern concept of cost management, which ensures a gradual and planned reduction of the cost price at all stages of the production process. The main prerequisite for the introduction of this method is a high level of development of corporate culture and staff motivation, since it is the employees who should be interested in finding ways to optimize costs.

At the same time, the main competitive advantages of the method are long-term orientation and the absence of the need for significant capital investments. Thus, the “kaizen-costing” method has broad prospects for development at domestic enterprises, as it provides a multi-vector improvement of the economic activity of enterprises and increases their competitiveness, without requiring large investments.

Therefore, on the basis of the conducted critical assessment, it was found that at this stage of the development of economic relations, the accounting, analysis and control of costs and revenues of future periods do not take into account the requirements set by the management system for them. The imperfection of the organization and methodology of accounting, analysis and control of these objects causes the loss of part of the information, content and purpose, distortion of the essence, reduction of credibility, impossibility of research and management. Therefore, scientifically based solutions to these problems are a prerequisite for improving the state of accounting, analysis and control of costs and revenues of future periods, the introduction of which at Concern Khlibprom PjSC will significantly increase the efficiency of management.

Therefore, for the justification of the cost management process, the most important is the quickly obtained information about the costs, which allows you to intervene in the production process and optimize it. Based on the specifics of industry production, it is necessary to develop single typical intra-industry aspects of accounting, which can be adapted to specific conditions and features of agriculture if necessary.

References

1. Mitsenko, N. H., Bachynskyi, V. I., & Kuzminska, K. I. (2022). Teoretychni ta praktychni aspekty tekhnolohichnoho protsesu obliku vyrobnychkykh vytrat promysloвого pidpryemstva [Theoretical and practical aspects of the technological process of accounting for production costs of an industrial enterprise]. *Herald of Lviv University of Trade and Economics. Economic Sciences*, (67), 55–59. <https://doi.org/10.36477/2522-1205-2022-67-08> (in Ukrainian)

2. Aleksieieva, A. V. & Vasylieva, V. H. (2019). Udoskonalennia obliku vytrat na vyrobnytstvo ta formuvannia sobivartosti produktsii [Improving the accounting of production costs and the formation of production costs]. *Uzhhorod National University Herald*, (23), 5–9 (in Ukrainian)
3. Ostapenko, Ya. O. (2008). Oblik vytrat na vyrobnytstvo ta sobivartosti produktsii kharchovoi haluzi yak skladova reformovanoho bukhholderskoho obliku [Accounting for production costs and production costs of the food industry as part of the reformed accounting]. *Economics: problems of theory and practice: collection scientific works*, (245), 926–932 (in Ukrainian)
4. Rudnichenko, Ye. M. & Yadukha, S. I. (2015). Perspektyvy vykorystannia netradytsiinykh metodiv upravlinnia vytratamy na vitchyznianskykh promyslovykh pidpriemstvakh [Prospects for the use of non-traditional methods of cost management in domestic industrial enterprises]. *Economics and Region*, vol. 5 (54), 40 – 46 (in Ukrainian)
5. Nazarenko, T. Franchuk, I. & Viter S. (2021) Metodychni aspekty obliku ta upravlinnia vytratamy na vyrobnytstvo produktsii [Methodological aspects of accounting and management of expenditures on the production of goods], *Ekonomika ta derzhava*, (7), 83–89. https://doi.org/10.32702/2306_6806.2021.7.83 (in Ukrainian)
6. Demianyshyna, O. A. (Compiler). (2019). Upravlinskyi oblik: navchalnyi posibnyk [Management accounting: study guide]. Uman: Visavy, p. 216 (in Ukrainian)
7. Babiak, N. D. & Paskalova, A. H. (2015). Zbalansovana systema pokaznykiv v otsyntsi efektyvnosti upravlinnia vytratamy molokopererobnoho pidpriemstva [A balanced system of indicators in evaluating the effectiveness of cost management of a milk processing enterprise]. *Innovative economy*, 4 (59), 87–92 (in Ukrainian)
8. Ministerstvo finansiv Ukrainy (07.02.2013) Polozhennia (standart) bukhholderskoho obliku 1 “Zahalni vymohy do finansovoi zvitnosti” [National Accounting Standard “General requirements for financial reporting”]. Retrieved from: <http://zakon.rada.gov.ua/laws/show/20336-13>
9. Butynets, F.F. (2012). Vytraty vyrobnytstva ta yikh klasyfikatsiia dlia potreb upravlinnia [Production costs and their classification for management needs]. *Problems of theory and methodology of accounting, control and analysis*, 1(22), 11 – 18 (in Ukrainian)
10. Turylo, A. M., Kravchuk, Yu. B. & Turylo A. A. (2006). Upravlinnia vytratamy pidpriemstva: navchalnyi posibnyk [Enterprise cost management: study guide]. Kyiv: Tsentr navchalnoi literatury, 120p. (in Ukrainian)
11. Petlenko, Yu. V. (2018). Optyimizatsiia dzherel finansovykh resursiv [Optimization of sources of financial resources]. *Finances of Ukraine*, 6, 62 – 64 (in Ukrainian)

12. Verkhovna Rada Ukrainy (02.12.2010) Podatkovyi kodeks Ukrainy [Tax Code of Ukraine]. Retrieved from: <https://zakon.rada.gov.ua/laws/show/2755-17>
13. Onyshchenko, V. (2021). Vytraty maibutnikh periodiv: yak oblikuvaty [Expenses of future periods: how to account]. Retrieved from: <https://oblikbudget.com.ua/article/362-vitrati-maybutnh-perodv-yak-oblkuvati>
14. Davydiuk, T. V., Manoilenko, O. V., Lomachenko, T. I., & Reznichenko, A. V. (2016). Bukhhalterskyi oblik: navchalnyi posibnyk [Accounting: study guide]. Kharkiv, Vydavnychiy dim "Helvetyka", 392p. (in Ukrainian)
15. Bondarova, O. (2008). Sohodnishni vytraty pid maibutniu orendu. [Today's expenses for future rent]. Biznes bukhhalteriia, 3, 39 – 47 (in Ukrainian)
16. Osadcha, O. O. (2012). Metodyka obliku vytrat i dokhodiv maibutnikh periodiv: mizhnarodna praktyka ta dotsilnist yii vprovadzhennia [The method of accounting for expenses and income of future periods: international practice and feasibility of its implementation]. Retrieved from: <http://eforumlntu.com/assets/files/articles/2012/1/59.pdf> (in Ukrainian)
17. Ministerstvo finansiv Ukrainy (31.12.1999) Polozhennia (standart) bukhhalterskoho obliku 16 "Vytraty" [National Accounting Standard 16 "Costs"]. Retrieved from: <https://zakon.rada.gov.ua/laws/show/z0027-00>
18. Ministerstva ahrarynoi polityky Ukrainy (18.05.2001) Metodychni rekomendatsii z planuvannia, obliku i kalkuliatsii sobivartosti produktsii (robit, posluh) silskohospodarskykh pidpriemstv [Methodological recommendations for planning, accounting and costing of production (works, services) of agricultural enterprises]. Retrieved from: <https://zakon.rada.gov.ua/rada/show/v0132555-01>

Chapter III

FEATURES OF ACCOUNTING FOR THE RESULTS OF ENTERPRISE'S ACTIVITIES

Tetyana Demchenko

Candidate of Sciences (Economics), Associate Professor
Professor at the Department of Finance, Accounting and Economic Security
Pavlo Tychyna Uman State Pedagogical University, Uman, Ukraine
E-mail: tetyana.demchenko@udpu.edu.ua

ORCID ID: 0000-0002-7471-540X

Introduction. The efficiency of the economic activity of an enterprise, regardless of its form of ownership, organizational and legal form, industry specifics, scale of activity, largely depends on the efficiency of organizing accounting and debugging information flows in order to meet the needs of internal and external users. This requires constant improvement of financial and management accounting, including accounting for income, expenses of the enterprise, and performance results.

The main source of cash receipts for the enterprise is the proceeds from ordinary activities, depending on the industry of the enterprise, the volume of its activities, the introduction of scientific and technical developments, and therefore, increasing labor productivity, reducing costs, improving product quality.

In the conditions of the development of entrepreneurial activity, objective prerequisites for the real implementation of these factors are created. The most important task of each business entity is to obtain maximum profit at the slightest cost by observing a strict regime of savings in spending funds and using them most efficiently.

In the conditions of the functioning of a market economy, the sale of agricultural products plays an important role, since the sale, as a component of the general process of reproduction, is the final stage in the movement of the product from the sphere of production to the sphere of consumption. Without it, it is impossible to repeat the production process. It acts as a prerequisite for production and reproduction. With the continuity of the process of public reproduction, the fact of implementation means the entry of the product into the sphere of production, if it enters the production consumption, or into the sphere of circulation, if it is intended for the sale of the population.

The essence of the implementation at the enterprise means, first of all, the alienation of the benefits belonging to it by selling it with the aim of reproducing costs in value form, making a profit from commodity to monetary. Implementation as a moment of reproduction at the level of the enterprise is the final stage in the cycle of production assets of the enterprise.

The imperfection of the system of distribution of expenses and income from the sale of products leads to significant losses, which not only reduces the financial results of the economy, but also worsens the supply of food to the population. The return of expenses in cash, that is, the receipt of income, is the final stage of the enterprise.

Literature review. The market conditions of functioning, characteristic of the Ukrainian economy today, necessitate a deep theoretical understanding of the essence of phenomena, facts and processes, as well as balanced practical actions, especially when the object of research and real influence is a specific market entity (expenses and income of its activities)).

Elucidation of the nature, conditions of occurrence, content, form, types, evaluation, mechanism of formation and reflection in accounting of expenses and incomes of enterprises' activities have been given considerable attention in their works by many domestic and foreign scientists-economists in different periods of time. These issues were paid attention in their studies by such scientists-economists as: S. Holo, N. Honcharenko, O. Kovaleva, M. Ohychuk, V. Tredit, O. Serdyukova, P. Khomin, G. Yamborko and other.

Paying tribute to the developments of domestic scientists, it should be noted that in matters of accounting and analysis of expenses and incomes of an enterprise, there are many unresolved problems that need detailed research and development of proposals for practical activities.

Results. The development and efficiency of production in agricultural enterprises is significantly influenced by the sale of products and the financial results obtained at the same time.

The imperfection of the system of distribution and sale of agricultural products leads to significant losses, which not only reduces the financial results of the economy, but also worsens the supply of the population with food products, and the industry with raw materials. Reimbursement of expenses in monetary form is the final stage of the enterprise's activity.

According to NAR(S) No. 16 "Expenses", costs are grouped according to their economic content by the following elements: material costs, labor costs, deductions for social activities, depreciation, other operating costs.

This grouping shows a clear division of all costs into items of work, live labor and wear and tear of means of labor, into the costs of live and reified labor, which corresponds to the economic essence of the elements of production.

According to S. Head (2000) division of costs by elements does not provide an opportunity to fully satisfy the need for information about costs. Since the five elements of costs do not make it possible to separate costs related to production, management, and sales of products, more detailed information about the composition of such costs is provided by their grouping by articles [1]. In this connection, there is a need to group costs by costing items. Unlike the grouping by elements, which determines what and in what amount the enterprise spends on production needs, the costing breakdown of costs shows their direction: where and in connection with what they were made. The nomenclature of costing items is the basis of the organization of planning and accounting of production costs by their types and place of origin (Table 3.1).

One of the most important elements of financial reporting is the company's expenses, the exact determination of which is necessary for the process of forming reliable financial results of agricultural enterprises. To date, there is no single approach in revealing the essence of such a basic term as "costs". Insufficient clarity in the terms and concepts of expenses in the system of regulatory regulation of accounting causes their inaccurate interpretation and reflection in financial reporting and the presentation of inaccurate information to tax authorities, which can have negative consequences for the enterprise.

We will analyze the formation of the production cost in accounting before and after the entry into force of NAR(S) No. 30 "Biological Assets". As you know, before the introduction of the standard, all production costs (production cost) were accumulated on the debit of account 23 "Production" (on analytical accounts, respectively, corresponding to separate accounting objects), and the full cost of sold products – on account 90 "Cost of sales". Data from these accounts were the basis for reporting, analysis, control, and accountants had no obstacles in determining the cost price. After the introduction of NAR(S) No. 30 for agricultural enterprises, account 23 "Production" has largely lost its informativeness [1].

Therefore, the application of the method of determining the financial results from the initial recognition of agricultural products and biological assets can lead to the complication of calculating the indicators of the cost

of production, drawing up financial statements, analysis, planning and budgeting in agricultural enterprises. In general, this will have a negative impact on the efficiency of the enterprise.

Table 3.1. Classification of production costs

	Classification sign	Types of expenses
<i>For planning and accounting</i>	In economic terms	1) labor costs 2) costs of labor items 3) costs of living labor
	According to the stages of the production process	1) supply and procurement 2) production 3) sales
	By role in the production process	1) production 2) non-productive
	In relation to the technological process	1) basic (technological) 2) invoices (organizational)
	According to the cost method	1) straight lines 2) indirect
	By cost elements	1) material costs 2) labor costs 3) deductions for social events 4) depreciation 5) other operating expenses
	By expense items	Their composition is established by the enterprise
	Structure	1) complex 2) simple (one-element)
	According to the planning period	1) short-term 2) long-term
	In relation to the finished product	1) for work in progress 2) on the finished product
	<i>For control and analysis</i>	In relation to the volume of production
By periodicity occurrence		1) everyday 2) disposable
As appropriate		1) productive 2) unproductive
According to the possibility of control		1) controlled 2) uncontrolled
According to the coverage of rationing		1) normalized 2) non-normalized
In accordance with the norms		1) within the norms 2) deviation from norms
In relation to the plan		1) planned 2) unplanned

Source: Created by the author based on data [1].

Another, no less important problem that arose as a result of the introduction of the method of determining financial results from the initial recognition of agricultural products is the incomparability of indicators of financial results obtained from the implementation of agricultural activities in dynamics, as well as with other types of economic activity. The calculation of the financial result according to this method is an exceptional phenomenon in the national accounting system, which makes it impossible to carry out a comprehensive analysis not only with other types of economic activity, but also in the dynamics for a certain period.

M. F. Ohiychuk (2014) believes that the application of NAR(S) No. 30 “Biological assets” requires certain changes in the Plan of accounts for accounting of assets, capital, liabilities and business operations. Within account 23, it is recommended to open sub-accounts: 231 “Biological transformations in crop production” and 232 “Biological transformations in animal husbandry”. The structure of the registers of the journal-order form of accounting, in which costs from biological transformations are systematized and accumulated, requires changes, namely: Production report 10.3 a s.-g., 10.3 b s.-g., Consolidated information to the same 10.3 s.-g. [2].

One of the urgent problems is that specialized forms of primary documents approved by the Ministry of Agriculture back in 1972 are used in agricultural enterprises most primary documents do not meet modern requirements both in terms of content and structure.

In addition to these innovations, it is necessary to supplement account 71 with subaccount 710 “Income from initial recognition and from changes in the value of assets accounted for at fair value”. Supplement account 94 with subaccount 940 “Costs from initial recognition and from changes in the value of assets accounted for at fair value” [2].

The problem of accounting for income, expenses and financial results is very relevant, and there are also many views of scientists regarding its solution. However, in most agricultural enterprises, the organization of income and expense accounting is based on the principles and standards of accounting. Financial results are determined by subtracting expenses from income. And this is the basis for determining the results of activities not only in crop and animal husbandry, but also in all branches of agricultural production.

The study of modern domestic educational and scientific publications, regulatory and legislative acts, in particular, the Law of Ukraine “On Accounting and Financial Reporting in Ukraine”, National Provisions

(standards) of accounting and Methodical recommendations on the formation of the cost of products (works, services) showed, that the concept of “expenditure” has gained considerable popularity.

In clause 3 of NAR(S) No. 1 “General requirements for financial reporting”, expenses are defined as a decrease in economic benefits in the form of disposal of assets or an increase in liabilities, which lead to a decrease in equity (with the exception of a decrease in capital due to withdrawal or distribution by owners) [1].

Based on the above, it can be concluded that the influence of various concepts is present in the national accounting standards, and the definition of costs is of a generalized nature. The impossibility of determining costs only according to one concept is determined by their disadvantages:

- when costs are assessed by the value of goods and services used or consumed, this assessment does not determine costs.

- the understanding of expenses as the removal of assets from the enterprise in order to pay for production factors is unacceptable because it confuses the effect of expenses with actual expenses.

- expenses reduce equity and are often defined in this context. But to define one element from the position of another is at least not correct.

In the field of accounting, according to G. Yamborko (2017), when disclosing the essence of expenses, it is necessary to take into account the type of activity, as a result of which they arose. In general, accounting regulatory documents divide the enterprise’s economic activity into ordinary and extraordinary. Normal activity should be understood as any main activity of the enterprise, as well as operations that provide it or arise as a result of its implementation [4].

The main activity of the enterprise involves operations for the production or sale of products (goods, works, services), which is the main purpose of creating the enterprise and provides the main part of its income. At the same time, the management of the production and economic activities of the enterprise aims to provide the production process with the necessary material and labor resources. In addition to the main – ordinary activity includes financial and investment activities.

Financial activity is an activity that leads to changes in the size and composition of the company’s equity and debt capital.

Investment activity involves the acquisition and sale of non-current assets, as well as those financial investments that are not part of cash equivalents.

The implementation of any of the above-listed types of activity provokes the occurrence of the following costs (Fig. 3.1).

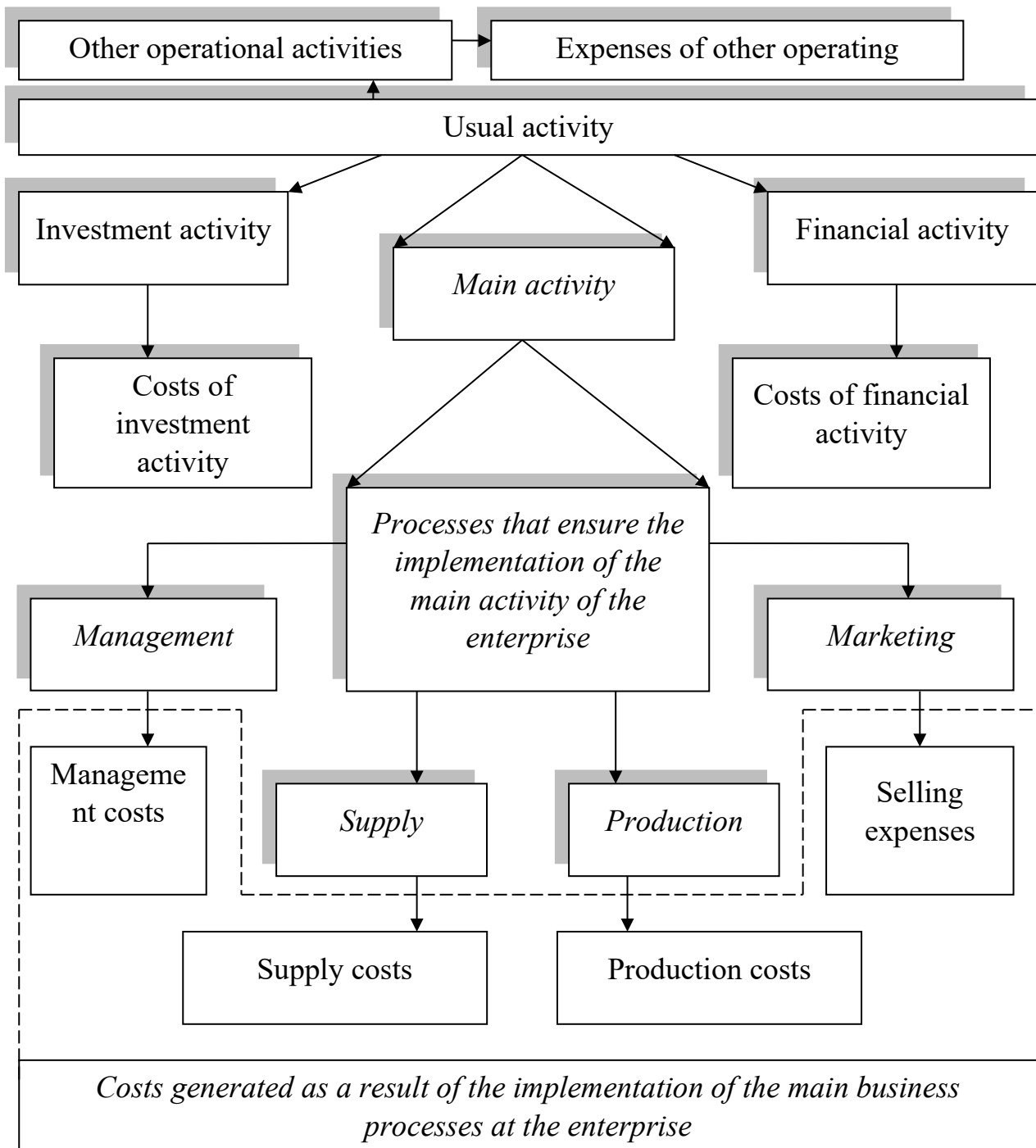


Figure 3.1. Connection of types of activities and expenses of the enterprise

Source: Created by the author based on data [4].

The procedure for the formation of costs shown in Fig. 3.1, presented from the point of view of the main activity process.

From an economic point of view, the company's costs are formed in the process of extended reproduction, which occurs due to the use of the company's production facilities. Material and personal factors of production, which are at the disposal of the enterprise and serve as the material basis of its production activity, are considered means of production. Production facilities go through three stages, each of which performs a corresponding function. The first stage involves the transformation of the company's funds into factors of production. In other words, to ensure the main activity of the enterprise, management of its monetary resources is carried out, in particular, hiring of labor force, acquisition of fixed assets, material resources are carried out.

The second stage, which the company's production facilities go through, involves the production of finished products, and the third stage is its sale. The passage of the company's production facilities at each of the stages is accompanied by the occurrence of corresponding costs. Taking into account the above, it can be concluded that management costs are formed at the first stage of the circulation of production assets of the enterprise, and at the second and third stages, respectively, production costs and sales costs. As a whole, the costs of supply (procurement), production, management and sales are the costs of the main activity of an industrial enterprise.

Based on the above, P. O. Khomin (2016) suggests that in the field of accounting, the essence of costs should be defined as follows: costs are the costs (use) of factors of production, carried out in order to ensure the main, financial and investment activities, in value terms. The subject essence of production costs must be considered from the point of view of building accounting for external (financial aspect) and internal (management aspect) needs.

In the conditions of a market economy and the independent activity of domestic enterprises, there is an objective need to determine ways and measures to maximize income from sales. Under these conditions, each enterprise must ensure the prospect of its future existence due to an effective system of effective management of the process of formation, distribution and use of income from sales.

It is known from the practical activity of the enterprises that the income from the sale is the main source of support for the owners of the enterprises, the expansion and modernization of production, and also acts as a source of financing of socio-economic programs [5].

Most types of agricultural products are sold immediately after

marketing (vegetables, meat, milk, flowers) or after a short period of time (grain, fodder crops). At the same time, the profit from the sale of agricultural products will be equal to its full cost price. Therefore, when applying the method of initial recognition of agricultural products at fair value, there is a redistribution of the company's profit structure. As a result of this, there is a financial result from other operational activities or initial recognition of agricultural products, while the financial result from sales is zero. This means that the gross profit (loss) reflected in the Statement of Financial Results will be insignificant or even zero [3].

It should be noted that income (expenses) from the initial recognition of agricultural products and biological assets reflect future economic benefits or losses that may be received as a result of the enterprise's production and economic activities. That is, this income is a conditional value and does not reflect the actual receipt of funds to the account. At the same time, the profit from the sale of agricultural products and the corresponding profit (loss) are important tools of enterprise management. They characterize the real result of the operational activity of the entire enterprise in the reporting period, the efficiency of the product sales system and management of farm expenses.

The application of the adopted imperfect method of determining income (expenditure) from the initial recognition of agricultural products has a negative effect on the organization and accounting of agricultural enterprises. This confirms the experience of last year. "Bottlenecks" of the methodology complicate the work of the company's accountants and increase the subjectivity of accounting information, especially with a low level of employee qualification and automation of the accounting process [5].

A significant number of scholars in the field of accounting of financial results of activity consider the economic content and accounting of financial results through their functional component, in particular, accumulation, stimulation and distribution. With a positive value of the financial result (profit), the function of accumulation arises, that is, financial results in this case become the main resource for increasing the company's own assets and contribute to the stimulation of expanded reproduction.

A stimulating function is observed when stimulating the management employees of the enterprise and increasing the amount of remuneration based on the results of production and economic activity. And the function of dispersing financial results of activity through the appropriation and

distribution of profit between the company's own capital, its direct owners and the state is revealed.

As evidenced by the international practice of accounting, it is mainly divided into three main approaches to the interpretation of the content of the company's financial results, according to which:

1) the difference between the value of the enterprise's net assets for the reporting period is the total amount of cash. In this case, the net assets of the enterprise are equal to the difference between the total value of the enterprise's property and the total amount of its debts and additional contributions of the owners;

2) the financial result of the enterprise's activity is equal to the difference between the values of its income and expenses for the reporting period;

3) the financial result indicator is determined by comparing the value of equity capital at the beginning of the reporting period and at the end of the reporting period.

The second approach, according to which the financial result is interpreted as the difference between the company's income and expenses, taking into account adjustments for the number of changes in inventory balances and work-in-progress for the reporting period, has gained the greatest application in the international practice of accounting for the financial results of the activities of enterprises. This aspect is also characteristic of the Ukrainian accounting system.

According to V. E. Tredit, & O. V. Kovalevoi (2016), the financial result is a defining economic category and the main indicator of the enterprise's activity. The objective and correct definition of financial results, especially in the field of agriculture, has always been the subject of scientific discussions among both academics and practitioners.

As the authors note, the category "financial results" is characterized by the concept of profit and loss, while most researchers determine that the essence of financial results is focused primarily on profit. Loss acts as the opposite of profit and is largely left unattended [6].

No less important, in their opinion, is the analysis of the causes of the loss and the identification of possible errors and inaccuracies in the method of accounting for income and expenses and final financial results. Moreover, often companies even deliberately hide the real amount of profit, underestimating it or turning it into losses for various purposes (tax evasion, fictitious bankruptcy, etc.).

That is why it is possible to state without exaggeration that during the entire period of development and improvement of the accounting process, the main goal of accounting was recognized as the objective and reliable determination of financial results, the order of profit formation, and the identification and disclosure of the cause of unprofitability.

The first definitions of profit, as the authors note, coincided with the amount of gross income, which, according to the individualistic system of distribution, was divided into three categories: income from capital, income from land, and income from labor. It was believed that each of the types of income is a mandatory remuneration of the recipient for the services provided to him in the national economy. With the development of accounting itself, the interpretation of financial results from an accounting point of view also appeared. Defining the category “financial results” from the point of view of accounting, scientists tend to emphasize the method of its calculation and characterize it as a result of comparing the company’s income with its expenses [6].

It is no less important, in our opinion, to investigate another problem of the methodological block – the impact of the application of the method of determining financial results from the initial recognition of agricultural products on the formation of the cost of production.

In the conditions of a gradual increase in the import of agricultural products, the issue of optimizing costs and increasing the competitiveness of the products of agricultural enterprises is becoming particularly relevant. In these conditions, the role of accounting is growing as the main source of information, which should provide timely, complete and true information about costs and cost of production in order to make informed management decisions. Currently, information on the cost of agricultural products is provided in form No. 2 “Report on financial results (Report on total income)”, form No. 50 of the “Main economic indicators of the work of agricultural enterprises”, as well as in numerous statistical reports.

O. D. Serdyukova (2018) notes that at the current stage of management, agricultural enterprises are characterized by unstable trends, the cause of which is mainly the difficult economic situation in the country, the consequences of the global economic crisis, constant changes in the legislative framework, limited bank lending to business entities, a low level of competitiveness and innovative development [7].

The analysis of the financial results of the activity summarizes a set of actions aimed at studying the results of the enterprise’s activity over a

certain period of time, with the aim of determining the effectiveness of the use of all resources, identifying possible shortcomings in the management of this enterprise and providing the necessary information for operational management to increase the efficiency of the enterprise's activities.

In the current economic conditions, which require agricultural producers to ensure their own financial stability, in a not very stable situation in the country's economy, any enterprise seeks to maximize its own financial results, which necessitates their qualitative analysis in order to identify reserves for the growth of their volumes in future.

The financial activity of the enterprise should be aimed at ensuring the systematic receipt and effective use of financial resources, compliance with settlement and credit discipline, achieving a rational ratio of own and borrowed funds, financial stability for the effective functioning of the enterprise.

That is why the analysis of the financial and economic activity of agricultural enterprises is a necessary condition for effective management of their incomes and expenses in order to increase profits and increase profitability. The future activity of the enterprise depends on the quality of the analysis of financial results and the determination of the main factors that ensure it.

The number of financial results directly reflects all aspects of the activity of Private agricultural enterprise named after Shevchenko (PAE named after Shevchenko), both the technology and organization of production, as well as the system of internal and external management, peculiarities of activity. Thus, the main financial result of the company's activity is profit – one of the main economic indicators of the company's work. With its help, the level of profitability, that is, profitability, as well as the efficiency of the enterprise's functioning, is determined. Profit is formed as the difference between the income from the sale of products and the costs of production and its sale. If own costs exceed cash receipts from sales, sales losses occur.

Analysis of financial results in PAE named after Shevchenko is conducted according to the following data:

- form No. 2 “Report on financial results (Report on total income)”;
- form No. 1 “Balance (Report on financial status)”;
- data from accounting registers;
- working materials of the financial department;
- legal adviser of the enterprise.

Profit analysis is carried out according to the data of the financial report (form No. 2). At the same time, an assessment of the implementation of the profit (loss) plan as a whole and by its individual types is given, the dynamics of the corresponding amounts and changes compared to the previous period are studied.

Methodical principles of formation in accounting of information about financial results and its disclosure in financial reporting are determined by NAR(S) No. 3 “Report on financial results” [3].

We will analyze the dynamics of income and expenses of PAE named after Shevchenko for the period 2017–2021 (Table 3.2).

Table 3.2. The dynamics of the structure of income and expenses for PAE named after Shevchenko, thousand UAH

Indicators	2017	2018	2019	2020	2021	Deviation 2021 from 2017 (+, -)
Enterprise income						
1. Net income (revenue) from the sale of products (goods, works, services)	2374	2122	2671	2941	2573	+199
2. Other operating income	236	362	216	293	452	+216
3. Other financial income	6	77	174	223	0	-6
<i>Income amount</i>	<i>2616</i>	<i>2561</i>	<i>3061</i>	<i>3457</i>	<i>3025</i>	<i>+409</i>
Enterprise expenses						
1. Cost of products sold (goods, works, services)	1698	1804	1808	2515	2117	+419
2. Administrative expenses	106	161	141	137	122	+16
4. Other operating expenses	132	105	42	27	45	-87
5. Financial expenses	10	26	47	50	24	+14
6. Extraordinary expenses	256	222	69	608	322	+66
<i>Amount of expenses</i>	<i>2202</i>	<i>2318</i>	<i>2107</i>	<i>3337</i>	<i>2630</i>	<i>+428</i>
<i>Financial result from activity: net profit (loss)</i>	<i>414</i>	<i>243</i>	<i>954</i>	<i>120</i>	<i>395</i>	<i>-19</i>

Source: Compiled by the author based on the company’s financial statements.

As can be seen from the Table 3.2 the net income of the enterprise increased in 2021 (2573 thousand UAH) compared to 2017 (2374 thousand UAH) by 199 thousand UAH. The company’s expenses also increased by UAH 428,000 in 2021 compared to 2019, in particular, the following

increased: cost of goods sold, extraordinary expenses by UAH 419 and 66 thousand in accordance.

As a result of such changes in the activities of the PAE named after Shevchenko made a profit in 2021 in the amount of UAH 395 thousand UAH, although in 2019 the profit reached 954 thousand UAH. The dynamics of changes in income and expenses PAE named after Shevchenko is shown in Fig. 3.2.

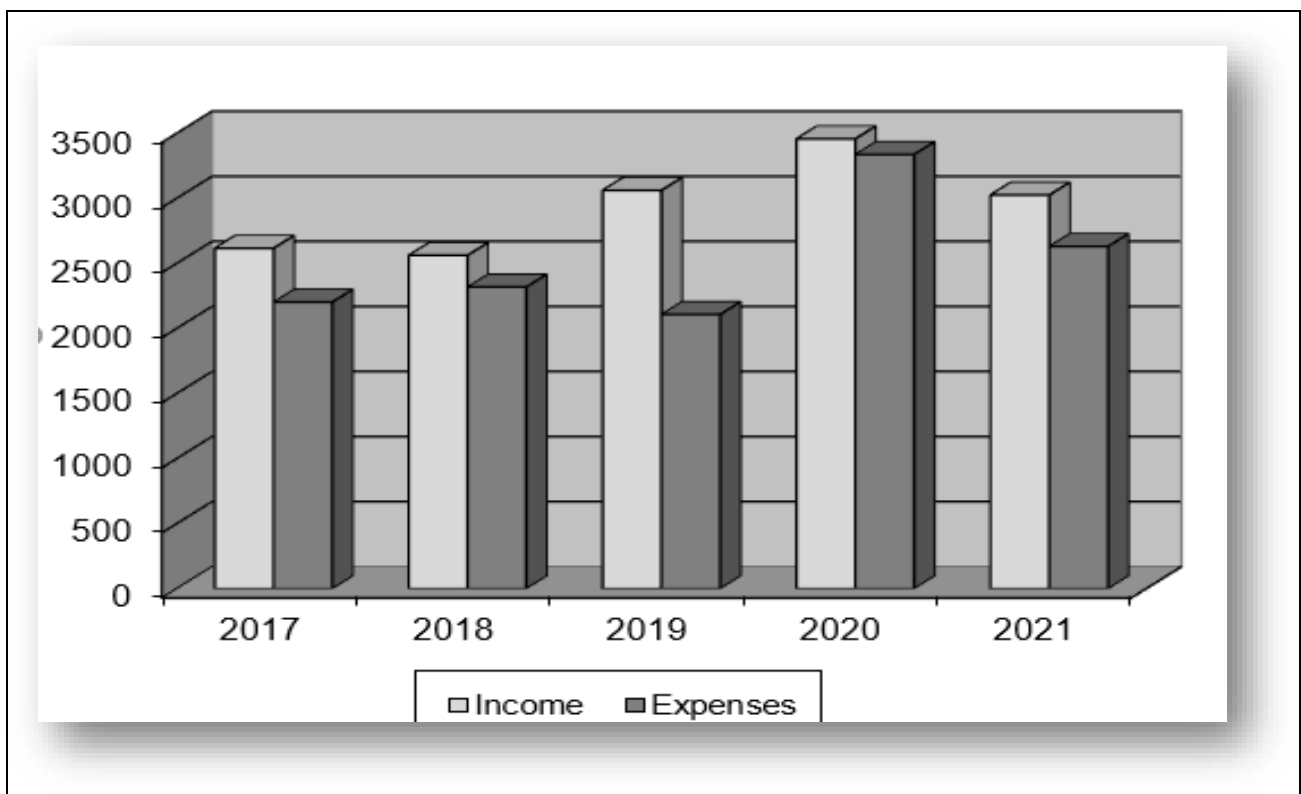


Figure 3.2. Dynamics of the structure of income and expenses of PAE named after Shevchenko for the period 2017–2021, thousand UAH
Source: Created by the author based on the data in Table 3.2.

Let's analyze the production costs of PAE them. Shevchenko for the period 2017–2021, thousand UAH (Table 3.3).

As can be seen from the data in Table 3.3, the production of products at the analyzed enterprise is material-intensive: the specific weight of material costs is 38.4% in 2021. Labor costs in 2021 are 5.4%. Along with the increase in production costs, there is no increase in profit, which is a negative result of management.

The increase in the share of labor costs in 2021 compared to 2017 is caused by a decrease in the number of employees and an increase in wage rates. The total amount of production costs increased in 2021 by 695

thousand UAH compared to 2017, mainly due to an increase in material and depreciation deductions by 267 and 191 thousand UAH, respectively.

Thus, the main tasks of the analysis of income from the sale of the company's products are:

- verification of the degree of fulfillment of the income task both in general and in the section of individual types of them;
- analyze changes in income indicators in dynamics;
- identifying the influence of objective and subjective factors on the amount and level of income;
- summarizing the results of the analysis, identifying ways and reserves of increasing business profitability.

Table 3. Analysis expenses of production for PAE named after Shevchenko, thousand UAH

No.	Elements expenses	2017	2018	2019	2020	2021	Deviation 2021 from 2017 (+, -)
1.	Material expenses	1576	1567	1695	2067	1843	+267
2.	Salary expenses	572	538	629	595	610	+38
3.	Payroll deductions for social activities	12	60	69	97	140	+128
4.	Depreciation deductions	36	67	153	195	227	+191
5.	Other operating expenses	279	256	265	268	350	+71
6.	Amount of expenses	2475	2488	2811	3222	3170	+695

Source: Compiled by the author based on the company's financial statements.

Commodity production of the farm is a part of gross production intended for sale on the side.

Its composition includes products sold to the state, various enterprises and organizations, in retail stores, to individuals, as well as sold to pay employees, used for public catering.

Commodity agricultural products are evaluated in current (actual income) and comparative prices. Commodity products at current prices characterize the amount of revenue from sales for a certain period. When

calculating commodity products in comparative prices, those of them are used, according to which gross products were determined. Commodity products in such an assessment characterize the dynamics of its physical volume for a certain period.

The following indicators of marketable agricultural products are calculated:

- 1) the total volume of marketable products (total commercial products of agriculture);
- 2) domestic agricultural circulation;
- 3) outside of rural marketable products (commodity products of agriculture as an industry)

Total marketable output is characterized by the sum of all output sold by households and private households by the population, including rural circulation. This indicator of marketable products allows you to determine the amount of income of agricultural enterprises and personal households from the sale of products.

Internally, the agricultural circulation of marketable products includes the direct sale and exchange of the products of some agricultural enterprises and private households of the population with others.

Outside of agricultural marketable products, it is characterized by the volume of marketable products of the industry. It is determined by the exclusion from the total marketable output of agriculture within agricultural circulation. It is a source of food supply for the urban population and raw materials for industry. The indicator of the volume of non-agricultural marketable products is used to determine the marketable products of agriculture as a whole and its individual branches.

The percentage ratio of the marketable part of the product to its gross quantity is the marketability of the product. When calculating the level of marketability, gross marketable products do not include nonmarketable and low-marketable products (hay, straw, corn stalks, grass for green fodder, silage, manure, etc.). In addition, the cost of growth is excluded from gross production or the cost of reduction of unfinished production in crop production is added, as well as the cost of perennial plantations is excluded.

The level of marketability is one of the important indicators of the efficiency of agricultural production. It depends on the volume of gross production, the rational use of domestically produced products for domestic consumption, the level of intensification, concentration and specialization of production. The level of marketability of crop production is, as a rule,

always lower than the level of marketability of livestock. This is explained by the fact that a significant part of the gross production of crop production, in particular seeds, fodder, is used for the production needs of the farm. The exception is technical, vegetable and fruit crops, the products of which are sold almost entirely.

Let's consider the level of marketability of crop production in PAE named after Shevchenko in Table 3.4.

Table 3.4. Volumes of sales and dynamics of marketability of the main types of products in PAE named after Shevchenko

Types of products	Produced, centners			Sold, centners			Level of marketability, %		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
Cereal crops	34271	19995	36565	30502	14932	27586	89.00	74.68	75.44
Sunflower	2507	1836	2917	1230	2621	4	49.06	142.76	0.14
Soy	4527	899	1176	2848	1015	1176	62.91	112.90	100.00
Cattle	400	101	78	295	1294	147	73.75	1281.19	188.46
Pigs	48	88	56	17	64	43	35.42	72.73	76.79
Milk	6715	3846	2902	5328	3132	2534	79.34	81.44	87.32

Source: Compiled by the author based on the company's financial statements.

From the data in Table 3.4, it can be seen that the marketability of plant products is quite high. Thus, the sale of cereals and soybeans is almost 100%, in contrast to sunflower, which in 2021 sold only 0.14%. The highest growth in marketability in recent years has been observed in the sale of cattle, its indicator increased by 114.71 pp. In 2021, the marketability of pig live weight and milk increased significantly and the deviation amounted to 41,37 and 7.97 pp, respectively.

The volume of the cost of revenue from sales at the enterprise is shown in Table 3.5.

Profit, that is, the difference between cash receipts from the sale of products and the full cost price, most fully characterizes the change in both quantitative and qualitative factors.

Table 3.5 shows that there are constant changes in the amount of profit from year to year. The sale of barley and wheat turned out to be the most profitable in crop production in recent years, and in 2021 the profit amounted to UAH 303.1 and 232.5 thousand, respectively. But losses related to the sale of soybeans in the amount of 148.9 thousand UAH are observed in the field of crop production. This happened due to a sharp increase in the cost of production, because in recent years labor costs, prices for fuel and utility services have increased significantly, in addition, part of

the crops have frozen. We observe the same trend in animal husbandry, cattle remained profitable – UAH 39.8 thousand, and pig breeding is unprofitable during 2017–2021.

Table 3.5. Volumes of the cost price and income from sales in PAE named after Shevchenko, a thousand UAH

Types of products	2019			2020			2021		
	Cost	Income (revenue)	Profit (loss)	Cost	Income (revenue)	Profit (loss)	Cost	Income (revenue)	Profit (loss)
Cereal crops	1073	1624	551	807	1208.9	401.9	1248	1787.5	539.5
Including:									
Wheat	548	591	43	721	1050	329	852.9	1085.4	232.5
Buckwhe	8	8	–	–	–	–	–	–	–
Corn	42	96	54	37	66.6	29.6	0.5	1.1	0.6
Barley	418	800	382	45	86.4	41.4	393.2	696.3	303.1
Rye	–	–	–	3	3.6	0.6	–	–	–
Oat	57	129	72	1	2.3	1.3	2	4.7	2.7
Sunflower	98	170	72	351	477.3	126.3	0.3	1.3	1
Soy	140	265	125	89	125.2	36.2	242	93.1	–148.9
Other products of crop production	3	9	6	50	25	–25	4.6	6.1	1.5
Live weight of cattle	164	144	–20	863	635.2	–227.8	86.6	126.4	39.8
Live weight of pigs	28	24	–4	75	29.07	–45.93	94.8	29.1	–65.7
Milk	428	367	–61	384	335.8	–48.2	378.3	356.5	–21.8
Other livestock products	7	8	1	36	55.02	19.02	91.7	74.8	–16.9
Services in agriculture	35	33	–2	14	23.07	9.07	26	22.1	–3.9

Source: Compiled by the author based on the company's financial statements.

Let's consider the dynamics of the cost price and prices for the main types of products (Table 3.6) and determine the amount of the cost price of 1 centners of each type of product and what their price is obtained from sales. From the given data in the Table 3.6, it can be seen that in crop production, the growth of the cost price and sales price went evenly for grown wheat, oats, and sunflower, for example, in 2021, the cost price for 1 centner of sunflower was 75 thousand UAH, and the sales price was 325

thousand UAH. Among livestock products, such a dynamic is observed in the sale of 2021, when the sale price of cattle exceeded the cost price. In general, the cultivation and sale of livestock products, especially pig farming, does not bring any profits to the enterprise. Thus, during 2017–2021, the cost price of the live weight of pigs exceeded the sale price.

Table 3.6. Dynamics of the cost price and price of 1 centners of products in PAE named after Shevchenko, UAH

Types of products	2019		2020		2021	
	Cost	Price	Cost	Price	Cost	Price
Cereal crops, including wheat	50.08	54.01	53.78	78.32	46.53	59.21
Buckwhe	97.56	97.56	–	–	–	–
Corn	72.29	165.23	92.27	166.08	250.00	550.00
Barley	25.66	49.11	43.02	82.60	42.69	75.60
Rye	–	–	69.77	83.72	–	–
Oat	21.87	49.50	27.78	63.89	46.51	109.30
Sunflower	79.67	138.21	133.92	182.11	75.00	325.00
Soy	49.16	93.05	87.68	123.35	205.78	79.17
Live weight of cattle	555.93	488.14	666.92	490.88	589.12	859.86
Live weight of pigs	1647.06	1411.76	1171.88	454.22	2204.65	676.74
Milk	80.33	68.88	122.61	107.22	149.29	140.69

Source: Compiled by the author based on the company's financial statements.

Thus, the task of PAE named after Shevchenko to reduce the cost of production, the management to introduce new technologies that will facilitate the work of employees and reduce wages, etc.

As a result of studying the activity of PAE named after We suggest Shevchenko to take the following measures to improve his activities, in particular to increase the competitiveness of products, works, and services:

- expansion of the range of products sold by the company;
- flexible regulation of current wholesale and retail prices and discounts for products, works, services;
- updating and modernization of equipment.

Therefore, the value of the future financial results of agricultural enterprises is affected by economic, political, market, foreign economic and other factors, as well as the forces of nature (climate, weather conditions, etc.), which significantly increases the risk of losses for the enterprise. Financial results and possible reserves to cover them should be taken into account when organizing accounting.

An enterprise that is administratively independent, carries out economic activity, has the right of a legal entity, is obliged to keep financial records, prepare financial statements, as well as submit them to the bodies provided for by law.

The scope of management accounting is quite wide and includes the processes of acquisition, production, sale, calculations, storage and use of material resources and other activities of PAE named after Shevchenko.

Management accounting encompasses planning, measurement, accounting and control for appropriate decision-making, despite the fact that these are all different fields of knowledge.

Selling their products, in PAE named after Shevchenko enter into mutual relations with legal entities and individuals – buyers and customers, and therefore – carry out settlements with them in a certain order.

Calculations in PAE named after Shevchenko with buyers and customers is conducted on the basis of concluding bilateral contracts. A mandatory condition for concluding contracts is an accurate reflection of the obligations of both parties.

Responsibility for timely and high-quality preparation of necessary materials and registration of contractual relations, as well as accounting, registration, storage of contracts is assigned to the deputy chief accountant.

When the initial terms of the contract are changed, an additional agreement is signed.

The general scheme of sale of agricultural products in PAE named after Shevchenko looks like this:

1. Drafting of the contract.
2. Statement of the invoice for payment. The invoice is signed by the head of PSP named after Shevchenko.
3. The enterprise – the buyer submits to the servicing bank an order for the transfer of funds from his account to the account of PSP named after Shevchenko according to the issued account – invoice.
4. Obtaining a PSP named after Shevchenko's bank statement confirming the receipt of funds to his bank account.
5. Receipt of goods

But the company periodically has accounts payable. The occurrence of indebtedness is due to the fact that the simultaneous performance of counter-obligations by both parties under the contract is very rare. As a rule, one of the parties first fulfills its obligations, as a result of which it has the right to demand compensation for the debt, and the other party has the

obligation to pay this debt. That is, in accounting, the first party has an asset in the form of receivables as part of economic assets, and the other party has an obligation to the creditor to repay this debt, which is called accounts payable.

In PAE named after Shevchenko pays special attention to: correct organization of calculations, strict adherence to financial discipline, timely receipt of funds for sold products and services provided.

Untimely receipt of funds for the products sold and services provided leads to financial difficulties in the management of the economy.

Settlement operations are carried out in accordance with the legislation of Ukraine in accordance with the procedure established by the National Bank of Ukraine.

The legislation of Ukraine provides for the procedure for carrying out settlements between enterprises, enterprises and individuals both in non-cash form and in cash. The procedure for non-cash payments is set out in the instructions “On non-cash payments in Ukraine in national currency”, approved by the Resolution of the Board of the National Bank of Ukraine No. 22 of 01.21.2004.

In PAE named after Shevchenko, the forms of calculations provided for by the NBU Instruction No. 22 are specified when concluding contracts.

Non-cash settlements are carried out using established forms of settlement documents: payment orders; payment requests-orders; settlement check; payment claim; letter of credit

We consider it expedient for PAE named after Shevchenko to use an autonomous approach to building a system of interconnection between financial and management accounting, which involves maintaining financial and management subsystems of accounting in a parallel system of accounts. This will contribute to the increase in the analytical nature of accounting information, as it will provide an opportunity to determine the performance results of each structural unit in a timely manner, while simultaneously establishing management control over the centers of responsibility.

The multi-sectoral nature of agricultural production requires the provision of information on the receipt of income from individual branches of the economy. Therefore, the analytical accounting of sales in PAE named after Shevchenko is led by types of products, goods, works, services and sales directions.

The implementation process is characterized by the use of accounting accounts:

- account 36 “Settlements with buyers and customers” – for accounting of settlements with buyers of products, works and services (receivables);
- account 90 “Cost of sale” – for accounting of the cost of sold products;
- account 70 “Revenues from sales” – for recording revenues from sales;
- sub-accounts 641 “Tax settlements” and 643 “Tax liabilities” – for accounting of VAT tax liability, which reduces the amount of income;
- account 93 “Costs for sales” – for accounting for sales costs.

For accounting settlements with buyers or customers PAE named after Shevchenko uses balance account 36 “Settlements with buyers and customers”.

The debit of account 36 “Settlements with buyers and customers” reflects the sale value of products sold, goods, work performed, which includes value added tax payable to the budget and included in the sales price; on a loan – the amount of payments received on the company’s accounts in banking institutions and other types of payments. The balance of the account reflects the debt of buyers and customers for the products received.

Analytical accounting on account 36 “Settlements with buyers and customers” is kept for each buyer and customer for each invoice presented for payment.

The debit of account 90 “Cost of sales” reflects the production cost of sold finished products, works, services; the actual cost of goods sold (without trade margins), for a loan – write-off in the order of closing debit turnovers to account 79 “Financial results”.

Administrative expenses, distribution expenses and other operating expenses are not included in the production cost of finished and sold products, therefore, information on such expenses is summarized in the accounts for accounting for the expenses of the reporting period – 92 “Administrative expenses”, 93 “Sales expenses”, 94 “Other operating expenses”.

Account 90 “Cost of sales” has the following sub-accounts:

- 901 “Cost of finished products sold”;
- 902 “Cost of goods sold”;
- 903 “Cost of works and services sold”;
- 904 “Insurance payments” (this sub-account is not used in the PAE)

named after Shevchenko).

Sub-account 901 “Cost of finished products sold” records the production cost of finished products sold.

Sub-account 902 “Cost of goods sold” reflects the cost of goods sold, determined by the NAR(S) No. 9 “Stocks”.

Sub-account 903 “Cost of works and services sold” records the cost of works and services sold during the reporting period.

Account 70 “Income from sales” is intended to summarize information on income from the sale of finished products, goods, works and services, income from insurance activities, income from gambling, from lotteries, as well as the number of discounts provided to customers and other deductions from income.

Account 70 “Income from sales” has the following sub-accounts:

- 701 “Income from the sale of finished products”;
- 702 “Income from the sale of goods”;
- 703 “Income from the sale of works and services”;
- 704 “Deduction on income”;
- 705 “Reinsurance” (this sub-account is not used in the PAE named after Shevchenko);

The credit of sub-accounts 701–703 reflects the increase (receipt) of income, the debit:

- due amount of indirect taxes (excise duty, value added tax and others stipulated by the legislation);
- the result of reinsurance operations (in correspondence with sub-account 705 “Reinsurance”);
- the result of changes in the reserves of unearned premiums (in insurance companies); and write-off in closing order to account 79 Financial results.

Sub-account 701 “Income from the sale of finished products” summarizes information on income from the sale of finished products.

On sub-account 702 “Income from the sale of goods”, trade enterprises and other organizations summarize information on income from the sale of goods.

On sub-account 703 “Income from the sale of works and services”, enterprises and organizations performing work and providing services summarize information on income from the sale of works and services, on the results of changes in reserves of unearned premiums.

On sub-account 704 “Deduction from income” in debit, the amounts of receipts under commission agreements, agency and other similar agreements in favor of commitents, principals are displayed; the amount of discounts granted to buyers after the date of sale, the cost of products and goods returned by the buyer and other amounts subject to calculation from income. On the credit of sub-account 704 “Deduction from income”, the write-off of debit turnovers to account 79 “Financial results” is reflected.

To summarize information on the cost of sold finished products, goods, work performed, services rendered, account 90 “Cost of sales” is used.

To eliminate the problem of accounting for the implementation process that currently exists in the PAE named after Shevchenko, the possibilities for their improvement are proposed, for which the role in the formation of income is determined at the time of reflection of income from sales in accounting.

There are certain uncertainties regarding the recognition of income. For example, for the sale of products in NAR(S) No. 15, ambiguous conditions for recognizing income are given:

- transfer to the buyer of the risks and rewards of ownership of the product;
- the probability of receipt by the enterprise of economic benefits associated with the sales operation.

Under paragraph 16 of IAS 18 Income, if the entity transfers significant risks and rewards to the customer, income can be recognized. That is, there remains an insignificant risk of ownership and such an operation can be considered a sale, and income can be recognized. Paragraph 8 of IAS 15 “Income” does not talk about insignificant risk at all, it only states that income is recognized when “all” risks and rewards associated with the ownership of the products have been transferred to the buyer. Therefore, in the case of leaving insignificant risks to the seller, income may not be recognized.

Examples of situations in which PAE named after Shevchenko can keep the risks and rewards of ownership, there are cases where:

- the shipped products are subject to further development, which has not been completed at the time of shipment and is a significant part of the contract;

– the buyer has the right to cancel the purchase for reasons specified in the sales contract, and the company is not convinced of the likelihood of a return;

– The sale of goods takes place on credit.

It is not always possible for an enterprise to fulfill all the conditions specified in NAR(S) No. 15 for recognition in the accounting of income from sales due to the peculiarities of the activity and uncertain circumstances. So, NSL them. Shevchenko, each time, depending on the characteristics of the transactions performed, must independently choose the method of reflecting income and determine when and to what extent to determine the income from the sale of products in the reporting period. These conditions must be determined in the accounting policy of the enterprise.

Therefore, the formation of an accounting policy at an enterprise is a responsible task and consists primarily in the application of the regulatory principles of accounting, the preparation and presentation of financial statements, and the choice of methods and procedures for processing accounting information.

Organizational construction of accounting and control over its maintenance in the PAE named after Shevchenko should be provided for by a new order on accounting policy, which should contain a section on accounting for income and financial performance, which indicates the main provisions for organizing such accounting: differentiation of income for each classification group; conditions for recognition and criteria for assessing income from the provision of services and performance of work as of the reporting date; a method of studying the degree of completion of works, services, income from the use and provision of which is determined by the degree of completion; list and composition of income from the sale of products (products); list and composition of other operating income; list and composition of income from financial, investment activities and extraordinary income; the procedure for attributing income and expenses to account 79 “Financial results”.

The current issue today is the methodology of accounting for income and expenses of agricultural activity according to NAR(S) No. 30 “Biological Assets”. Pursuant to NAR(S) No. 30 “Biological assets” it is provided to determine the financial result from the initial recognition of agricultural production and additional biological assets with subsequent clarification for each balance sheet date and sale date. That is, in agriculture,

the financial result is to be determined not after the production is sold, but when it is received from the production. We believe that such a definition of the financial result contradicts the principles of accounting and financial reporting, defined by the Law of Ukraine “On Accounting and Financial Reporting in Ukraine”, namely the principle of prudence, which provides for the application of valuation methods in accounting that should prevent underestimation of liabilities expenses and overestimation of assets and income of the enterprise

Having considered the method of forming the content of income items in the 1st section of the Statement of Financial Results, it is possible to conclude that it basically corresponds to international standards of accounting and financial reporting. This reporting form contains grouped sources of income. The type of income from extraordinary events, objective and independent of the quality of management, other organizational and economic, internal and external conditions of the enterprise’s activity, is also highlighted. The Report on financial results also provides information on the receipt of financial results (profits or losses) by types of enterprise activity: operational, financial and other ordinary activities.

In the process of research, we discovered shortcomings that somewhat complicate the information obtained, which is understandable to external users. For example, information about value added tax (VAT) and sales excise duty is unnecessary for investors or creditors. These data are controlled, analyzed, studied only by employees of tax services.

Users of financial statements are more interested in deciphering the article “Other deductions from income”, because it is this information that is given in this indicator that can be useful and relevant for making certain economic decisions. Such information can include the total sums returned by buyers and customers of shipped finished products (goods), trade discounts. But the question immediately arises as to where in the Statement of Financial Results to display the amount of VAT included in the cost of returned finished products. Therefore, in line 030, it is necessary to display the return of finished products minus VAT. Therefore, in our opinion, it is necessary to eliminate the shortcomings that occur in form No. 2 “Report on financial results”, for this it is necessary to provide an additional line for the reflection of VAT in the value of returned finished products.

In the Report on financial results, the scheme for displaying extraordinary income is imperfect. Indeed, if extraordinary income is received, it must be additionally taxed. But the excess of extraordinary

losses over extraordinary income will result in a reduction of the accrued tax on income from ordinary activities.

The basis for the compilation of the “Report on financial results” f. No. 2 is the analytical accounting data for the accounts belonging to the seventh and ninth classes.

In PSP named after Shevchenko often adjusts the amount of the tax liability for value added tax due to changes in selling prices, returns of products (goods) or mistakes made when issuing tax invoices. It is carried out on the basis of special appendix No. 2 “Calculation of the adjustment of quantitative and value indicators to the tax invoice from No. At the same time, there are inevitably differences between the amount of value added tax reflected in the accounting registers under the credit of account 70 “Proceeds from sales”, as it is recorded on the basis of the tax invoice, and the one that is final according to its debit after adjusting the records.

At the same time, in Vedomosti No. 11.4 s.-g. it is unnecessary to detail the credit turnover of account 70 “Proceeds from sales”, when it should be methodologically correct to distinguish debit transactions for it, including, first of all, value added tax, excise duty and other deductions for which there is no places in any analytical register are provided not only for the journal-order form of accounting, but also for those that are performed by software on personal computers.

The above shortcomings of a methodological and methodical nature in the accounting of financial results reporting can be eliminated by excluding account 90 “Cost of sales” from the Chart of Accounts and displaying, instead of entries on it, the quantity and cost of sold products (goods, works, services) on the debit of synthetic account 70, changing its name in this connection to the following: “Formation of results from implementation”.

Taking into account this proposal, it is necessary to simultaneously improve Notice No. 11.4 of the s.-g. analytical accounting of sales of products, materials, works and services.

Along with this, it is proposed to develop and implement a register of documents on the sale of finished products by industry to improve synthetic and analytical accounting. It is filled out on the basis of primary documents for the sale of finished products – goods and transport invoices, intra-household invoices, invoices and is the basis for compiling a book of analytical accounting.

According to NAR(S) No. 30 “Biological assets” [3], which is intended to regulate accounting in agriculture, primarily biological assets.

In addition to the fair value assessment, a fundamentally new method of determining financial results from agricultural activity has been introduced, which is based on the calculation of income and expenses at the initial recognition of biological assets and/or agricultural products, regardless of whether they will be realized in the future.

It should be noted that the application of the mentioned methodology in agriculture is an exceptional phenomenon in national accounting. Therefore, at present, the primary task of domestic science and practice is to research the expected results from the introduction of the methodology for determining the financial result, provided for by NAR(S) No. 30, as well as the study of their impact on the financial and economic stage of both individual enterprises and agriculture as a whole.

The consequences of applying the method of determining the financial results from the production and use of agricultural products, provided for in NAR(S) No. 30, provided that they are assessed at fair value, are:

1. The subjectivity of determining the cost price and/or fair value of products and biological assets, for the production of which self-produced agricultural products are spent, estimated at fair value (seeds in crop production, fodder in livestock production, various types of agricultural products for processing).

2. An increase in retained earnings (uncovered loss) by the amount of the difference between the financial result obtained from the initial recognition of all received agricultural products and the profit (loss) obtained from the sale of part of the harvest. It should be noted that if the enterprise is a fixed agricultural tax payer, the amount of retained earnings does not affect the amount of taxes paid. However, in the case of taxation of the enterprise on a general basis, an increase in retained earnings leads to an increase in the amount of income tax.

Therefore, the application of the methodology for determining financial results, provided for by NAR(S) No. 30, may cause an incorrect determination of actual financial results and an increase in the tax burden on enterprises that are subject to general taxation conditions [3].

Taking into account the above, in order to solve the problems raised above and improve accounting in agriculture in general and biological assets in particular, N. Goncharenko (2017) suggests:

1. Cancel the method of determining financial results introduced by the NAR(S) No. 30 by excluding the relevant provisions.

2. Evaluate at fair value only biological assets. Agricultural products should be accounted for and evaluated on the general basis of asset accounting, taking into account the requirements of NAR(S) No. 9 “Inventories”.

3. The difference between the fair value of biological assets and the costs of their production should be shown as an increase (decrease) in the additional capital of the enterprise on a certain date and recorded on sub-account 425 “Other additional capital” [9].

In our opinion, the proposed improvement will not only facilitate the work of the accountant of PAE named after Shevchenko, and will serve as a more accurate reflection of the company’s financial condition.

In modern business conditions in Ukraine, significant changes are taking place due to the globalization of business activity and the rapid pace of development of information technologies. In turn, this led to the use of information technologies in accounting. The use of automation tools makes it possible to almost completely solve the problem of accuracy and efficiency of information. Various and detailed data necessary for making management decisions can be prepared within a few minutes. The use of computers made it possible to automate the accountant’s workplace and raise the process of registering economic transactions to a new level. An accountant works on a computer in a dialog mode, uses feedback in the process of processing information and obtaining relevant source documents.

The computer accounting system quickly reflects the main processes associated with obtaining various aggregated indicators characterizing the financial and economic activity of the enterprise. In this accounting system, information goes through a single channel and is used for all management needs.

Before implementing a computerized accounting system at the enterprise, it is necessary to carry out reengineering of business processes, that is, rethinking and repurposing the enterprise’s activities to achieve significant improvements in such key indicators for modern business as: income, financial result, level of service and efficiency.

When checking the correctness of the display of income and financial results, the auditor must make sure that the company has fulfilled the basic requirements for annual reports when compiling the Report on financial results:

- all operations must be registered;
- all operations must be registered and presented properly;

- registered transactions must correspond to reality;
- entered in the correct period;
- correctly assessed;
- all operations concern the enterprise;
- entered into the corresponding account;
- correctly presented in annual reports.

In the process of confirming the truthfulness of information in the financial results report, which is carried out by the auditor during the audit of financial statements, three situations may arise when:

- the information recorded in the report reflects the real result of financial and economic activity;
- information in the report is distorted without intention, i.e., due to accounting errors, misinterpretation of laws, incorrect interpretation of economic facts and for other reasons;
- the information in the report is distorted due to its incorrect display by the employees of the enterprise with a previous intention, that is, by applying actions specially prepared to distort certain information.

An important qualitative characteristic of information in reporting on financial results is the completeness of information, which in Ukraine most often becomes the cause of distortion of this reporting.

Thus, according to the data of numerous publications and expert surveys, the specific weight of economic transactions carried out in the shadow sector of the economy is from 40 to 55%, according to the assessment of various experts.

If we are talking about the distortion of indicators from financial results, then its purpose should be determined – it is the underestimation of the basic reporting indicators, on the basis of which the balance sheet profit is determined, or their overestimation. Due to the fact that financial performance reporting indicators are related to tax reporting, the purpose of understating such indicators is tax evasion.

In the case when the basic indicators of financial results are overestimated, and the balance sheet profit is based on them, the purpose of such distortion is to improve the indicators of financial reporting for submission to its users.

However, during the implementation of such a complex procedure as confirmation of the truthfulness and completeness of financial performance reporting indicators, one should not be limited only to such motives for its distortion.

Before starting a more detailed examination of income, it is necessary to determine the materiality of specific groups of income (NAR(S) No. 15 in the total amount of income). If the auditor recognizes a certain type of income as insignificant, he can ignore the further examination of this income and focus on significant income.

In order to introduce the method of organizing the audit of income and financial results, as well as the number of necessary audit procedures, the auditor conducts testing of internal control and the accounting system, which allows to obtain answers to the following questions:

- analytical accounting of income is carried out with a sufficient level of detail;
- shipment of products and goods is duly authorized;
- analytical accounting data is checked with synthetic registers and the General Ledger;
- accounting of income and financial results is conducted in accordance with the requirements of NAR(S) No. 15 “Income”;

When checking income from the sale of products (goods, works, services), it is necessary to carefully study the compliance of the sales prices according to the documents established by the relevant calculations. In the case of detection of deviations, the auditor calculates the amount of unearned income, finds out the reasons for the deviations by listening to the explanations of the responsible persons.

This information is necessary, first of all, for internal users (owners, administration), but it can be interesting (if the amounts are significant) for external users as well.

The results of such a check are recorded in a working document.

If, according to the data of this inspection, a significant number of facts of price deviation are established, then it is necessary to expand the boundaries of the sample study.

According to established facts of deviations in sales prices, the auditor conducts a detailed study, as a result of which he establishes:

- to which buyers the products were shipped at prices lower than those set by the calculation;
- how it affected the company’s income;
- who from the staff authorized such implementation;
- whether it was a justified necessity.

The auditor displays the results of the audit study of deviations in sales prices in a working document.

Depending on the materiality of other groups of income, the auditor makes a decision on their verification and similarly conducts an audit study.

In order to prepare a conclusion, the auditor records all detected violations and errors in the working document.

Methodical techniques and methods of conducting an audit of the enterprise's activities include:

- calculation-analytical (economic analysis; analytical and statistical calculations; economic-mathematical);

- documentary (compliance of the displayed transactions with the requirements of the current legislation; formal and arithmetic verification of documents that reflect the implementation of business transactions, registers of analytical and synthetic accounting, financial reporting; cross-checking of documents; logical control of the correctness of the display of interconnected transactions, etc.);

- organoleptic (control measurements of works; technological examinations; continuous (continuous) observations, etc.);

- methods of summarizing, evaluating and implementing audit results (analytical grouping of evidence; grouping of intermediate examination results; summarization of research results and drafting of an expert's opinion; development of proposals for the prevention of offenses; delivery of the expert accountant's opinion to law enforcement agencies; implementation of proposals for the prevention of offenses; implementation of the audit results).

In general, data on the income from the enterprise (comparison of income and expenses) is one of the easiest objects for falsification. This is due to a significant number of documents, accounting accounts used for their determination and display. Therefore, the expert accountant faces the task of determining the correctness of the display and comparison of income and expenses.

Sales revenue can be significantly distorted as a result of:

- incorrect determination of the cost of sold products (attributing to its composition costs covered by the financial result of the activity, overestimation of the norms of consumption of raw materials and materials, illegal overestimation of the norms of write-off from natural losses, overestimation of prices for raw materials and materials used in production, incorrect write-off of excess costs, incorrect distribution of general production costs, etc.);

- incomplete display of income received by the enterprise;

- errors in the calculation of income tax;
- inaccurate display of received fines, penalties, penalties;
- illegal write-off of receivables before the expiration of the statute of limitations;
- overestimation of costs for non-realization operations (paid fines, financial costs, losses from investment activities).

Thus, the audit of the sale of products and the results of the company's activity is one of the longest processes. It requires verification not only of individual aspects of the enterprise's activity, but of the entire set of operations, as they form the result of the business entity's activity and income from sales at the enterprise.

During the audit of income from the sale of products, the journal-order of 11 s.-g., registers, information on the accounting of the sale of agricultural products, commodity and material values and services, information on the accounting of production costs, output of products, and services provided are checked. Along with this, it is necessary to check those primary documents and, above all, the goods and transport invoices, acceptance receipts, vehicle travel documents, weigher's journals, diaries of the arrival of agricultural products, reports on the movement of material values, on the processing of products, on the sale of agricultural products, cash orders, etc. for the purpose of identifying the reliability of the physical and accounting weight of the sold products, their full cost price and sales price. Particular attention should be paid to whether discounts and allowances are real, for this purpose, indicators of the quality of products sold, costs from underpayments by buyers are checked.

Checking the sale of agricultural products on the market, they establish their volumes, the correctness of setting prices and the completeness of the posting of revenue to the farm's cash register on the basis of the "Report on the sale of agricultural products", which is the basis for writing off the sold products; requests from the market administration about the current sales of these or other batches of products, sales prices, etc.; data on the posting of revenue received from market trade on account 30 "Cashier"; taxation of accountable persons.

When conducting an audit of income from the sale of products, it is very important to determine whether there is an understatement of the income from the sale due to the incorrect reflection in the accounting of income received from buyers in the form of financial assistance, short-term loans, replenishment of social purpose funds and other targeted income. If

such facts are revealed as a result of the audit, then it is necessary to make adjustments, while simultaneously increasing the amount of profit before taxation.

Special attention should be paid to the registry section “Payment notes”, for this, cross-checking of interrelated documents is widely used (profitable cash orders, bank statements with documents attached to them, invoices, invoices of internal economic purpose).

Audit planning is the formation of the main strategy and determination of specific methods of conducting the audit, as well as the timing of the audit. The development of the general plan and audit program should be based on the study of the specifics of the client’s business and the data of the preliminary examination of the subject of the audit. The audit plan is developed taking into account the fact that it determines the time of each specific audit procedure. During the development of the plan, auditors and audit firms have the right to independently determine the forms and methods of the audit on the basis of current legislation, current norms and standards, terms of the contract with the client, professional knowledge and experience. The audit firm can coordinate individual provisions of the general plan with the customer’s management, if it is considered appropriate.

The purpose of planning is to draw the auditor’s attention to the most important issues that should be checked most thoroughly. The auditor must plan his work in such a way as to be able to conduct the audit effectively. Planning should help the auditor properly organize his work and supervise the work of assistants participating in the audit, as well as coordinate the work performed by other auditors and specialists of other professions. The nature of planning depends on the organizational form, size and type of activity of the enterprise, the type of audit, the auditor’s perception of the state of affairs at the enterprise.

Developing an audit program involves the same steps as developing an overall plan. The program is a development of the general audit plan and contains a detailed list of audit procedures necessary for its practical implementation. In the audit program, the types, content and timing of the planned audit procedures must coincide with the indicators of the general plan accepted for work. The audit program also includes a list of audits by its directions, as well as the time that must be spent on each direction of the audit or audit procedure. In order to rationalize the development and

optimization of audit programs, large audit firms very often use network graphics.

In the program, the auditor assesses the degree of risk of internal control and his personal risk of not detecting significant errors in reporting, which is possible during audit procedures, determines the term of audit tests, coordinates the work of all possible assistants involved from among the company's employees, determines the presence of other audit performers, if such participate in the work. During the development of the audit program, other issues included in the general audit plan are also disclosed in greater detail.

Audit planning and preparation is carried out in such a way as to guarantee its high quality, efficiency and timeliness of all procedures.

When examining sales transactions, the auditor must remember that, according to current legislation, the sale of goods is any transaction made in accordance with contracts of sale, exchange, supply and other civil law contracts that provide for the transfer of ownership rights to such goods for independent compensation from the terms of its provision, as well as operations for free provision of goods. Free goods (works, services) are:

- goods provided by the enterprise in accordance with donation contracts, other similar agreements, which do not provide for monetary or other compensation of the value of such tangible assets and intangible assets or their return, or without the conclusion of such agreements;
- works and services provided by the company without requiring compensation for their cost;
- goods transferred to a legal entity or an individual for responsible storage and used by it in its production or economic turnover.

The auditor should also check the company's current procedure for setting prices for its own products, shipped goods, provided works and services, especially when carrying out trade transactions and operations for the sale of goods (works, services) to related parties. Income and expenses from the implementation of barter operations must be determined depending on the contract price of such an operation, but not lower than ordinary prices.

Conclusion. The smooth operation of the enterprise depends on the efficiency of the organization of accounting and the debugging of information flows in order to satisfy the requests of internal and external users. This, in turn, requires constant improvement of financial and management accounting, including accounting of income, expenses of the enterprise, and activity results.

In the conditions of the market economy and the independent activity of domestic enterprises, there is an objective need to determine ways and measures to maximize income from sales. In these conditions, each enterprise must ensure the prospect of its further existence through an effective system of effective management of the process of generating, distributing and using revenue from sales.

The problem of accounting for income, expenses and financial results is very relevant, there are many views of scientists regarding its solution. However, in most agricultural enterprises, the organization of accounting for income and expenses is carried out on the basis of accounting principles and standards. Financial results are determined by subtracting expenses from income. And this is the basis for determining the results of activities not only in crop and livestock production, but also in all sectors of agricultural production.

In today's realities of the functioning of the domestic economy, agricultural enterprises are characterized by unstable trends, which are mainly caused by the difficult economic situation in the country, the consequences of the global economic crisis, constant changes in the legislative framework, limited bank lending to business entities, low level of competitiveness and innovative development.

The analysis of financial performance summarizes the list of actions aimed at studying the results of the enterprise's activities for a certain period of time, in order to determine the efficiency of the use of all resources, identify possible shortcomings in the management of this enterprise and provide the necessary management information for operational management to improve the performance of the enterprise.

In the current economic conditions, which require agricultural producers to ensure their own financial stability, in a not very stable situation in the country's economy, any enterprise seeks to maximize its own financial results, which leads to the need for their qualitative analysis in order to identify reserves for growth in their volumes. in future.

The financial activity of the enterprise should be aimed at ensuring the systematic receipt and effective use of financial resources, compliance with settlement and credit discipline, achieving a rational ratio of own and borrowed funds, financial stability for the effective functioning of the enterprise.

Thus, the value of future financial results of agricultural enterprises is influenced by economic, political, market, foreign economic and other

factors, as well as the forces of nature (climate, weather conditions, etc.), which significantly increases the risk of losses for the enterprise. When organizing accounting, one should take into account cash results and probable reserves to cover them.

That is why the analysis of the financial and economic activities of agricultural enterprises is a necessary condition for the effective management of their income and expenses in order to increase profits and increase profitability. The future activity of the enterprise depends on how well the analysis of financial results is carried out, the main factors providing it are determined.

On the studied PAE them. Shevchenko, it is advisable to use an autonomous approach to building a system of interconnection between financial and management accounting, which provides for the maintenance of financial and management accounting subsystems in a parallel system of accounts. This will help to improve the analyticity of accounting information, as it will allow timely determination of the results of activities for each structural unit with the simultaneous establishment of managerial control over responsibility centers.

References

1. Holov, S. F. (2000). *Mizhnarodni standarty bukhhalterskoho obliku* [International accounting standards]. Kyiv, Ukraine: Federatsiia profesiinykh bukhhalteriv i audytoriv Ukrainy, 1272 p. (in Ukrainian)
2. Ohiychuk, M. F. (2014). Formuvannia u bukhhalterskomu obliku dokhodiv ta vytrat silskohospodarskoi diialnosti vidpovidno do vymoh P(S)BO 30 “Biologichni aktyvy” [Formation in the accounting of income and expenses of agricultural activity in accordance with the requirements of NAR(S) No. 30 “Biological assets”], *Accounting and finance of agriculture*, (6), 24–33. (in Ukrainian)
3. Regulations (standards) of accounting (Ukraine). Retrieved from: <https://kodeksy.com.ua/buh/psbo.htm> (Last accessed:27.11.2022)
4. Yamborko, G. A. (2017). Vyznannia i klasyfikatsiia vytrat u systemi bukhhalterskoho obliku [Recognition and classification of costs in the accounting system]. *Bulletin of the Lviv Commercial Academy*, (16), 53–56.
5. Khomin, P. O. (2016). Oblik vytrat vyrobnytstva za zhurnalno-ordernoiu formoiu [Accounting of production costs according to the journal-order form]. *Accounting and auditing*, (3), 16–23.
6. Tredit, V. E., & Kovaleva, O. V. (2016). Osoblyvosti obliku finansovykh rezultativ silskohospodarskykh pidpriemstv [Peculiarities of accounting for the financial results of agricultural enterprises]. *Economy and society*, (7), 984–991.
7. Serdyukova, O. D. (22–23 November 2018). Accounting of financial results of agricultural enterprises. *Materials of the All-Ukrainian Scientific and Practical*

Internet Conference [Current aspects of the development of agricultural enterprises: accounting, auditing and taxation]. (Ukraine). Kherson: State University “Kharkiv State Agrarian University”, pp. 280–281.

8. International financial reporting standards. (Ukraine). Retrieved from: https://zakon.rada.gov.ua/laws/show/929_010#Text (Last accessed: 20.11.2022)
9. Honcharenko, N. (2017). Vyznachennia finansovykh rezultativ silskoho hospodarstva vidpovidno do vymoh P(S)BO 30 “Biologichni aktyvy” [Determination of financial results of agriculture in accordance with the requirements of RA(S) No. 30 “Biological assets”], *Accounting and auditing*, (2), 37–42.

Chapter VI

ACCOUNTING AND ANALYSIS OF FACTORS ENSURING ECONOMIC SECURITY IN UKRAINE

Volodymyr Savchenko

Doctor of Sciences (Economics), Professor
Professor at the Department of Finance, Accounting and Economic Security
Pavlo Tychyna Uman State Pedagogical University, Uman, Ukraine
E-mail: savxhenko.v@udpu.edu.ua

ORCID ID: 0000-0001-6353-0808

Serhii Stoika

Candidate of Sciences (Economics), Associate Professor
Independent Researcher
E-mail: stoika.s@udpu.edu.ua

ORCID ID: 0000-0002-5102-9685

Vitalii Stoika

Candidate of Sciences (Economics), Associate Professor
Associate Professor at the Department of Economics and
Social and Behavioural Sciences
Pavlo Tychyna Uman State Pedagogical University, Uman, Ukraine
E-mail: stoika.v@udpu.edu.ua

ORCID ID: 0000-0002-8830-1822

Maksym Slatvinskyi

Candidate of Sciences (Economics), Associate Professor
Director of the Educational and Research Institute
for Economics and Business Education
Pavlo Tychyna Uman State Pedagogical University, Uman, Ukraine
E-mail: ms@udpu.edu.ua

ORCID ID: 0000-0003-4096-2901

Introduction. National security is a complex category that includes security in economic, social, political, intellectual, informational, demographic and many other areas. The key element of national security is economic security, since the realization of national interests of the state is possible only on the basis of stable economic growth.

Economic security means a combination of economic, geopolitical, environmental, legal and other factors that ensure: decent living conditions

and sustainable human development; the country's competitiveness on world markets; financial stability; protection of vital interests; survival in crisis conditions; creation of internal immunity and protection against destabilizing actions.

Literature review. Issues of economic security are discussed in detail in the works of such domestic and foreign scientists as L. Abalkin, V. Bilous, O. Bandurka, O. Baranovskyi, I. Binko, Z. Varnalii, O. Vlasyuk, V. Geets, B. Gubskiy, M. Yermoshenko, Ya. Zhalilo, V. Muntiyani, G. Pasternak-Taranushenko, S. Pirozhkov, V. Tambovtsev, V. Shlemko, and others.

Results. The main threats to the economic security of Ukraine on the path of European integration processes are the lack of a clear financial mechanism for its security, chronic budget deficit, excessive tax burden, low standard of living, high inflation, instability of the national monetary unit, insufficient competitiveness of goods and services, inefficient property management, high energy intensity of production, openness of the economy to external influence, significant hidden unemployment, slow rates of economic growth interspersed with stagnation, huge public debt, monopoly in certain areas of economic activity, etc.

The gap between the export capacity and the import dependence (especially with regard to energy) of the economy is increasing.

It is necessary to take measures to improve macroeconomic indicators, such as increasing exports, rationalizing imports, inflow of direct foreign investments, legalization and involvement of "shadow" capital in banking.

At the same time, it is necessary to take into account problems at the microeconomic level [1]: lack of funds, imbalanced payment system, criminogenic situation, etc.

The main strategic direction of Ukraine's national security is integration into European structures, including security organizations.

Another direction of the security of our state is the development of regional cooperation, and Ukraine has already taken new steps in such organizations as the Central European Initiative, the Bug Euroregion, the Caribbean Euroregion, and the Black Sea Economic Cooperation [2, p. 12].

The decline in the state of the country's security environment occurred, as already noted, due to the decline in demographic, social, innovative and investment security, which is due to the departure of people of childbearing age abroad, the excess of mortality over the birth rate, the aging of the nation, a decrease in GDP, an increase in spending on military

needs, inactivity of innovative factor, a drop in investment attractiveness, etc. No component of economic security is at an acceptable level.

Ukraine, without changing the vector of its development, will find itself in the group of outsider countries, unable to ensure the competitiveness of the national economy, create a mechanism of protection against external globalization threats, and as a result will find itself in a position of prolonged macroeconomic stagnation [3, p. 105].

Leading among practitioners and economists is the concept where economic security is considered as the stability of the national economy in crisis conditions, as well as the ability to ensure competitiveness in world markets [4]; [5]. Economic security also means the protection of vital economic interests from internal and external threats [6]. It should ensure economic growth, raise the standard of living of the population [7].

Economic security can be divided into three components: economic independence, sustainability and stability of the national economy, and the ability to self-develop. Effective work should be ensured by the implementation of a stable state policy, a system of measures to overcome threats, without which it is impossible to get out of the crisis, manage economic processes, and ensure social protection of the population [8].

The main principles of a safe situation: the effectiveness of measures to avert threats and protect national interests; balance of economic interests of the individual, family, society, state; interaction and integration with international economic security; compliance with legislation in all situations; resolving conflicts of an economic nature by peaceful means.

In the mechanism of ensuring economic security, both market and administrative methods of management should be combined, which is manifested in the use of economic levers regulated by administrative and legal means.

In summary, economic security is a multifaceted and important component of national security, which includes interdependent and interconnected functional-structural, sectoral, territorial components that interact with each other and with the external environment in order to ensure effective actions of the system [9, p. 81–90].

The main features of economic security management:

- the system can have a large number of development options;
- decision-making is based on forecast indicators of the system over time;

– at the stage of decision formation, there is no complete picture of the situation;

– further impact of the decision on the situation is characterized by uncertainty and risk [12, p. 17–18].

The mechanism for ensuring economic security is a system that consists of elements and relationships between them that ensure the necessary degree of development. In the process of development and operation of economic and financial mechanisms, objective regularities of the economy, external and internal factors, as well as unforeseen but probable natural phenomena must be taken into account.

The theoretical basis for the classification of economic, including financial, security mechanisms is developed by Henri Kuleman, who characterizes them by the nature of the original phenomenon (market, economic, cyclical, financial, structural, currency), degree of openness (open and closed), quantitative assessment (determined, not determined), the level of objects (mega-, macro-, meso-, micro-level), the nature of the organization (managed, self-organized), dynamics (stagnation, functioning, development).

The mechanism for ensuring economic security must be created in accordance with the economic policy of the state with a clear definition of objects and subjects, systematization of threats, use of tools for their elimination or at least minimization.

Economic security is ensured in accordance with the strategies and programs adopted in the established order in the political, social, informational, economic and financial spheres.

The mechanism for ensuring economic security must be designed in such a way as to constantly show the degree of compliance with the threshold values, without leading to a state where the system undergoes crisis changes that lead to the weakening, and ultimately to the destruction of the very foundations of the state.

The main task of the mechanism for ensuring economic security is the neutralization of internal and external factors of danger to the existence, development and growth of the country and the entire civil society.

In Ukraine, the components that had the effect of weakening the degree of economic security at the current stage were:

– the privatization of state property, which took place for free, in an illegal way and did not provide investment resources and modernization of production;

- fragmentation of financial structures, which are obedient tools in the hands of oligarchs and did not target the funds to the real sector;
- legally fixed immediate provision, to the detriment of strategic interests, as a dominant component in the behavior of entrepreneurs of all ranks, which paralyzed long-term capital investments, structural restructuring and economic growth;
- attempts to unsystematically solve the global problems of abandoning the planned economy, privatization, conversion of the military-industrial complex, without providing them with organizational, financial and personnel support;
- conducting measures regarding monetarism while destabilizing production and the social sphere, which periodically collapsed the exchange rate of the national monetary unit, led to inflationary processes and distortions in price policy;
- rejection of the levers and mechanisms of state regulation, which led to a pseudo-market element, complete openness of an uncompetitive domestic economy;
- strict limitation of the money supply and the volume of lending, which resulted in acute illiquidity of the “non-payment crisis” and barterization of economic processes;
- export of illegitimately received funds abroad, mainly to offshore zones;
- transformation of the most successful enterprises into structural divisions of foreign corporations, which led to tax payments abroad;
- the lack of work and sufficient wages for the working population, at the same time the openness of Ukraine’s borders, which provoked the outflow of labor.

Therefore, the main components of the mechanism for ensuring economic security are: legislative and regulatory changes that will eliminate obvious problems and distortions; effective and flexible management in both normal and crisis conditions; implementation of national economic interests; removal of threats and dangers; consistency of actions of legislative, executive and judicial branches of government; reasonable and objective openness regarding the activities of economic security services.

The main directions in the management of economic security are the balancing of budgets of all levels, the regulation of the volume of centralized capital investments, and the increase in the level of investment development.

Ensuring economic security is, among other things, the creation of favorable conditions for the life of subjects, their mastery of everything necessary for progressive reproduction, when the set goals and universal life values are realized, taking into account the mentality of the population.

Therefore, they are close to economic security, and in a number of studies it includes food, social, and especially financial security.

The overall indicator of food security of Ukraine is the 63rd place out of 109 countries in 2015 according to the Global Food Security Index (GFSI). At the same time, among European countries, we took the 26th, the last place among those that were investigated.

Given that our state exports significant volumes of agricultural raw materials, there are threats to ensuring its food security. The main among them can be considered: unbalanced consumption of food products; rapid growth of food prices at a low level of population income; insufficient consumption of livestock products.

Social security contains the following threats: populism of the social part of state development programs; about 30% of the population is in a state of poverty, extreme poverty and destitution; differentiation between the incomes of different population groups by 30 or more times; unsatisfactory level of social protection for persons of retirement age and the disabled; difficult moral and psychological condition of people; low educational, and especially professional, level of the population; unsettled migration policy, lack of rights and guarantees of labor migrants; low quality of educational, medical and other services.

Financial security includes banking security, security of parbanking institutions, budget security, monetary security, currency security, debt security.

To ensure financial security, the National Bank of Ukraine has a gold and currency reserve (stocks of gold ingots and highly liquid foreign currencies), which it can use in cases of: operations with foreign currency and monetary metals; selling currency on financial markets to strengthen the hryvnia exchange rate.

A country's internal threats are exacerbated by the impact of globalization, when a number of distorted proportions grow, such as:

- cost of resources and money;
- volumes of commodity and financial markets and their role in economic growth;

– the ability to produce and consume what is produced, when the speed of production is increasingly ahead of consumption.

Despite the efforts of governments and national structures, we get the following “distortions”:

1. In the financial sector, in connection with the reduction in the number of real borrowers, the risks of transition to a crisis state are increasing.

2. The inability to obtain a solvent market demand forces manufacturers to reduce production volumes, which leads to another decrease in consumption.

3. The stagnation of the real economy increases the unwanted gap with the financial sector and, in general, with the virtual economy.

In the conditions of openness of world financial and economic relations, the implementation of stimulating or prohibitive measures at the state level, as a rule, cannot ensure the achievement of the intended goals regarding economic security.

Restrictions on openness threaten to weaken competitiveness, isolation from innovative technologies, etc.

Interstate cooperation and integration in the field of economic security, including the mechanism of its financial support at the regional, for example, the European Union level, based on strengthening cooperation between geo-economic partner countries while reducing international openness in general, is the most effective strategy.

It is necessary to understand and learn to adapt to the fact that periodically recurring and mostly unpredictable crisis phenomena in the economy are not the result of mistakes in the regulation of international and national financial and economic systems by top managers. They are a consequence of the essence of the modern economy, based on the capitalist method of production of material values and distribution of the accumulated [13, p. 161–242].

Therefore, to ensure the stability of the national economy, it is absolutely necessary to apply strategic planning and forecasting. They can determine methods, criteria for evaluating results, the sequence of formation and management of implementation. It is also necessary to find out the interrelationship of all planning documents, which will ensure the specification of measures and their improvement. Measures aimed at the development of small and medium-sized businesses are particularly relevant [14, p. 143].

The global financial crisis has a negative impact on the situation both in the European Union, especially among the new member states, and in Ukraine. The degree of sustainability depends on the organization of the real economy, existing institutions, legislative support, trust in the national currency or the euro, the state of public finances, preventive measures at the international and national levels.

The Ukrainian banking system is unstable and risky. Thus, the Standard & Poor's agency lowered the rating of domestic debt in foreign currency, as both the Cabinet of Ministers and business entities are forced to quickly pay off debts in the amount of more than 100 billion dollars.

The situation is complicated by the political situation, the dependence of banks on oligarchs, the leadership of the NBU and the ruling elite of the state, the decline in the pace of industrial production, the temporary loss of Crimea and events in the East of the country. Also, the Ukrainian economy strongly feels the drop in steel and rolled steel prices, the volume of which in 2014 was 27% of GDP.

In summary, among the main factors of financial, including banking, instability in Ukraine, we can highlight:

- significant fluctuations in the hryvnia exchange rate;
- lack of stability in the banking system regarding the number and role of institutions;
- a decrease in public confidence in the national currency and banks in general.

At one time, the NBU made urgent anti-crisis decisions. In connection with the mass withdrawal of funds placed on deposit accounts, a moratorium was established on their early withdrawal.

Commercial banks have been advised not to provide consumer loans and instructed to open credit lines for exporters to support entrepreneurs in their efforts to export their products. In addition, the permissible difference between the rate of purchase and sale of currencies in exchange offices should not exceed 5%.

At one time, the NBU conducted a currency intervention, where about 2.5 billion dollars of Ukraine's currency reserves went. However, the positive results of such intervention were episodic in nature. Even loans granted to 27 commercial banks, totaling UAH 9.9 million, did not help.

In the program of measures to stabilize the banking sector in terms of institutions and financial mechanisms, it was decided:

- create a special intergovernmental group to control the situation on the financial market of Ukraine;
- to simplify the procedures aimed at increasing the capital of banks;
- give the Cabinet of Ministers the right to nationalize banks that are potentially bankrupt.

The implementation of the main task of the National Bank of Ukraine, which is the creation of prerequisites for ensuring stable prices, and thus financial stability, is possible only in conditions of its complete independence from other branches of government, as recommended by the Basel Committee on Banking Supervision and European Union directives.

The improvement of the situation in the banking sector is associated with the activity of foreign banks, which stimulates the growth of competition and the development of the retail services market. It is likely that in the next period, growing competition, integration with European structures and globalization of finance will lead to the consolidation of the activities of domestic banks.

At the same time, key issues include:

- increasing the level of capitalization;
- increase in long-term financing instruments;
- development of the mortgage loan market;
- achieving stability of the banking system as a whole.

The implementation of the results and methods of Polish practice can generally have a positive effect on the development of the banking system of Ukraine and contribute to the elimination of barriers and threats that accompany us at the present time, will strengthen the level of ensuring financial security.

In our country, there are 26 types of taxes and state-wide payments, such as value-added tax, excise tax, income tax, land and real estate taxes, and others. In addition, there are 14 types of local taxes.

Deterioration of financial security is a consequence of the chronic deficit of state and local budgets, the growth of public debt, and the strengthening of social stratification of society due to the influence of the external environment and internal problems in the financial sphere.

The main indicators by which it is possible to detect the presence of danger in the specified area: periodicity; reaction to transformation or change; dynamism; a complex of interrelated and interrelated issues; activation of factors that hinder the development of the system; failure of finance to fulfill its main functions.

It is necessary to dwell on the last indicator in more detail. The functioning of state finances involves the performance of certain tasks:

1. Distribution – creation of funds to support state activities through redistribution of national income

2. Control – checking the correctness and timeliness of the formation of funds, the reasonableness of distribution and effective use.

3. Stimulating – positive impact on regions, industries, business entities.

4. Regulatory – making changes in the allocation of finances.

5. Stabilization – elimination and prevention of phenomena that worsen financial security.

If certain tasks are not performed or are performed only partially, disruptions in financial activity occur, the effectiveness of functioning decreases, which leads to failure to ensure the level of financial security or a financial crisis, as it is commonly called.

At the same time, indicators of pricing, taxation, social security, state debt, state credit, wages in state institutions and enterprises, etc. are not fulfilled. It is possible to get out of such a situation only by reforming the main or creating new financial institutions, and even then, in the case when the existing changes lead to an improvement in the situation.

Therefore, in our time, the skill of anti-crisis management, which will ensure the financial security of the state, is gaining relevance. The tools of such management include budgetary tools: increasing the capitalization of system-forming enterprises; provision of state guarantees; compensation of part of interest rates on loans; assistance to state banks for lending to the real sector of the economy; measures in the field of public procurement.

Capitalization of enterprises at the expense of the funds received from the issuance of bonds gives them the opportunity to receive state aid, but at the same time leads to an increase in the budget deficit.

Lending with budget funds supports enterprises and financial organizations with limited liquidity of the latter. However, in conditions of instability, there is a fairly high probability of non-repayment of loans.

Measures in the field of public procurement consist of placing orders, advances, preferences for the purchase of domestic goods and the supply of natural monopolies. At the same time, the overall demand for manufactured products increases.

These actions result in GDP growth, increased employment of the population, which mitigates the degree of economic and, in particular,

financial danger. However, let's not forget that at the same time they lead to an increase in the budget deficit, an increase in inflation or an increase in the state debt.

Therefore, there is a conflicting situation between the short-term profitability of budgetary instruments and planned regulation in the future. At the same time, countries with a high level of debt burden cannot take budgetary measures, are forced to reduce public spending and increase taxes, despite the recession of production. This indicates the importance of the ratio of public debt to GDP at a safe level.

It is necessary to apply tools for ensuring financial security by establishing in an official order restriction on the numerical values of indicators (fiscal rules) – the budget deficit, the amount of income and expenses, the same level of debt, with the aim of achieving the following results: to ensure the long-term balance of fiscal policy; increase confidence in government actions; reduce the possibility of dangerous situations; get stable economic growth.

There is no optimal composition and indicators of fiscal rules in world theory, in each case in practice an individual value is selected taking into account other factors and the level of danger, because:

- spending restrictions significantly reduce the cyclicity of budget policy, especially if we exclude expenses whose dynamics coincide with the business cycle, such as unemployment benefits, but the social component suffers here;

- limiting the budget deficit can reduce the amount of debt;

- the establishment of the maximum permissible amount of public debt makes the budget policy more predictable, but it is also significantly influenced by the exchange rate, interest rate, loan subsidies, state guarantees, etc.

Other deviations from the generally accepted approaches are possible in a dangerous financial situation, subject to a return to the previously valid norms in the medium or long term.

In order to financially ensure economic security, the following changes were made to the Budget Code of Ukraine:

- support in 2017–2021 to agricultural producers in the amount of 1% of the value of products in the agricultural sector;

- allocation of at least 10% of funds from the Regional Development Fund and the development and implementation of investment projects;

- expansion of powers of local self-government bodies in terms of financial provision of services;
- crediting to local budgets 13.44% of the excise tax on fuel produced and imported into our country.

Corresponding changes were made to the Tax Code of Ukraine. However, they did not lead to a significant improvement in economic security. One of the main problems in the implementation of these and other measures is efficiency – they should be applied in the shortest possible time and the degree of effectiveness should be monitored, and new changes should be made if expectations are not justified.

It should be emphasized that the majority of similar measures of financial support of economic security are temporary and compensatory in nature and do not affect the structural restructuring of production, the development of new markets, innovative development, etc. [16, p. 294–310].

It is appropriate to consider budget planning in more detail – the process of formation, distribution and redistribution of financial resources based on the goals and objectives of the socio-economic development of the country.

The stability of the budget and, to a large extent, the entire financial sphere, ensuring economic security, and the level of implementation of state programs depend on the balance of the budget.

In a planned economy, the budget, like the plan, had the force of law. Today, in our country, the socio-economic development plan, in the opinion of the authors, somewhat undeservedly, plays the role of a secondary document. Budget planning has taken over many of its functions. To his credit, this is done in most of the world's leading countries.

Budget planning has the following advantages:

- the potential of the country is systematically used for economic transformations;
- the validity of the measures and the effectiveness of the decisions are increased;
- efforts are directed at solving strategic, as well as particularly acute economic, environmental and social problems;
- deadlines for achieving defined goals are shortened.
- the validity of the measures and the effectiveness of the decisions are increased;

- efforts are directed at solving strategic, as well as particularly acute economic, environmental and social problems;
- deadlines for achieving defined goals are shortened.

In financial science, budget planning is a complex term that includes: preparation, consideration and approval of the budget; measures to determine income and expenses; distribution of GDP and national income; formation of indicators that are submitted for approval in the established order.

The main tasks of budget planning:

- distribution of budgetary resources between regions, branches of the economic complex and specific expenditures;
- determination of sources and amounts of income from taxes and fees;
- directing expenditures to ensure social and economic development of the state;
- achieving transparency and control of financial and overall economic activity of enterprises and organizations with the aim of targeted use of budget expenditures.

The mechanism of state financial management includes the mechanism of management in the budgetary sphere and tax revenues, all components of which are interconnected and depend on each other. For example, the efficiency of the tax revenue management mechanism depends on the effectiveness of the financial management of non-budgetary organizations and private individuals, and the revenue part of the budgets will be derived from this.

Therefore, the essence of the mechanism of managing budgetary financial resources can be defined as financial and economic relations that ensure the formation and use of budgetary resources of individual territorial communities, regions and Ukraine as a whole.

Constituent elements of the budgetary resource management mechanism are regulatory and legal regulation and methodical, functional, target, instrumental and organizational management.

The main components of the functioning of the budget finance management system: definition and achievement of goals; performance of functions; information and organizational and methodological support. With the effective interaction of all the components of the mechanism, the effectiveness of the management system is achieved, but in practice in our country this is not always sustained and gives results.

The stages of the budget process are drafting, agreement, approval, implementation, review of the implementation report and decision-making on it.

The main violations that lead to distortions in planned budgeting: inappropriate use of credit resources; non-compliance with the deadlines for the transfer of interbudgetary transfers; illegal payments; making unauthorized purchases of goods for budget funds; transfer of money to accounts receivable; purposeful accounting violations; illegal government orders.

Such actions are a criminal offense, which is prosecuted in accordance with the procedure established by law. Therefore, budget control is carried out, which is carried out in accordance with Section 5 “Control of compliance with budget legislation and responsibility for violations of budget legislation” of the Budget Code of Ukraine.

However, this document does not fully cover control activities. Part of the offenses in the field of budgetary relations are allowed due to the imperfection of the current legislation, as well as due to corruption schemes for laundering public funds [17, p. 110–335].

Exchange rate policy plays an important role in the financial mechanism of ensuring economic security. The exchange rate as an indicator of the stability of the financial situation in the state significantly affects the results of economic growth. Its fluctuations threaten economic security, increasing inflation, increasing foreign debt, ultimately leading to a fall in gross domestic product. The likely increase in export opportunities of enterprises engaged in foreign economic activity, as a result of the fall in the hryvnia exchange rate, is almost always not realized in practical actions due to the simultaneous weakening of business entities due to all other factors of a negative nature, the occurrence of which causes the depreciation of the national monetary unit.

Therefore, the exchange rate tool is an important component of the mechanism of state regulation of economic security. Based on the above, the issue of improving the methodology of transformation of currency regulation in accordance with the situation in the country and the degree of its financial and economic security is urgent. It is necessary to refine methodical approaches to determine in each specific case the list of indicators and their threshold values for getting out of a threatening situation and ensuring the economic security of the country.

In order to study the situation, we will identify the following subjects,

objects and stages of currency and exchange rate maintenance of economic security: subjects include the National Bank of Ukraine, state institutions, legal entities and households, state institutions of countries around the world, foreign entrepreneurs and non-residents of our country; international financial organizations; the object is the currency market itself with all its advantages and problems.

In the process of formation and implementation, the exchange rate policy consists of the following stages:

- formation of operational goals – creation of an exchange rate management mechanism, reduction of exchange rate fluctuations, methodical provision of operations with reserves;

- definition of strategic goals – achievement of a stable forecast level of the exchange rate, increase in competitiveness on the domestic and world markets, price stabilization, sustainable economic growth;

- creation of a regime for determining the rate, be it fixed, mixed or floating, of the level of convertibility of the hryvnia;

- definition of the main tasks – foreign exchange, discount, international credit policies, management of reserves;

- implementation of tasks through devaluation or revaluation of the hryvnia, NBU interventions, regulation of the convertibility of the national currency;

- control of the impact of the specified measures on the exchange rate;

- analysis of the results of implementation of measures and appropriate adjustment of the security policy.

Levers of regulation of exchange rate security are divided into three directions: market, administrative and regime selection. Market regulation in Ukraine is mainly carried out through the devaluation of the hryvnia, the implementation of currency interventions, the implementation of the discount policy and the management of reserves.

Administrative levers of regulation include increased control of foreign investments, restrictions on the purchase and sale of foreign currency, and mandatory sale of foreign exchange earnings.

The choice of exchange rate mode involves setting its fixed value, free rate or a mixed option.

In Ukraine, an effective mechanism for ensuring currency and exchange rate security was never developed. Periodically, there is a powerful (several times) devaluation of the national monetary unit. The lack of effective reforms, chronic deficits of the state budget and negative

balance of the trade balance, incessant increase of the state debt lead to distortions of currency and exchange rate policy.

At the same time, it should be noted that the evaluation of an effective exchange rate policy according to the “Methodical recommendations for the calculation of economic security” meets the criteria defined by international financial organizations.

In order to improve the mechanism of exchange rate policy in Ukraine under the conditions of further integration with the European Union, it is necessary to develop a strategy that, first of all, will involve finding within the threshold values of the exchange rate indicators, on which crisis phenomena in the economy are reflected the most and which, in turn, lead to to the sharply negative balance of the foreign economic balance, problems in export and import, the rise in consumer prices [18, p. 11–15].

Let’s consider the general situation in the banking sector of Ukraine. As of the beginning of 2017, the assets of the banking system were distributed as follows: state banks – 13%; foreign banking groups – 35%.

One of the factors of the change in the volume of assets is the exchange rate of the hryvnia, as well as the withdrawal of a part of banking institutions from the market and the reduction of credit debt. The mentioned effect of significant changes in the exchange rate of the national currency on the volume of total assets of the banking system of Ukraine can be explained by the high share of assets mainly in dollar equivalent – 41.8% as of the beginning of 2017.

Modern problems of the banking sector: low level of capitalization; ineffectiveness of the banking security system; weak rates of growth of own funds of commercial banks; about half of the total volume of bank reserves are in only the five largest banks, which allows with some exaggeration to consider them monopoly structures.

Measures to prevent or at least minimize destructive factors and threats play a special role in ensuring the financial security of the banking sector. The implementation of these measures contributes to the stable operation of each commercial bank, is carried out with the participation of the National Bank of Ukraine and other structures established by law.

We emphasize that banking institutions are structures that concentrate temporarily free funds of legal entities and individuals, provide them for use as loans, make payments and settlements on behalf of clients, and implement cash transactions. A stable banking system mitigates the challenges to the economic security of the state, reduces the severity of crises and allows

providing adequate responses to the challenges of the globalized world market.

The level of financial security is determined by how effectively financial flows are managed. In order to obtain an optimal result, professional leadership of the National Bank of Ukraine and coordinated work of all components of the banking sector are needed. Changes in internal factors and the external environment led to a potential decrease in the level of financial and economic security. Factors provoking an unfavorable situation: shortcomings of a legislative nature; insufficient qualification of management and employees; low solvency of business entities; mistrust of depositors; criminality and shadow schemes of oligarchs; unadaptability to constant changes in the market.

Counteraction to the decrease in the level of financial security of the banking sector should be implemented according to the following scenario:

- selection of methods of regulatory influence and their combination into a complete system;
- evaluation of positive and negative factors of the external environment;
- development of analysis methodology;
- assessment of financial security risks and countermeasures.

The main principles of insolvency of banking institutions: violation of the requirements of current legislation; legalization of proceeds obtained through crime; the use of banks by shareholders to obtain unsecured loans, using them as “pocket structures”; insufficient level of capitalization; the realized intentions of the state leadership and the National Bank of Ukraine to use the problems of a large part of banks for their own enrichment, which was presented to the public as cleaning up the banking system.

It is necessary to strengthen the state regulation of the banking system of Ukraine, which will include: combating monopoly and unfair competition; supervision of banking entities; protection of the interests of financial market participants; control over compliance by subjects with the requirements of legislative and regulatory documentation. At the same time, it is advisable to take into account the practice of the European Union, where the main components of ensuring banking security are risk reduction, diagnosis and assessment of systemic risks, minimization of the recurrence and duration of crisis phenomena.

In the conditions of strengthening the economic and financial integration of Ukraine with the EU, unified rules for conducting banking

business for all market participants, based on approved norms of state influence, are particularly important.

Strategic directions for increasing the level of financial security of the banking sector in Ukraine should include: implementation of the mechanism of market assessment of the capital of commercial banks; fulfillment of the requirements of collateral guarantee of loans; synchronization of domestic and international standards; periodic assessment of the level of financial security of the banking sector; access of small and medium-sized banks to NBU refinancing; financial decentralization; state asset insurance; problem debt management [19, p. 77–81].

Agricultural production is the main tool for ensuring food security in our country. However, there are a number of destructive factors in its activity: decline in lending to business entities; ineffectiveness of financial support; decrease in investment volumes; innovative failure.

In recent years, state regulation has not used growth reserves and effective management mechanisms, which is a consequence of the imbalance of individual components of agricultural production, the reduction of the ability to ensure safety.

The above factors lead to the search for new mechanisms for increasing the profitability and competitiveness of agrarian structures of all organizational forms, starting with personal farms of peasants, entrepreneurs, small enterprises, private structures and ending with powerful agricultural holdings both in the production of raw materials and in the processing and food industry, where products are to be created with high added value.

State stimulation of agricultural production is carried out in accordance with the “State target program for the development of the Ukrainian village ...”, approved by the Resolution of the Cabinet of Ministers of Ukraine in 2007, the laws “On state support for the agriculture of Ukraine”, “On the safety and quality of food products”, “On children’s nutrition”, the sectoral program for the development of horticulture for the period until 2025, approved by a joint order of the Ministry of Agrarian Policy of Ukraine and the Ukrainian Academy of Agrarian Sciences in 2008, regulatory documents of a regional nature.

However, the documents are scattered, have no mutual connection, and most importantly, they do not financially ensure the necessary level of security of agricultural production and the development of rural areas, which leads to a lack of unity in the triune chain of science – financial assistance –

agribusiness; a decrease in the profitability of enterprises and, as a result, a drop in investment volumes; unsatisfactory capacity utilization; the collapse of the raw material storage and processing infrastructure; episodic implementation of resource-saving technologies; slow development of small business; reduction of agricultural market capacity; deformations of the system of using mineral and, especially, organic fertilizers; high labor intensity of agricultural work.

In order to speed up the adaptation of agricultural enterprises and increase their survival in the competitive struggle, especially in the new European Union markets, urgent measures of the financial security mechanism are needed, which include:

- to develop programs of state support for agricultural production through preferential lending at low interest rates (up to 3%) for a period of 5–10 years;

- to allow the prolongation of leasing payments for the purchased complex and highly qualified equipment until the funds for the products sold, previously produced on this equipment, are received;

- eliminate the “price gap” between agricultural and industrial production;

- price policy should be carried out through guaranteed prices, determined taking into account the normative cost, export stimulation and promotion of the domestic market of domestic producers, reduction of the price burden on the main part of the population through budgetary compensation;

- to change the mechanism of taxation of agricultural structures by introducing tax holidays, covering half of the income tax with budget funds for breeding institutions, especially when patenting and registering the best varieties of plants and breeds in the livestock sub-sector.

In addition to financial measures to ensure economic security, which are of primary importance, one should focus on the organizational and management levers of increasing efficiency and economic growth. Among them, the creation of agricultural clusters is particularly important for deepening the specialization of production and auxiliary processes, integration of raw and processing structures, cooperation, outsourcing, and the formation of market infrastructure.

An important principle of the efficiency of agricultural production, the advantages of which have been somewhat lost during the years of market transformation, is the strengthening of regional specialization, which should

be carried out taking into account: implementation of transport opportunities for transporting products; reduction of its losses after transportation; balancing supply and demand on the market; rational use of the potential of agricultural enterprises; maximum adaptation to natural and climatic conditions for increased productivity; cost reduction; improvement of quality characteristics of products; ensuring the greening of production and regulatory burden on the environment.

The difficulties of managing the agricultural sector, ensuring its economic security and financing existing needs in most cases are associated with the need to make decisions in conditions of uncertainty and multivariate forecasts, which justifies the need to use an adaptive mechanism that allows changes in the structure and parameters in accordance with unforeseen situations in the sector itself [20, p. 223–228].

Growing differences between the economic development of regions, which is a consequence of both global trends and failures of centralized planning in the times of the USSR and market pseudo-reforms of modern Ukraine, requires the development of effective mechanisms for reducing depression and scientifically based regionalization.

At the same time, the regulation of economic processes largely depends on the financial capabilities of the authorities at the regional level. Realization of the legally enshrined right of the region to sufficient provision of financial security is impossible without the presence of a local budget in each government body, the right to draw up, approve and implement it without the intervention of higher-level authorities.

The Constitution of Ukraine includes the concept of “local budgets” (article 142). According to article 1 of the Law of Ukraine “On Local Self-Government in Ukraine”, “... the budget of local self-government (local budget) is a plan for the formation and use of financial resources necessary to ensure the functions and powers of local self-government”. We can name several more documents of a legislative nature that practically repeat this definition.

Activities of local budgets include: relations between local and state budgets; between budgets of different levels regarding the redistribution of available finances. Inter-budgetary relations are a tool for equalizing the socio-economic development of regions, regions, united territorial communities, ensuring the population’s access to public services regardless of their place of residence.

Let’s consider the experience of other countries regarding the financial

support of the development of regions through the interconnected activities of local budgets, infrastructure and business circles. As evidenced by their work, the privatization of the communal sphere has a positive effect on increasing the efficiency and, as a result, the economic security of territorial entities.

In the countries of the European Union, the share of income from entrepreneurial activity and property in the structure of non-tax revenues of local budgets has increased. For example, in Great Britain and Sweden it is 50%, in Italy and Finland – 20%, in Denmark and Spain – 10%.

With the development of market infrastructure, income from business activity and property in non-tax revenues of local budgets and in the vast majority of post-socialist countries increases. The specific weight of such funds is more than 40% in Poland, Slovenia and the Czech Republic, and up to 20% in Bulgaria, Slovakia and Hungary.

When the private sector is involved in urban improvement (street cleaning, lighting, landscaping, etc.), the executor is determined according to the competitive principle – the provisions of competition and openness apply, which subsequently increase the efficiency of the work of communal enterprises.

It is possible to strengthen the level of budgetary security of the regions as a result of: increasing the efficiency of the tax system; optimization of inter-budgetary relations; increase in tax-free funding.

Problems whose existence inhibits the process of ensuring the economic security of regions: the volume of local taxes is not so significant as to strengthen the revenue part; the amounts of the land fee and the single tax for small business entities have not been increased, which is required by the real situation; the list of sources of local budgets has not been expanded.

Capacity building is real through: self-taxation; increase of interbudgetary transfers; introduction of additional local taxes; transfer of some national taxes to the local level.

In developed countries, the distribution of budget transfers to ensure the financial security of regions is carried out as follows: as part of the annual budget of local authorities; in proportion to income; as compensation for actual expenses; using specially developed methods.

The most common budget transfers: in France – subsidies for budget expenditures and compensation of additional benefits, special subventions; in Germany – subsidies for the implementation of joint tasks and additional subsidies, targeted transfers for investment purposes; in Poland – free grants

and subventions.

The degree of independence of local authorities and self-government is determined by the ratio between tied and untied budget transfers.

Subsidies make up a significant part of local budgets, especially in infrastructure financing. The share of subsidies in the revenues of local budgets ranges from 23% in the USA to 40% in Japan.

The lack of own funds for financing the activities of local communities and the need to ensure the development of industrial and social infrastructure determine the need for credit. In foreign countries, the funds are used to finance capital expenditures. However, in recent years, municipal loans are mainly used for these purposes, which finance most of the capital expenditures of local budgets: in France – 98%, in Great Britain – 90%, in Germany, the USA and Japan – from 40 to 45%.

The experience of developed countries in ensuring the level of security of local finances can be adapted to domestic realities and administrative reform in the part of united territorial communities and contribute to the socio-economic development of regions and the equalization of their growth rates.

Let's focus on financing expenditures on cultural and historical heritage. In Ukraine, separate subventions are provided for the financing of restoration works for the most important monuments. At the same time, there are no expenses for the restoration of buildings that have historical and cultural significance as part of the general expenses for culture and art, which leads to chronic underfunding of territories in this direction.

In general, the budget system of Ukraine does not provide an adequate level of financial security for regional development. Local self-government bodies, regardless of the reform of administrative structures, do not have the opportunity to conduct a proper budget policy. The insufficiency of the own revenue part of local budgets gives rise to dependence on higher-level authorities, which has not yet been eliminated. The impossibility of conducting an independent budget policy to solve problems on the ground provokes a decrease in the authority of self-government bodies and distrust in the reformation in the part of administrative units, which, despite such efforts, still took place [21, p. 124–158].

The effectiveness of financial control is determined by the timeliness, objectivity of the results obtained, the adoption of measures to eliminate the causes, the prosecution of violators of financial discipline, and the improvement of ensuring the work of enterprises.

Control is divided into three types:

1. State – conducted by higher and local authorities, as well as special financial bodies. Operational control is carried out by the State Treasury and its bodies on the ground, final control is carried out by the Accounting Chamber.

2. Departmental – carried out by ministries and departments, economic associations of various organizational forms in relation to enterprises and organizations subordinate to them. For this purpose, control and audit services have been created in ministries, departments and local administrations. The system of departmental control includes internal financial control, which is carried out by the accounting department or other financial services of enterprises and organizations.

The procedure for conducting internal departmental control is defined in the special instruction “Some issues of the formation of structural units of internal audit and the conduct of such audits in ministries, other central bodies of executive power, their territorial bodies and budget institutions that belong to the sphere of management of ministries, other central bodies of executive power”. approved by the resolution of the Cabinet of Ministers of Ukraine.

3. Civil – performed by employees of enterprises and organizations through trade union committees, councils of labor collectives and other elected structures.

Let’s dwell on internal financial control in a little more detail. Chief accountants of enterprises have specially defined rights regarding accounting and compliance with financial discipline. They are guided by the “Regulations on the accounting service of a budget institution”, approved by the Resolution of the Cabinet of Ministers of Ukraine dated January 26, 2011, and the National accounting regulations (standard) No. 1 “General requirements for financial reporting”, approved by the Order of the Ministry of Finance of Ukraine dated February 7, 2013.

Three types of financial control are applied at enterprises in order to ensure their financial security: preliminary, current (operational) and final. The preliminary one is carried out at the beginning of the movement of funds and must ensure the legality of their use, prevention of violations of discipline. The current one is carried out during the formation of enterprise budgets (balance sheets), the real movement of funds and aims to create a mode of savings, to have timely incomes and receipts. The closing is done after the enterprises have completed the transactions to ensure that the

legality, correctness and effectiveness of the expenditure are verified.

Audits and checks of the financial and economic activities of enterprises are appointed by their management bodies and aim to verify: correctness and reliability of accounting; implementation of measures to eliminate deficiencies identified by previous supervisors; the state of the economy of the subject of economic activity; causes of non-production costs; compliance with the price policy.

In the event that the state of financial security of the enterprise exceeds the threshold value and it is unable to pay according to its obligations, the state provides the following measures to prevent bankruptcy:

- provision of financial assistance by other economic entities in exchange for the obligations of a potential debtor;
- pre-trial rehabilitation of state-owned enterprises at the expense of the state budget;
- taking timely measures to prevent bankruptcy by founders, property owners, executive authorities and local self-government bodies within their powers;
- repayment of the debtor's obligations to creditors, including for the payment of taxes, by the owners of the property of the debtor enterprise within the framework of measures to prevent bankruptcy.

Measures to ensure the financial security of the debtor enterprise are as follows: repurposing production; restructuring; closure of unprofitable units; postponement of payments or write-off of part of debts according to a settlement agreement; sale of part of the property; obligations of the investor or property owner, etc.

Restructuring of the enterprise is carried out through its reorganization, in particular: division with the transfer of debt obligations to a legal entity that is not subject to rehabilitation; a change in the form of ownership, management, organizational form, which will contribute to the financial recovery of the enterprise, increase in the volume of products in demand on the market, increase in the profitability of production and repayment of debts.

The recovery of financial and economic activity at the enterprise is carried out in accordance with the rehabilitation plan, which should provide for the satisfaction of creditors' demands, restructuring of debts and capital, and restoration of effective work [22, p. 153–181].

From the micro level, in terms of financial control, we will move to the level of the national economy of Ukraine. To date, the system has not

been finalized. The lack of unified approaches to solving the problem and weak state support resulted in the imbalance of state financial control while ensuring economic security.

Implementation of the latest achievements in the practice of control in developed countries is almost not carried out due to insufficient attention of power structures to solving the problem. The state financial control system does not provide an adequate level of financial and budgetary security, does not meet the basic requirements of the European Union. Ensuring economic security in modern conditions requires more effective control operations, which will bring the system closer to the requirements of international standards and strengthen the trust of leading states.

In most of the world's leading countries, control is carried out on behalf of parliaments. The experience of Great Britain, the Netherlands, the USA and Sweden is instructive, as their systems are simple and at the same time effective. However, it is advisable to take into account the achievements of post-Soviet and post-socialist countries, which have a historical past close to ours and, accordingly, a rather similar situation.

The Accounting Chamber, the State Fiscal Service and the State Audit Service of Ukraine have the most significant influence on the effectiveness of state financial control. These structures were, in fact, created for the purpose of solving the specified issue. For all other state organizations that are subjects of the control system, it is a secondary function and they perform many auxiliary tasks.

The main criteria for evaluating the effectiveness of the work of state control bodies are effectiveness, dynamism, intensity, economy and information provision. However, there are no clear indicators in digital terms for each of the criteria, since the system mainly performs public and warning functions.

The management mechanism in the functioning of the state financial control system to ensure the economic security of the country is the interaction of subjects and objects of control that use a number of special methods. At the same time, its activity is ensured by management mechanisms, the main of which are legal, organizational and informational mechanisms. In the functioning of each of them there are certain problems related to the imperfection of legislative and regulatory support, instability and low qualification of personnel, lack of innovative technologies.

In order to improve the legislative and regulatory mechanism, it is necessary to legitimize the principles of control activities, procedures for

preventive measures, adopt the “Code of State Financial Control”, which will define the functional purpose, principles of organization, forms and methods of its implementation.

The organizational mechanism should use a system to prevent the propensity of employees of control bodies to corruption and participation in the shadow economy, establish business relations between control employees and controlled services, create a coordination center for the systematization of results on the basis of the Accounting Chamber of Ukraine.

It should work through a single unified automated system of ensuring state financial control as a factor contributing to the economic security of the state.

The state financial control system takes an active part in state regulation of the national economy and ensuring economic security. A direct relationship is observed – the more optimal the system, the higher the level of economic security and the more significant the role of the economy in the world community.

Solving the main problems of the functioning of the domestic system of state financial control in the field of ensuring economic security is possible only through the comprehensive elimination of the shortcomings of state administration, which will ensure a synergistic effect from the combined activities in this direction [23, p. 209–213].

The emergence of United Territorial Communities (UTCs) in Ukraine, which is one of the main consequences of the long-awaited administrative reform, poses a number of important tasks of researching the applied-theoretical base, and especially practical developments in this matter.

Local financial bodies are the main link of management of local finances in general and the finances of the united territorial community as their component. At the same time, communities do not have their own financial bodies, except accounting offices, which perform the functions of financial departments and are accountable to the financial departments of district state administrations.

In this case, financial management of the UTC is carried out by the financial departments of district state administrations and community accounting departments, which carry out the formation and use of funds of financial resources in accordance with the requirements of current legislation and goals determined at the local level.

Financial departments on the ground implement state budget policy,

as well as budget decisions of local authorities and self-governments. The following tasks can be identified as the main ones:

- forecasting the financial and economic situation;
- provision of proposals for financial support of local socio-economic activities and projects;
- planning of the main indicators of territorial development;
- development of budgeting methods;
- implementation of budget policy at the local level;
- analysis of financial plans of enterprises created locally.

Accounting of UTCs is organized by local self-government bodies in accordance with the relevant state documents and serves the territory of the community, enterprises and organizations that are registered and, as a rule, functioning in it. It performs accounting, analytical, forecasting, planning and control functions, the main of which include: reliable and complete display of accounting and reporting operations; drawing up the draft community budget, estimates of its enterprises and organizations; making payments in accordance with obligations; identification and mobilization of domestic reserves; control over implementation of the community budget; planning of local budgets; analysis of financial plans of communally owned enterprises.

Planning is an important type of community activity, when the sources of financial resources and opportunities for local budget revenue accumulation, directions for the use of funds in order to ensure an acceptable level of local economic security and social development of the territory are determined.

Operational financial regulation of the activities of UTCs consists of maneuvering the resources of local budgets and tactical actions regarding the implementation of financial and budgetary relations with the aim of reducing risks and increasing social and economic efficiency.

The components of the financial mechanism, which is a set of methods and levers, as well as tools of influence, are actively used in the management of community finances. So, for example, financial regulation, financial control, financial planning, which have already been mentioned, are also components of the financial mechanism. At the same time, financial support, legislative and regulatory and informational support, incentives, sanctions, limits, reserves, standards are used in financial management.

UTCs form budgets, carry out budgetary financing of their own and delegated powers, while applying in their financial and management

activities the possibility of self-financing of the structures created by them. Leasing of real estate and land is widely used.

Communities are largely governed by state-level regulations that they cannot change. These are tax rates, salary norms, expenses of budgetary institutions, and others. However, they have the right to set rates and benefits for local taxes. Unfortunately, these taxes are almost symbolic in nature.

Timely and high-quality information is a powerful factor in the development and provision of economic security of communities. However, for this, means of its processing and transmission are necessary, which is lacking and must be improved in modern conditions.

The components of territorial development are innovations and investments. The prospects of administrative-territorial units are evaluated mainly by the share of innovative enterprises. However, innovative development is unreal without public and private capital investments.

It is necessary to activate the public-private partnership, which will contribute to solving the economic problems of communities. According to the stable “rules of the game”, state authorities, local self-government and business should participate on an equal basis in investment projects.

Business within the framework of public-private partnership at the local level is capable of investing in utility companies. In turn, for local communities, this will improve the infrastructure of housing and communal, social and transport spheres of activity.

Therefore, the public-private partnership is a tool for the development of UTCs, which allows to attract financial and other resources to the local economy, will provide new approaches to financial management and will determine the short-term and long-term directions of activities of local councils, their financial units, investors, economic entities and public organizations.

In the formation of united territorial communities, issues of financial control of their activities are especially relevant, since any important plans and decisions may not lead to the expected results due to violations committed as a result of illegal actions of responsible persons for the purpose of enrichment, which is facilitated by the general criminalization of society, the darkening of the economy and corruption at all levels.

The main violations are mostly non-compliance with tax legislation, inappropriate use of funds, deviation from the norms of methodological and other regulatory materials.

Control of the financial activity of UTCs is divided into mandatory

(external) and proactive (internal). Types of control are also distinguished depending on:

- time of holding – previous and current;
- object – budgetary, tax, property, financial;
- sources of information – documentary, factual;
- methods of implementation – audit, scheduled inspections.

The presence of the necessary resources in the local budget confirms that the community will be able to provide high-quality and necessary services to the residents of the territory, implement planned projects, create conditions for the activity of small and medium-sized businesses, ensure further programmatic development of villages or settlements based on current legislation and creative approaches.

The formation of the revenue part of the budgets of communities in Ukraine after their legislative consolidation has certain positive developments, in particular with regard to fiscal decentralization.

The first UTCs were created in 2015 in the number of 159 units, and during this period, the volume of their resources (tax revenues and payments) increased, financial independence increased, and the level of own income per resident of the community increased in all regions without exception.

The main factors due to which this happened:

- expanded sources of income;
- replacement of the income and expenditure balancing system with a new tax capacity equalization system;
- project ideas must meet the priorities of the State Fund for Regional Development;
- implementation of the financial potential of communities, etc.

UTCs have existed for a short period of time and the experience of managing their finances is practically absent. In their work, they use the development of local self-government structures from the previous period, which is not always correct and effective.

The system and methods of managing the finances of territorial communities must be developed and implemented, which should happen almost continuously and simultaneously with the development of decentralization in Ukraine [24, p. 262–340].

Recently, great hopes are placed on the financial ombudsman, which is understood as an independent person who resolves disputes between organizations that provide financial services and their clients out of court.

Most often, such disputes arise in the banking sphere, insurance, the securities market and between business structures [25].

The activities of the ombudsman are widespread in many parts of the world. Similar institutes work successfully in the countries of the European Union, USA, Great Britain, Mexico and others, in total in more than 40 countries. In Ukraine, there is no ombudsman who would resolve financial disputes. There is only the Ombudsman of the Verkhovna Rada of Ukraine for human rights, which is similar in form to the institution of the ombudsman, but performs other functions [26].

In order to protect the interests of investors regarding financial security in the state, the newly created institution should perform the following tasks and have the following powers: make recommendations on improving the legislation; to solve the problems of local self-government in matters of finance and investment in state authorities.

According to surveys, in 2015, trust in courts was only 5%. The new institute should be independent and help resolve disputes without bringing the case to court. The work of the ombudsman will cover the entire financial sector, which will have positive consequences for the economic security of the structures.

In the future, there may be an increase in the population's propensity to use financial services, which will allow attracting new customers and increasing the number of financial resources. It is expected that the level of protection of assets from threats will increase due to strict adherence to standards of activity [27, p. 14–19].

Consider some other levels of economic security. Let's start with its production component, enterprises and entrepreneurship. The revival of the Ukrainian economy is not real without small and medium-sized businesses that ensure the development of economic and social phenomena.

However, in practice, a large number of enterprises work inefficiently, at a loss, and even go bankrupt. Measures are needed to increase their safety, which must be carried out in accordance with each stage of the life cycle, the specifics of the activity, the material base, and the features of the technology. At the same time, the following principles should be taken into account: economic justification, planning, effectiveness, effective management, analysis and control [28].

For each individual case, taking into account the specifics of the enterprise and its situation, it is necessary to apply different management methods. However, there are typical problems that reduce the level of

economic security of domestic business entities, the main of which are: weak institutional and legal framework; insufficient financial security; low qualification; problems with information provision; difficulties with licensing and certification; corruption; the presence of administrative barriers.

Solving the listed problems will help maintain the economic security of entrepreneurs at the appropriate level. The main directions of strengthening economic security are given in Table 4.1 [29, p. 31–35].

Table 4.1. Areas of strengthening the economic security of small and medium-sized businesses

No.	Directions for strengthening economic security	Ways of implementation
1.	Economic	<ul style="list-style-type: none"> – creation of new types of products (services) using advanced technologies; – organization of improving the quality of the work of the company’s employees (training of personnel, professional development, material incentives); – support for inventors’ patent-licensing activities; – increasing the share of high-tech exports, participation in international projects and scientific and technical cooperation; – formation of a system of targeted financing of priority areas of scientific and technical development; – increasing financing of the innovative sphere to ensure the achievement of strategic development priorities.
2.	Institutional and legal	<ul style="list-style-type: none"> – improvement of regulatory and methodological support for monitoring and assessment of the level of economic security of the enterprise; – development of state scientific and scientific and technological organizations that will carry out effective coordination of scientific research and improvement of interaction between them.
3.	Informational and analytical	<ul style="list-style-type: none"> – formation of a system of representative indicators of economic security; – establishment of monitoring of the state of economic security and open publication of activity results; – determination of real and potential threats (risks) to economic security, planning of measures to eliminate (minimize) them; – organization of implementation and ensuring control over the implementation of measures to overcome or neutralize threats to economic security.

Source: [29], revised by the authors.

Mechanical engineering occupies a special place in the issue of economic security of the economic complex. The experience of developed countries shows that this industry itself is the basis of a high level of development and competitiveness of the country.

At the same time, the problem of Ukraine's competitiveness on world markets, including the EU market, is very difficult. Mechanical engineering remains technologically backward, metal-intensive, energy-consuming, and environmentally unacceptable.

Ukraine needs to form and further implement a national strategy for the development of the industry and ensure the appropriate level of its competitiveness on world markets. Mechanical engineering should become the "locomotive" of high-tech creative development of the country, the foundation of international integration.

Economic growth in developed countries is driven by 15% changes in the workforce, 20% by investments and 60% by new knowledge-intensive technologies. At the same time, the level of financing of scientific developments is clearly insufficient [30, p. 49]. At the same time, the formation of the competitiveness necessary to ensure economic security is a complex and dynamic process aimed at creating and realizing advantages that will provide a dominant position relative to other subjects on world markets. The main components of such work should be: improvement of the investment climate; improvement of infrastructure; development of the institutional environment; innovative activity of the enterprise; the possibility of updating technologies; assistance at the state level [31, p. 50].

Analyzing the problems of national economic security, issues of interaction with world markets, characterized by the following indicators, require special attention: export, import, as well as general trade, export and import quotas. The deepening of Ukraine's raw material specialization leads to the instability of the national economy, periodic crises, provokes a backward future, which is especially dangerous, given the narrow domestic market and the discrepancy between the needs of the population and the range of manufactured products. In addition, our state is increasingly dependent on external monopolies, has a weak level of export diversification (crop products, ferrous metals) and monopoly imports (oil, gas, some non-ferrous metals, uranium crucibles, etc.).

An analysis of the state of foreign economic security of Ukraine, a study of the dynamics of its indicators allows us to draw a conclusion about the imperfection of the state's foreign economic policy. For a long time,

almost the entire period of independence, the main threats are a high level of import dependence on one country, a negative foreign economic balance, a predominant share of imports in the domestic market, a poor quality and unstable product and geographical structure of exports, the lack of mechanical engineering products in the export. , electronic industry (in general, products of the 5th and even 4th technological order), a tiny share of products with high added value.

Improving the state of foreign economic security requires the regulatory influence of the state to stimulate export-oriented production, refocusing the economy on the production of goods, the demand for which is satisfied at the expense of imports. Supporting the integration of the domestic economy into the global world processes as a whole, especially the “EU” ones, one should combine reasonable openness with pragmatic and even protectionist actions [32, p. 430–437].

Tendencies of destabilization and stagnation in development are characteristic of countries that profess open models of the raw material economy. In Ukraine, they are observed, and on an increasingly large scale.

To a large extent, the crisis phenomena were the result of a decrease in prices on the world commodity markets and were accompanied by unsecured demand in the domestic market. In the post-crisis periods, the risks of deepening disparities immediately increased.

The reduction of state revenues, the simultaneous use of monetary means of regulating the economy by the National Bank of Ukraine led to systematic and complete underfunding of the branches of the economic complex.

In 2005, 2008–2009, and 2014–2015, there was a sharp drop in the national currency exchange rate, inflation, a decline in economic indicators, as well as changes in the political leadership of the country, in a number of cases, popular unrest and demonstrations by their active part, manifestations of instability and falling security levels in all directions.

In such situations, governments developed and implemented measures aimed at stabilizing the social sphere, while at the same time effective budgetary tools for the development of the real sector of the economy were practically not used. The budget deficit grew, budget expenditures exceeded the revenue part, interest rates on government borrowings grew, and the costs of servicing the state debt increased.

The recession became the main reason for the decrease in the level of security of the national economy, a factor that negatively affects material

conditions and the moral and psychological state of society. First of all, we are talking about the demographic situation. The qualitative and quantitative characteristics of human capital are significantly deteriorating, population depopulation is occurring at an increasingly rapid pace. Negative phenomena in the standard of living are also evidenced by poverty in cities and villages, a decrease in real wages, informal and part-time employment, a weakening of social protection, a low level of education and medical care [33, p. 29–34].

The level of security of Ukrainian industry is at the limit beyond which its complete destruction may occur. This applies to all components, but most of all to the social one. Here, the share of wages in the cost of production is extremely low, which lowers the nominal wage in industry by 6.3 times the lowest level of the European Union countries. Tinization in industry has the highest level – 126% of the official GVA (mining – 35%, processing – 139%, production of electricity, gas and water – 62%, etc.).

In the case of overcoming the mentioned obstacles, achieving the trajectory of sustainable development and an acceptable level of economic security, the industry of Ukraine can achieve stable economic growth. This path is difficult, but there is no other path for us [35, p. 20–21].

Private property is one of the main components of a market economy. However, mass privatization in Ukraine has not yet brought the expected results either in economic indicators or in the reliability and safety of privatized structures. At the same time, a sufficient level of economic security of private enterprises is a component of the country's development, especially in conditions of accelerated integration into international groups.

The functioning of private enterprises in Ukraine in terms of their economic security is characterized by: the imperfection of legislation in regulating activities; lack of real state support; narrowing of the investment base; disincentive tax system.

The specified problems intensify the aggravation of the existing ones and create new threats to the economic security of private enterprises. The main reasons are as follows:

- there is no coordination of the efforts of the state, non-state structures and entrepreneurs themselves;
- state policy is unsystematic, inconsistent, ineffective, inconsistent in its components;
- high level of corruption in government bodies;
- excessive administration in power structures;

- the private sector lacks experience in reliably confronting threats;
- limited capabilities of the enterprises themselves.

In a number of cases, the imperfection of the norms of the current legislation becomes the reason for the liquidation of private enterprises. Tendencies towards a decrease in the number of private enterprises to a certain extent testify to a decrease in the level of economic security [36, p. 61–65; 37, p. 56–58].

Regarding economic security in cross-border cooperation, at the local level it is carried out through direct contacts with organizations whose work is aimed at joint actions in the event of emergency situations through the development and implementation of projects.

Border trade, as one of the important components of cross-border cooperation, requires the definition of joint mechanisms for ensuring economic security in cooperation with border territories.

At the same time, economic security at the level of the cross-border region is created and ensured by a combination of all internal and external factors that significantly affect the socio-economic potential of the territory, its stability and stable development. To ensure the economic security of neighboring territories, international interregional projects are being developed, by implementing which, the participants will be able to jointly counter threats and find ways to solve problems that can worsen the socio-economic situation.

If we talk about the economic security of the border areas, the technological level of development and innovativeness of enterprises, transportation, border crossings, etc. are priorities here.

In order to further strengthen cross-border cooperation, bringing it from the formal level to real actions, as an option for implementation, it is advisable:

- creation of the Strategy of Economic Security of Cooperation on the basis of the Association Agreement between Ukraine and the EU;
- improvement of the legislative and regulatory framework of cooperation between the regions of Ukraine and the neighboring territories of the member states of the European Union;
- formation of a favorable investment and innovation climate;
- implementation of innovative business technologies;
- improvement of information support;
- deepening of cooperation with border services of EU countries;
- activation of foreign economic activity;

– granting of powers to state authorities at the local level [38, p. 102–103].

The agricultural sector occupies a special place in ensuring food and economic security of the state. Rapid changes in the global space, innovative trends in the development of the world economy, and the urgency of food supply issues compel increased attention to the development of domestic agriculture.

In the context of the integration policy of our country, the importance of the development of the agricultural industry is of strategic importance. The industry is life-sustaining, without its products, the population cannot exist. Therefore, state regulation in it, which is used by most countries with a market economy, has its own characteristics.

At the same time, various methods and mechanisms are used to create favorable conditions for the realization of the potential of the agricultural sector and the development of rural areas and their communities [39, p. 100–105].

The formation of economic security of food industry enterprises is influenced by numerous external and internal factors that lead to risks in their financial and economic activities. In order to effectively ensure economic security, the state needs to use a systematic approach that involves taking into account the conditions and factors for improving work, which combines the interaction of three blocks: theoretical principles of ensuring the economic security of enterprises; practical prerequisites for implementation; implementation of measures and monitoring.

The use of the mechanism by the state, as well as the activities in this direction of the enterprises themselves, will allow solving the problems of sustainability, competitiveness in the domestic and foreign markets of food industry enterprises, improving the employment of the population, etc. [45, p. 26–27].

The implementation of the achievements of the world experience of state regulation of the economic security of rural areas minimizes economic risks, mitigates the shortcomings of the market mechanism and some management decisions, and predicts the future situation. At the same time, a set of means of leveling the negative impact of threats is implemented and the optimal options for structural changes in rural areas are chosen on the path of stability, economic growth and improvement of the well-being of local residents [41, p. 20].

The shadow economy has deeply penetrated the main spheres of our

country's life. It covers more and more industries and businesses, and grows with corruption. Today, we have a situation where more than half of the economic processes take place in the "shadow", giving nothing to the budget, the social sphere, or the Pension Fund, and at the same time taking advantage of the benefits and incentives of the state, doing it either officially or with the help of illegal methods. There is no greater threat to the economic security of Ukraine. Moreover, it is impossible to overcome the shadow economy through the use of force or financial methods, or at least to weaken it.

It is necessary to develop at the state level a methodology aimed at the elimination, and at the first stage at least containment, of the factors and reasons for its development. At the same time, we must take into account that not only representatives of the criminal world operate in the shadow economy, but also ordinary people who did not get the opportunity to earn a living in their country, observing all the rules established by the law.

To effectively combat the shadow economy, it is necessary to establish its quantitative indicators. It is advisable to divide measurement methods into two main groups: determination of quantitative indicators at the macro level; the same indicators at the micro level. Types of measurement methods are listed in Table 4.2.

Table 4.2. Methods of measuring the shadow economy

Macro-level methods	Economic and legal methods	Method of economic analysis
		The method of documentary analysis
		Method of accounting analysis
	Control methods	Method of economic control
		The method of financial control
		Method of social control
Micro-level methods	Accounting and statistical methods	The method of using specific indicators
		Structural method
		The method of determining determinants
		Expert method
		Mixed method

Source: [45, p. 27], revised by the authors.

Micro-level methods are based on the collection of information through special surveys and their analysis. They make it possible to study the structure of the shadow economy using statistical data. Their main drawback is the underestimation of figures due to the deliberate concealment of information by respondents [42].

Macroeconomic methods are divided into economic and legal and control methods. Economic and legal ones are used in legal practice, in operational and investigative activities, criminal and civil processes, etc. Control methods include tax, bank, and currency checks, as well as the work of the Antimonopoly Committee, sanitation stations, fire services, etc. They are aimed at ensuring the most complete detection of shadow processes, studying patterns [43]; [44].

Macroeconomic methods are more informative: they reveal what is not included in official statistics, such as hidden production and other types of economic activity that are not included in GDP and, accordingly, clearly underestimate this indicator.

If the micro-level analyzes will have a comprehensive nature and at the same time (which is hard to believe) will cover the entire country, the results we will get can also be considered macro-level.

Having a negative impact on economic results and political stability, the shadow economy is a huge threat to economic security, destroying the state due to the following factors: the tax base is shrinking; the revenue part of the budget decreases; more and more entrepreneurs fall under the influence of shadow structures; “shadow” power penetrates into the legal spheres of the economy and social life; official statistics cannot be the basis for plans, forecasts, programs; taxes are not collected from the shadow business; social tension that arises as a result of the actions of the “shadow” government can lead to unpredictable consequences [45, p. 27–30].

Summarizing the results of this study and using our work and the publications of other authors indicated in it, we note that the main tasks of economic security include reducing the budget deficit, forming an effective structure of the economy, maintaining economic growth, raising the standard of living of the population, reducing the state debt, reducing the unemployment, compliance with inflation in generally accepted norms, stability of the national currency.

The main components of economic security are economic independence, stability, sustainability, and the ability to innovate.

A threat to economic security is a set of conditions and factors that endanger the vital interests of the individual, society, and the state, and make it impossible or difficult to realize national economic interests.

Internal threats in the economy are a high level of unemployment, insufficient solvent demand of the population, the probability of the country losing its food independence, mass tax evasion, the diminution of the

economy, monopolization, an increase in structural disparities in the economic complex, a reduction in production volumes, low investment and innovation activity, inflationary processes.

The main external threats: negative foreign economic balance, growth of foreign debt, uncontrolled outflow of currency capital abroad, raw material orientation of exports, economic dependence on certain types of imported raw materials.

Factors of scientific and technical, social and other types of security are no less serious threats [46, p. 207–208]. All these components require a separate detailed study and practical response in terms of measures of a business and especially state nature.

Some materials and proposals of this direction are provided in the study.

Conclusions.

1. Economic security is a combination of economic, geopolitical, environmental, legal and other factors that ensure decent living conditions and sustainable human development, the country's competitiveness on world markets, the stability of the financial situation, the protection of vital interests, survival in crisis conditions, the creation of internal immunity and protection against destabilizing actions.

2. The most important thing for our country in terms of security is dynamic and forward-looking relations with the European Union. However, they cannot solve all problems by themselves. It is necessary to take measures to improve macroeconomic indicators, such as increasing exports, rationalizing imports, attracting direct foreign investment, legalizing and including shadow capital in banking.

3. Ukraine, without changing the vector of its development, will fall into the group of outsider countries unable to ensure the competitiveness of the national economy, create a mechanism for protection against external globalization threats, and as a result will find itself in a position of prolonged macroeconomic stagnation.

4. The deterioration of Ukraine's financial security is a consequence of the chronic deficit of the state and local budgets, the growth of the state debt, the strengthening of the social stratification of society due to the influence of the external environment and internal problems in the financial sphere.

5. It is necessary to apply the tools of the financial mechanism of ensuring economic security by establishing quantitative limiting indicators

(fiscal rules) – budget deficit, the amount of income and expenses, the same level of debt, etc., with the aim of achieving the following results: to ensure the long-term balance of fiscal policy; increase confidence in government actions; reduce the likelihood of dangerous situations; get stable growth.

6. Mechanical engineering, small and medium-sized business, food industry based on agriculture should become the leading branch of high-tech creative development of the country on an innovative basis.

7. Supporting the integration of the domestic economy into global world processes, reasonable openness should be combined with pragmatic, and even protectionist, actions.

8. It is necessary to develop at the state level a system aimed at liquidation, and at the first stage at least containment of the factors and causes of the development of the shadow economy as the main problem of economic security. At the same time, we must take into account that not only representatives of the criminal world operate in it, but also ordinary people who in their state did not get the opportunity to earn a living, observing all the rules established by the law.

References

1. Lyashenko, O. M. (2015). Conceptualization of management of economic security of the enterprise. Kyiv: NISD. Retrieved from <https://cutt.ly/U1ZhHPV> (Last accessed: 20.12.2022)
2. Shostak, L. B., & Sigayov, L. Y. (2017). Economic security of Ukraine in the context of European integration processes. *Formation of market relations in Ukraine*, (4), 3–14.
3. Tymoshenko, O. V. (2016). The use of an integral model for evaluating the economic model of the state and its main functional components. *Actual problems of the economy*, (9), 95–108.
4. Concept (fundamentals of state policy) of national security of Ukraine (1997). *Information of the Verkhovna Rada of Ukraine*. Retrieved from <https://cutt.ly/41ZjfOE> (Last accessed: 20.12.2022)
5. Moiseenko, E. G. (2003). Regional economic security: theory, methodology, modeling: monograph. Minsk: Academy of Management under the President of the Republic of Belarus.
6. Belov, O. F. Economic security of Ukraine: priorities and mechanisms of provision. Retrieved from www.niss.gov.ua/book/belov/6.html (Last accessed: 20.12.2022)
7. Tymoshenko, O. V. (2016). The system of economic security of the national economy and the complex mechanism of its provision. *Scientific Bulletin of the International Humanitarian University*, (18), 56–61.
8. Shevchenko, L. S. (Ed.), Hrytsenko, O. A., & Makuha, S. M. (2009). Economic security of the state: the essence and directions of formation. Kharkiv: Pravo.
9. Nikolayenko, Y. V., & Shilov, T. A. (2016). Peculiarities of the mechanism of regulation of economic security of the national economy. *Investments: Practice*

- and Experience*, (22), 80–83.
10. Varnaliy, Z. S. (Ed.), Melnyk, P. V., Tarangul, L. L., Libanova, E. M., Kirylenko, V. I. (2009). *Economic security*. Kyiv: Znannia.
 11. Yankovets, T. M. (2015). Interrelationship of potential, economic security and development of economic systems. *Actual Problems of the Economy*, (9), 66–73.
 12. Savchenko, V. F., Stoyka, V. O., & Stoyka, S. O. (2018). Theoretical and practical components of economic security in Ukraine. *Scientific Bulletin of Polissya*, 2(14), 16–21.
 13. Rogovy, A. V. (2017). *Economic security: determinants of provision in conditions of cyclical economy*. Kyiv: “Condor” Publishing House.
 14. Savchenko, V. F., Stoyka, V. O., Stoyka, S. O. (2018). Economic security as a factor of stable development of the state. *Economie’s Horizons*, (3), 137–144.
 15. Lukyanenko, D. Chuzhikova, V., Vozhniak, M. (2010). *Convergence of economic models of Poland and Ukraine*. Kyiv: KNEU.
 16. Rozhko, O. D. (2016). *State finances: determinants and development priorities*. Kyiv: Lira-K Publishing House.
 17. Melnychuk, N. Yu. (2018). *Budget management and its state regulation: determinants and development priorities*. Uman: Sochinsky M. M. Publisher.
 18. Zhurba, O. M. (2017). The place of currency and exchange rate policy in the mechanism of ensuring the economic security of the state. *Black Sea Economic Studies*, (22), 10–16.
 19. Nikolayenko, Yu. V. (2016). The essence and main functions of the system of state regulation of financial security of the banking sector of Ukraine. *State and region*, 2(54), 77–82.
 20. Halytskyi, O.M. (2017). Theoretical and methodological concepts of the development of the mechanism of state regulation of agricultural production in Ukraine. Nikopol: “Dominant” LLC.
 21. Kurmaev, P. Yu. (2010). *Organizational and economic mechanism of regional development regulation*. Uman: PP Zhovtyy.
 22. Melnyk, P. I. (2015). *Finances of enterprises in market conditions*. Chernihiv: ChNTU.
 23. Sydorenko, O. M. Key shortcomings of the functioning of the organizational management mechanism in the work of the state financial control system of Ukraine. (2014). *Bulletin of the Chernihiv State University of Technology. Series “Economic Sciences”*, 2(74), 208–214.
 24. Shchur, R. I. (2019). *Finances of united territorial communities in the conditions of decentralization in Ukraine*. Ternopil: Yu. V Osavtsa.
 25. Zachosova, N. V. (2016). Introduction of the Institute of the Financial Ombudsman in Ukraine: Probable Consequences for the Economic Security of Financial Institutions. *Academic review*, (1), 80–85.
 26. Is there a need for a financial ombudsman institute? Retrieved from <https://cutt.ly/51ZYrmv> (Last accessed: 20.12.2022)
 27. Klymenko, K. V., & Melnyk, V. V. (2016). Introduction of the institution of the ombudsman for finances and investments in the context of ensuring the appropriate level of financial security. *Investments: Practice and Experience*, (18), 14–19.
 28. Boykevich, O. R. (2011). *Strategic priorities and means of strengthening the economic security of a trade enterprise: Abstract of the dissertation for the degree*

- of candidate of economic sciences, specialty 08.00.04. Lviv.
29. Denysenko, M. P., & Kolisnichenko, P. T. (2017). Priority directions for strengthening economic security. *Economy and the State*, (3), 31–35.
 30. Bludova, T. V., & Ostrovska, M. S. (2017). The influence of innovations on the economic security of the state in the context of the machine-building industry. *Formation of Market Relations in Ukraine*, (11), 48–55.
 31. Parizkyi, V. (2017). Competitiveness of the national economy as a determining criterion of innovative and technological development of the economy of Ukraine. *Economy and the state*, 23, 47–50.
 32. Penska, I. O., & Dakhnova, O. E. (2016). Forecasting the state of foreign economic security of Ukraine. *Actual Problems of the Economy*, (8), 430–438.
 33. Yefimenko, T. I. (2018). System of management of state finances of Ukraine: problems of economic security. *Ukraine Economy*, (11–12), 28–46.
 34. Bossel H. (1999). Indicators for sustainable development: Theory, method, applications. Winnipeg: International Institute for Sustainable Development.
 35. Kharazishvili, Y. M., & Lyashenko, V. I. (2017). Assessment problems and integral indices of sustainable development of the industry of Ukraine from the standpoint of economic security. *Ukraine Economy*, (2), 3–23.
 36. Blakyta, G. V., Melnyk, V. V., & Purdenko, O. A. (2018). Economic security of private enterprises. *Ukraine Economy*, (9), 60–73.
 37. Musienko, V. D., & Dmytriv, A. V. (2017). Management of economic security of the economic entity in the conditions of innovative development. *Formation of Market Relations in Ukraine*, (11), 55–59.
 38. Zarichna, O. V. (2018). Economic security in the context of the development of cross-border cooperation: problems and prospects. *Formation of Market Relations in Ukraine*, (5), 98–103
 39. Grigorenko, Ya. O. (2016). Peculiarities of state regulation of the agrarian sector in the context of ensuring the economic security of the state. *Economy of Agro-Industrial Complex*, (7), 100–106.
 40. Vasylchak, S. V., Dubina, M. P., Vivcharuk, O. M., & Petrynyak, U. Ya. (2018). Formation of economic security of food industry enterprises. *Formation of Market Relations in Ukraine*, (5), 63–69.
 41. Vasiltsiv, T. G., & Boyko, V. V. (2016). The world experience of the development of rural areas in the context of the state policy of ensuring economic security. *Scientific Bulletin of Polissya*, 3(7), 15–21.
 42. Varnaliy, Z. S. (Ed.) (2006). Shadow economy: essence, features and ways of legalization. Kyiv: NISD. Retrieved from <https://cutt.ly/H1ZGag1> (Last accessed: 20.12.2022)
 43. Vasylenko, Yu. V. (2008). Something about the shadow economy of Ukraine. Kyiv.
 44. Mazur, I. (2006). Detinization of the economy of Ukraine: theory and practice. Kyiv: VPC “Kyiv University”.
 45. Pylypenko, O. O. (2016). Shadow economy in Ukraine: causes, methods of measurement and factors of negative impact on economic security. *Economy. Finances. Right*, (9), 27–31.
 46. Savchenko, V. F. (2011). National Economy. Kyiv: Znannia.

CONCLUSIONS

The results of scientific and practical research presented in the monograph made it possible to study and improve the characteristics of certain aspects of the accounting and analytical support of economic activity in the conditions of martial law:

1. Increasing the requirements for the quality of financial statements requires constant improvement of the process of accounting automation, since when providing information in the form of “outdated” forms and methods of display there is no way to achieve the necessary analyticality, timeliness, completeness and flexibility of accounting information. Therefore, the process of automation of accounting of agricultural enterprises requires constant improvement. One of the ways to improve accounting for payments with buyers and debtors at Agro-Astra LLC is the automation of accounting using M.E.Doc. The study revealed new directions in the development of an automated form of accounting of payments, taking into account the basic technological operations of processing documents and tasks arising from the need to ensure the completeness, timeliness and optimality of decision-making. An important aspect is to expand the capabilities of information systems by creating a regulatory fund for internal management needs of the enterprise.

2. The existing competition in the market requires ensuring the need to build an effective cost management system. Implementation of the assigned task is entrusted to a competently organized system of management accounting. Modern business conditions require an increase in the efficiency of management of costs and revenues, which in future accounting periods will shape the financial results of enterprises. To implement management at a high level, the issue of methodical, organizational and information support arises, which, as you know, is the prerogative of the accounting, analysis and control system.

3. In the conducted research, a theoretical generalization of the definition of the essence of accounting and analysis of income and expenses of future periods in the management system was carried out and directions for their improvement were proposed. Therefore, the following conclusions can be drawn:

Expenses and income of future periods differ both in terms of the economic content of economic transactions and in terms of their recognition in expenses and income of the reporting period, that is, they can be both

current and long-term, and therefore it is appropriate to reflect the expenses of future periods as part of non-current and current assets, revenues are part of long-term and current liabilities.

4. It was found that no regulatory document in Ukraine regulates such an economic category as income or expenses of future periods, but is only their component, due to which difficulties may arise in the accounting of these incomes and expenses at the enterprise. The composition and structure of this economic category are quite diverse and have their own peculiarities reflected in accounting. It was found that control over these incomes and expenses is quite important, because they serve as an economic lever for adjusting incomes, cost and financial results of the enterprise in the reporting period.

5. In the course of the study, it was established that, despite the legislative regulation of the inclusion of expenses of future periods in the composition of current assets, it is necessary to divide such expenses into short-term and long-term, and to reflect the latter in the composition of non-current assets. It is important to establish clear criteria at the enterprise for assigning costs to future or current and distinguishing costs of future periods and receivables. Given the lack of regulation of this issue at the legislative level, PjSC “Concern Khliprom” should choose or independently develop such a method that will most accurately correlate incurred expenses with received income.

6. In order to correctly allocate expenses and income of future periods, it is necessary to create a separate document in which to indicate justified terms and methods of their write-off or use components of accounting software with a module that reflects the movement of income and expenses of future periods in a certain period. “Kaizen costing” is a modern concept of cost management, which ensures a gradual and planned reduction of the cost price at all stages of the production process. The main prerequisite for the introduction of this method is a high level of development of corporate culture and staff motivation, since it is the employees who should be interested in finding ways to optimize costs.

At the same time, the main competitive advantages of the method are long-term orientation and the absence of the need for significant capital investments. Thus, the “kaizen-costing” method has broad prospects for development at domestic enterprises, as it provides a multi-vector improvement of the economic activity of enterprises and increases their competitiveness, without requiring large investments.

7. Therefore, on the basis of the conducted critical assessment, it was found that at this stage of the development of economic relations, the accounting, analysis and control of costs and revenues of future periods do not take into account the requirements set by the management system for them. The imperfection of the organization and methodology of accounting, analysis and control of these objects causes the loss of part of the information, content and purpose, distortion of the essence, reduction of credibility, impossibility of research and management. Therefore, scientifically based solutions to these problems are a prerequisite for improving the state of accounting, analysis and control of costs and revenues of future periods, the introduction of which at Concern Khliprom PjSC will significantly increase the efficiency of management.

8. The smooth operation of the enterprise depends on the efficiency of the organization of accounting and the debugging of information flows in order to satisfy the requests of internal and external users. This, in turn, requires constant improvement of financial and management accounting, including accounting of income, expenses of the enterprise, and activity results.

9. In the conditions of the market economy and the independent activity of domestic enterprises, there is an objective need to determine ways and measures to maximize income from sales. In these conditions, each enterprise must ensure the prospect of its further existence through an effective system of effective management of the process of generating, distributing and using revenue from sales.

10. The problem of accounting for income, expenses and financial results is very relevant, there are many views of scientists regarding its solution. However, in most agricultural enterprises, the organization of accounting for income and expenses is carried out on the basis of accounting principles and standards. Financial results are determined by subtracting expenses from income. And this is the basis for determining the results of activities not only in crop and livestock production, but also in all sectors of agricultural production.

11. In today's realities of the functioning of the domestic economy, agricultural enterprises are characterized by unstable trends, which are mainly caused by the difficult economic situation in the country, the consequences of the global economic crisis, constant changes in the legislative framework, limited bank lending to business entities, low level of competitiveness and innovative development.

12. The analysis of financial performance summarizes the list of actions aimed at studying the results of the enterprise's activities for a certain period of time, in order to determine the efficiency of the use of all resources, identify possible shortcomings in the management of this enterprise and provide the necessary management information for operational management to improve the performance of the enterprise.

13. In the current economic conditions, which require agricultural producers to ensure their own financial stability, in a not very stable situation in the country's economy, any enterprise seeks to maximize its own financial results, which leads to the need for their qualitative analysis in order to identify reserves for growth in their volumes. in future.

The financial activity of the enterprise should be aimed at ensuring the systematic receipt and effective use of financial resources, compliance with settlement and credit discipline, achieving a rational ratio of own and borrowed funds, financial stability for the effective functioning of the enterprise.

14. Thus, the value of future financial results of agricultural enterprises is influenced by economic, political, market, foreign economic and other factors, as well as the forces of nature (climate, weather conditions, etc.), which significantly increases the risk of losses for the enterprise. When organizing accounting, one should take into account cash results and probable reserves to cover them. That is why the analysis of the financial and economic activities of agricultural enterprises is a necessary condition for the effective management of their income and expenses in order to increase profits and increase profitability. The future activity of the enterprise depends on how well the analysis of financial results is carried out, the main factors providing it are determined.

15. Economic security is a combination of economic, geopolitical, environmental, legal and other factors that ensure decent living conditions and sustainable human development, the country's competitiveness on world markets, the stability of the financial situation, the protection of vital interests, survival in crisis conditions, the creation of internal immunity and protection against destabilizing actions.

16. The most important thing for our country in terms of security is dynamic and forward-looking relations with the European Union. However, they cannot solve all problems by themselves. It is necessary to take measures to improve macroeconomic indicators, such as increasing exports,

rationalizing imports, attracting direct foreign investment, legalizing and including shadow capital in banking.

17. Ukraine, without changing the vector of its development, will fall into the group of outsider countries unable to ensure the competitiveness of the national economy, create a mechanism for protection against external globalization threats, and as a result will find itself in a position of prolonged macroeconomic stagnation.

18. The deterioration of Ukraine's financial security is a consequence of the chronic deficit of the state and local budgets, the growth of the state debt, the strengthening of the social stratification of society due to the influence of the external environment and internal problems in the financial sphere.

19. It is necessary to apply the tools of the financial mechanism of ensuring economic security by establishing quantitative limiting indicators (fiscal rules) – budget deficit, the amount of income and expenses, the same level of debt, etc., with the aim of achieving the following results: to ensure the long-term balance of fiscal policy; increase confidence in government actions; reduce the likelihood of dangerous situations; get stable growth.

20. Mechanical engineering, small and medium-sized business, food industry based on agriculture should become the leading branch of high-tech creative development of the country on an innovative basis. Supporting the integration of the domestic economy into global world processes, reasonable openness should be combined with pragmatic, and even protectionist, actions.

21. It is necessary to develop at the state level a system aimed at liquidation, and at the first stage at least containment of the factors and causes of the development of the shadow economy as the main problem of economic security. At the same time, we must take into account that not only representatives of the criminal world operate in it, but also ordinary people who in their state did not get the opportunity to earn a living, observing all the rules established by the law.

Scientific Publication

ACCOUNTING AND ANALYTICAL SUPPORT OF ENTREPRENEURS' BUSINESS ACTIVITIES

Collective monograph

Edited by
Maksym Slatvinskyi

The authors are responsible for the accuracy of translations, facts, quotations, proper names, place names, companies, organisations, institutions and other information.

No part of this eBook may be reproduced or transmitted in any form or by any means, electronic, mechanical, recording, or otherwise, without written consent from the Publisher.

The publication is available in electronic version on the website:
<https://www.oktanprint.cz/p/accounting-and-analytical-support>

The publication is assigned with a DOI number: <https://doi.org/10.46489/aaasoeb23-07>

ISBN: 978-80-88618-03-4 (e-book)

Passed for printing 30.12.2022
Circulation 380 copies
Cover design: Maksym Slatvinskyi

OKTAN PRINT s.r.o.
5. května 1323/9, Praha 4, 140 00
www.oktanprint.cz
tel.: +420 770 626 166
jako svou 144. publikací
Vydání první